

# Arendt Toolbox for fund marketing communications

## Focus on fund marketing communications

Marketing communications – such as factsheets, websites, presentations, press releases, social media advertising or radio spots – are among the main communication tools that funds and asset managers can use to increase the visibility of their products and make them stand out from the competition. Before the Cross-Border Distribution Fund Regulation came into force in August 2021, the issuers of such communications were generally free to present their products as they saw fit (sometimes at the expense of investor protection), with little restriction of the content at EU level. Now, however, Article 4 of this regulation imposes new rules for marketing communications.

As a result, the regulatory framework in this area is being strengthened with EU-wide guidance such as the “ESMA Guidelines on marketing communications”, applicable since February 2022, and the Luxembourg guidance issued in September 2022 by CSSF in its FAQ “Cross Border Distribution of Funds – Guidance on marketing communications”. Regulators now scrutinise marketing communications pre- or post-dissemination, assess their compliance with the rules and verify that issuers have certain internal procedures and processes in place for issuing them.



## Who is concerned?

Investment Fund Managers of Luxembourg and foreign-domiciled regulated and unregulated funds (UCITS, AIFs, etc.) distributed in Europe that address marketing communications to current and potential investors of any kind (retail, professional, etc.).

Funds and their board members should take account of the new regulations on marketing communications and ensure that their IFMs do the same.

## Can you be sure of your compliance?

- 1 Positively identify all fund marketing communications and include appropriate references and disclaimers
- 2 Never highlight potential benefits of an investment service or financial instrument without also representing relevant risks prominently and fairly
- 3 Ensure that fund marketing communications are fair, clear, not misleading, up to date and contain the appropriate disclosures
- 4 Do not make past performance the most prominent feature of a communication
- 5 Clearly state the reference period and source of information
- 6 Include appropriate performance information covering at least 5 or 10 years (depending on fund type), based on full 12-month periods
- 7 Highlight the availability of a prospectus and KID/KIID, stating where and in which languages current and potential investors can obtain them
- 8 Do not use the name of any competent authority in a manner suggesting that it has endorsed the product
- 9 Maintain sound governance and internal organisational processes to ensure marketing communications compliance

## Our solutions at a glance

You can achieve organisational and review processes that control marketing communications efficiently and in good time. Our team devoted to marketing communications compliance has long-standing experience in this field. We can help you develop and formalise sustainable practices to guarantee the compliance of any type of marketing communication. Our services include:

- ✓ Identification and review of marketing communications (identification of main problem areas, amendment, etc.)
- ✓ Workshops (Do & Don'ts and case studies)
- ✓ Provision of compliance checklist to assist in the creation of compliant communications
- ✓ Tailored advice, hotline accessible to your marketing team
- ✓ Assistance with policies, procedures and processes applied by internal control functions in relation to marketing communications

## Arendt Marketing Communications Group

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