

Snapshot Public Affairs Programme Overview

INREV informs European policy makers about the role and importance of non-listed real estate investment to the European economy through a dedicated Brussels-based public affairs team. The team in Brussels also provides input regarding the potential impacts of policy and regulatory initiatives on non-listed real estate investment while keeping INREV members informed about the potential implications of policy and regulatory initiatives.

For more information, see:

- [Real Estate in the Real Economy 2018](#)
- [Infrastructure and Real Estate: Long Term Investments Building Europe's Future](#)
- [Vital, liveable cities made possible through real estate investment](#)
- [Commercial Real Estate Debt in the European Economy](#)
- [Real Estate as a Long-term Investment](#)
- [Five Real Estate Myths and Facts](#)

AIFMD

Description

The Alternative Investment Fund Managers Directive (AIFMD) regulates managers of alternative investment funds (AIFs) under a harmonised EU regulatory scheme, distinguishing between managers (AIFMs) domiciled in the EU and non-EU domiciled AIFMs.

For INREV members, some of the major issues regarding the directive are unlimited liability for external valuers and member states 'gold plating' requirements related to obtaining or exercising passport authority, including imposing excessive fees and add-on requirements. In addition, inconsistent definitions of important concepts such as 'professional investor', 'material change' and 'marketing' are obstacles to the smooth functioning of the passporting system.

On-going actions/next steps

Following a full-scale review of the Directive by KPMG in 2018, revisions will be considered. INREV, aligning its arguments with other industry associations, hopes to influence the conclusions reached in both the review and the Commission's determination of what changes should be made.

AIFMD figures prominently in nearly all training courses and relevant events as well as in INREV communications.

For more information, see:

- [INREV Response to KPMG Survey on AIFMD](#)
- [AIFMD Reference Guide](#)
- [Impact of Regulatory Compliance on Non-Listed Real Estate Survey](#)
- [AIFMD Briefing calls](#)
- [AIFMD webinars](#)
- [Cross-border distribution of collective investment funds](#)

Brexit

Description

The UK's decision to leave the EU in 2019 raises a whole range of issues, including how INREV members will be impacted. INREV is working together with other real estate and financial sector associations to inform negotiators about potential disruptions caused by Brexit. We are also informing our members about these impacts and the steps that can be taken to mitigate them.

In response to the risk of a hard Brexit, INREV issued a high-level statement urging negotiators on both sides to avoid a cliff edge and to ensure free movement of capital and workers in our industry. A large number of real estate associations signed on to a very similar statement that reflects a unified real estate industry view on Brexit. INREV has also pulled together a Brexit Focus group.

On-going actions/next steps

Brexit figures prominently in nearly all training courses and relevant events as well as in INREV communications.

For more information, see:

- [The impact of a hard Brexit on non-listed indirect real estate investment](#)
- [Industry Guiding Principles for future EU-UK Relations](#)
- [Tax related impacts of a hard Brexit on non-listed real estate investment](#)
- [The impact of a hard Brexit on non-listed real estate investments - Briefing call](#)
- [Tax-related implications of a hard-Brexit - Briefing call](#)

Anti-Tax Avoidance Directive (ATAD)

Description

In order to provide for a comprehensive framework of anti-abuse measures, the Anti-Tax Avoidance Directive came into effect on 1 January 2019. It creates a minimum level of protection against corporate tax avoidance throughout the EU, while ensuring a fairer and more stable environment for businesses.

On-going action/next steps

INREV was active in following the Directive and ATAD-related issues are included in INREV training courses and events, particularly the Tax Roundtable each autumn.

For more information, see:

- [Tax and Regulations Guide](#)
- [Tax Briefing calls](#)

Solvency II Directive

Description

The Solvency II Directive creates a single market for insurance services in Europe and harmonises the capital adequacy requirements of European insurers. Solvency II seeks to guarantee that insurers can meet obligations to policyholders with 99.5% probability, even in case of extreme market downturns, which is achieved in part through a capital reserve requirement.

On-going actions/next steps

Research sponsored by INREV and other associations shows that the Solvency II standard model SCR for real estate does not reflect the actual volatility of real estate investment across Europe. This fact has been raised in meetings with policy makers in the European Parliament, Commission and Council, as well as EIOPA (European Insurance and Occupational Pensions Authority). It has also been addressed in all INREV's relevant regulatory consultation responses, including the Capital Markets Union, which is focused on removing obstacles created by EU financial regulations and increasing long-term investment in Europe. INREV is actively taking steps to ensure that policy makers include the results of the 2017 research update in their 2020 review of Solvency II.

Solvency II figures prominently in nearly all training courses and relevant events as well as in INREV communications.

For more information, see:

- [Real Estate Investment under Solvency II - Snapshot](#)
- [MSCI Real Estate Solvency II Update Report](#)
- [Solvency II webinars](#)

MIFID II

Description

The EU Markets in Financial Instruments Directive II came into effect in January 2018. Although designed to regulate services provided to retail investors, under the directive, the activities of many fund managers serving institutional investors in Europe are subject to far-reaching new requirements; most important for INREV members are requirements concerning reporting detailed information on costs and charges, suitability determinations and recording discussions.

On-going actions/next steps

In meetings with ESMA, INREV has raised the issue that the directive inadvertently sweeps up some activities of AIFMs that were seemingly not intended to fall within the scope. This issue, along with clarifying how the regulation's requirements must be implemented, are focus of on-going INREV efforts.

MIFID II figures prominently in nearly all training courses and relevant events as well as in INREV communications.

For more information, see:

- [MIFID II Briefing call](#)
- [MIFID II webinar](#)

EMIR

Description

The European Market Infrastructure Regulation (EMIR) imposes requirements related to derivatives entered into by financial businesses, including ordinary interest rate and currency swaps commonly used by real estate investors and managers. Such requirements can include derivatives being required to be entered into through a central counterparty and being subject to cash collateral posting and reporting to regulators.

On-going actions/next steps

EMIR has been reviewed. INREV was actively working to eliminate burdens including liability for errors in reporting that has been delegated to counterparties and the 2019 EMIR Refit removed the single-sided reporting obligation for Non-Financial Counterparties (NFCs).

For more information, see:

- [EMIR Consultations Responses](#)
- [EMIR REFIT Briefing call](#)
- [EMIR Webinar](#)
- [EMIR Refit final text](#)

European Real Estate Forum (EREF)

Description

The European Real Estate Forum is an informal alliance of organisations with an interest in institutional European real estate investment. Led by INREV's Public Affairs team, the 34 participating associations represent a broad spectrum of the European real estate industry, ranging from investors and fund and asset managers, to property professionals and property companies.

EREF associations meet four times a year in Brussels to discuss regulatory and other related issues impacting the industry. The associations are also strong supporters of efforts to educate policy makers in Brussels about issues important to the real estate investment industry and they both support and attend market educational events for policy makers.

On-going actions/next steps

Regular educational events are being planned for policy makers in Brussels.

For more information, see:

- [EREF website](#)
- [EREF flyer](#)

