

INVESTMENT MANAGEMENT

# Luxembourg Regulated Investment Vehicles

An overview of the legal  
and regulatory requirements

September 2013

[kpmg.lu](http://kpmg.lu)

Updated with AIFM law









# Executive summary

KPMG is pleased to present its updated sixth edition of the Luxembourg Regulated Investment Vehicles brochure, incorporating the recent changes in the legal and regulatory environment following the transposition into Luxembourg Law of the Alternative Investment Fund Managers Directive. The purpose of the brochure is to provide an overview of the various vehicles that may be set-up in Luxembourg, covering the complete spectrum of the Fund industry.

The overview covers the following aspects:

- Legal and regulatory requirements
- Shareholding
- Reporting requirements
- Approval and supervision
- Taxation

## The evolution of the Luxembourg Fund industry

### AIFMD

The key development in the Luxembourg framework since our last edition is the finalisation of the AIFMD level 2 implementing measures, setting the detailed rules on how the AIFMD will be implemented, and the end of the Directives' transposition period on 22 July 2013.

Luxembourg voted the Bill of law n°6471 that entered into force on 15 July 2013 and was among the forerunners to fully transpose the AIFMD, which is testament to the Grand Duchy's determination to provide the investment management industry with legal certainty as to the treatment of fund managers, their regulated funds and other investment structures under the new AIFM regime:

- Chapters 1 to 11 of the AIFM Act closely follow the wording of the AIFMD and set out the legal framework that will apply to the AIFM including authorisation, capital requirements and operating conditions, governance and risk management, delegation rules, remuneration, reporting, depositary regime and marketing conditions. Luxembourg has opted to allow AIFMs to request authorisation to provide ancillary services including individual discretionary portfolio management, under its AIFM license.
- Chapter 12 of the AIFM Act introduces amendments to the regulated fund laws, part II of law of 2010 on Undertakings for Collective Investment, the Specialized Investment Fund (SIF) law of 13 February 2007 and the Investment Companies in Risk Capital (SICAR) law of 15 June 2004, to ensure their consistency with the AIFMD regime, in particular in relation to the new depositary regime, annual report requirements, valuation rules and disclosure to investors. This chapter also contains amendments to various other Luxembourg laws with the aim of modernising the general investment management legal, regulatory and taxation frameworks. These include amendments to the 1915 company law to revamp and modernise the Luxembourg limited partnership regimes, as well as the creation of a new category of PSF, the 'Professional Custodian of Assets other than Financial Instruments' under the 1993 Banking law that can act as depositary for specific types of AIFs.
- Chapter 13 of the Act covers the amending, repealing and final provisions.

Luxembourg has also seized the opportunity to strengthen its competitiveness as a first-class international financial

centre for both the management and the structuring of alternative funds. The revamping of the limited partnership regime, as well as the carried interest regime contained in the new law are expected to generate considerable interest among promoters, investors and fund managers.

The accompanying detailed AIFMD implementing rules take the form of EU Regulations and as such are directly applicable in Luxembourg, without the need for any local transposition.

More information on AIFMD can be found at the following web-site address: <http://www.kpmg.com/lu/en/industry/fundmanagement/pages/aifmdirective.aspx>

### EuSEF and EuVECA

The EuSEF and EuVECA regulations, adopted by the European Council on 21 March 2012, became applicable from the 22 July 2013, the same date as the AIFMD.

These regulations provide a new common framework and label for Social Entrepreneurship Funds and Venture Capital Funds to raise capital and invest freely across the EU.

In order to benefit from the label, these funds are subject to specific requirements regarding their investment policy. EuSEF may invest in social businesses that have a positive social impact and address social objectives as their corporate aim, while EuVECA may invest in undertakings that are not admitted to trading on a regulated market or multilateral trading facility, employ less than 250 persons and have an annual turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million.

They are also subject to specific rules in respect of fund portfolio composition and investment techniques.

Both Regulations apply to EU managers that are subject to registration with the competent authorities of their home Member State in accordance with the AIFMD and manage qualifying social funds or qualifying venture capital funds with total AuM of less than EUR 500 million.

The funds may be marketed to professional investors only across the EU under a Passport regime.

Compared to the AIFMD, the overall approach of the EuVECA and EuSEF can be considered as significantly lighter, with many aspects of both regulations containing much less detailed requirements.

## UCITS

Developments in the UCITS framework in Luxembourg since our last edition mainly result from the publication of ESMA guidelines.

