

Why Global Asset Managers Are Rethinking Distribution Infrastructure

Distribution has evolved from a commercial function into a complex regulatory and operational discipline. As asset managers expand across borders, the ability to raise capital globally now depends as much on infrastructure and regulatory alignment as it does on investment performance.

What was once managed through local agents or opportunistic arrangements has become a highly structured activity shaped by licensing requirements, financial promotions rules, platform access constraints and ongoing regulatory oversight.

Cross-border distribution is no longer optional

Institutional and wholesale capital flows are increasingly international. Managers seeking to scale cannot rely solely on their domestic markets; access to investors across the EEA, UK, Middle East and Asia has become central to growth strategies.

At the same time, the regulatory landscape governing distribution has become more complex. In Europe, MiFID II has reshaped how funds can be marketed, while AIFMD continues to frame passporting and national private placement regimes. In the UK, FCA financial promotions rules impose clear oversight obligations, and in jurisdictions such as the UAE, local licensing and sponsorship requirements add further layers of complexity.

As regulatory scrutiny around cross-border marketing, delegation and investor protection intensifies, distribution is evolving from a largely relationship-driven activity into one that requires structured, compliance-led frameworks.

The infrastructure challenge

Many asset managers discover that their internal operating models were never designed to support global distribution at scale. Establishing local licences, building compliance frameworks and maintaining regulatory reporting across multiple jurisdictions can be time-consuming and costly.

Beyond licensing, managers must coordinate:

- Fund registrations and ongoing maintenance
- Distributor due diligence and oversight
- Financial promotions approval and monitoring

- Platform onboarding and data connectivity
- Regulatory reporting and record keeping

Fragmented approaches — using multiple local providers or internal teams — can introduce inconsistency and increase regulatory risk. As distribution footprints expand, so too does the need for centralised oversight and scalable infrastructure.

Speed to market as a competitive advantage

In competitive fundraising environments, speed to market matters. Delays in securing local permissions or onboarding platforms can translate directly into lost fundraising opportunities.

At the same time, regulators are placing increasing focus on cross-border fund marketing and investor protection, reinforcing the need for robust governance in distribution frameworks. Managers must therefore balance speed with compliance, particularly as they respond to investor demand in new or expanding regions.

This dual pressure — heightened scrutiny combined with urgency — is driving many firms to reassess whether building and maintaining licences internally is the most efficient route to growth.

Distribution as strategic infrastructure

Rather than viewing distribution as a series of local regulatory hurdles, leading asset managers are increasingly treating it as strategic infrastructure. Scalable distribution frameworks allow firms to enter new markets efficiently, adapt to regulatory change and support evolving product strategies without repeated internal build-outs.

Waystone partners with global asset managers to deliver compliant, modular distribution services designed for cross-border scale. By combining regulatory expertise, distribution hosting, market route analysis, fund registrations, financial promotions oversight and open-architecture platform access, Waystone enables managers to accelerate market entry while retaining control over investor relationships and brand presence.

Increasingly, managers are prioritising flexible distribution infrastructure that can scale alongside product expansion, investor demand and changing regulatory expectations across jurisdictions.

As global capital flows continue to diversify, the question for asset managers is not whether to expand distribution — but whether their infrastructure is robust enough to support it sustainably and compliantly.

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