

17 February 2025

ESMA Publishes Its Common Supervisory Action (“CSA”) for 2025

1. Background and Scope

On 14 February 2025 the European Securities Market Authority (“ESMA”) has [launched](#) a Common Supervisory Action (“CSA”) on Compliance and Internal Audit Functions.

The CSA will be conducted throughout 2025 and aims to assess to what extent UCITS Management Companies and Alternative Investment Fund Managers (“AIFMs”), including self-managed structures (hereunder collectively referred to as “fund managers”) have established effective compliance and internal audit functions with the adequate staffing, authority, knowledge and expertise to perform their duties under the AIFMD and UCITS Directive.

The focus is primarily on, but not limited to, the following legal provisions:

- UCITS management companies with Articles 9-11 of [Commission Directive \(EU\) 2010/43](#); and
- AIFMs with Articles 60-62 of the [Commission Delegated Regulation \(EU\) 231/2013](#).

2. Next Steps

The MFSA will be participating in the ESMA CSA, which will be carried out in two phases:

- a) a self-assessment questionnaire to be completed by a selected sample of AIFMs and UCITS Mancos; and
- b) follow-up supervisory meetings based on the responses submitted in the questionnaire.

The MFSA will be reaching out to the selected sample directly.

3. Contacts

Any queries in relation to this Circular are to be addressed to funds@mfsa.mt.