| Regulatory Policy Committee | **OPINION** | |
|---|---|---|
| **Impact Assessment (IA)** | Alternative Investors Fund Managers Directive | |
| **Lead Department/Agency** | HM Treasury | |
| **Stage** | Consultation | |
| **Origin** | European | |
| **IA Number** | Not provided | |
| **Date submitted to RPC** | 21/12/2012 | |
| **RPC Opinion date and reference** | 10/01/2013 | RPC12-HMT-1674(2) |
| **Overall Assessment** | **GREEN** | |

The key points raised in our Opinion of 17 December 2012 have been addressed. HM Treasury has identified and scored the 'gold-plated' elements of the proposal as in scope of OIOO in accordance with the current "OIOO Methodology".

**Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options**

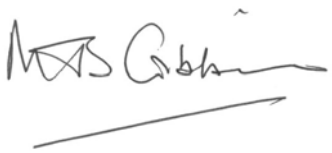
The costs and benefits of the proposal have been adequately assessed for this stage of policy development. The Department will need to use the consultation process to strengthen the estimates of the costs. In addition, the Department should, where possible, attempt to produce quantified estimates of the benefits.

**Have the necessary burden reductions required by One-in, One-out been identified and are they robust?**

The IA states that the majority of the proposals are out of scope of 'One-In One-Out' as they deal with financial systemic risk. In addition, the proposals are EU-derived, although the preferred option is to go beyond EU minima by failing to take up all available derogations ('gold-plating').

Whilst the majority of the proposed measures appear to deal with financial systemic risk, the Department's preferred approach is to apply the requirements of these regulations to sub-threshold Alternative Investment Fund Managers (AIFMs). As failing to derogate goes beyond minimum EU requirements, this element of the proposal has been scored as an IN. This appears to be consistent with the current "OIOO Methodology" (paragraph 22).

The evidence supporting the estimated EANCB will have to be further strengthened so that it can be validated at final stage.

**Signed**  **Michael Gibbons,** Chairman