In the course of 2012, ESMA issued a set of new rules entitled, "ETFs and other UCITS issues"; that regulate ETFs but more significantly introduce a tighter framework applicable to UCITS in relation to efficient portfolio management techniques, financial derivative instruments, and management of collateral for OTC derivatives, EPM techniques and financial indices.

In October 2012, the CSSF issued circular 12/546 on the authorization and organization of Luxembourg management companies subject to Chapter 15 of the Fund law and self-managed SICAVs, clarifying the substance requirements.

## The upcoming changes

### UCITS 5

On 3 July 2012, the European Commission (EC) presented a legislative proposal aiming at updating the UCITS framework in the wake of the Madoff fraud and the Lehman Brothers default, and to align with the AIFMD rules on the role and liability of the depositary, the remuneration of UCITS managers and introduce a stricter sanctions regime.

On 3 July 2013, the European Parliament adopted its position on the proposal in a first reading. Discussions shall then start between the Parliament and the Council as well as the Commission (so-called Trialogue) to come to agreement on a final text. However the negotiations will not start before the autumn and could even be pushed back until after the European elections in June 2014 so that UCITS 5 may not enter into force before the end of 2016.

### UCITS 6

On 26 July 2012, the European Commission issued a consultation covering a wide range of issues:

- Eligible assets
- Efficient Portfolio Management
- OTC derivatives
- Extraordinary liquidity management tools
- Depositary passport
- Liquidity, valuation, investment criteria and rating of money market funds
- Long-term investing
- UCITS IV improvements

This consultation is a follow-up exercise to the work conducted at the level of the FSB and IOSCO. As part of the work on shadow banking, the FSB has identified areas that require further scrutiny, such as MMF, the use of securities lending or repos and has asked IOSCO for support to develop guidelines. The guidelines issued by these authorities may require updates to EU rules.

Other issues in the consultation have the objective of maintaining the UCITS framework in line with the evolution of the investment markets.

The consultation will complement the information already gathered from the work of the Green Paper on shadow banking. It will also provide input to the Commission to draft the future policies in the field of asset management.

The first initiative materializes with the EU Commission proposal for a regulation on ELTIF (European Long-Term Investment Fund), that will set in place a framework allowing investors to put money into companies and projects that need long-term capital.

A further initiative in relation to money market funds is expected in the third quarter of 2013.

### MIFID 2

Whilst original rules in MiFID 1 focused on promoting competition, creating a level playing field across the EU and enhancing investor protection, the MiFID 2 recast proposal, issued in 2011, has a wider scope and introduces new rules for a more sound, transparent and efficient EU financial market. In this respect the Commission envisages a ban on third party inducements for portfolio managers and for independent investment advisers. This requirement raises concerns on the future of the distribution

chain for investment funds and the remuneration of the intermediaries in that chain, as it would require a significant change in distribution model. The objective of the Commission is to ensure that the price of advice is transparent for the investor.

MiFID 2 is now under discussions within the Parliament and Council and a common text is expected by the end of 2013. While the question of the inducements is still under discussion, some countries, such as the UK and the Netherlands, have begun to implement – or are in the process of implementing – local regulations in relation to retail distribution that include a ban on inducements.

#### PRIPS (Packaged Retail Investment Products)

During the financial crisis, investors lost confidence in the financial sector. With a view to rebuilding investor's trust, the Commission issued in July 2012 the PRIPs proposal for a harmonized Key Information Document (KID) that will provide clear and non-technical information to the investor on different products, presented in a way allowing comparison between them.

Structured products, investment funds, derivative instruments and insurance products exposed to the fluctuation of reference assets are in the scope of the regulation. An enlargement of the scope is being largely debated in the European Parliament and the outcome is unclear. However, the larger the scope the more difficult it will be to find common grounds for a harmonized presentation of the document for different products. The KID will not immediately replace the UCITS KIID, but this is envisaged 5 years after the entry into force of the regulation.

The KID should not be applicable before 2016, but the evolution of this regulation should certainly be followed up closely in order to anticipate a smooth implementation, as experience from the UCITS Key Investor Information Document (KIID) has shown that it can require significant efforts.

The agenda will remain challenging for the asset management industry in the years to come but will also offer many opportunities for development to asset managers.

#### Luxembourg Fund industry

Over the years, Luxembourg has developed a strong reputation as a centre of excellence for a large variety of investment funds. The legal framework of the country offers a large selection of investment vehicles that may be used to accommodate the strategies pursued by initiators.

As at 31 December 2012, the size of the Luxembourg Fund industry was € 2.38 trillion (2011: € 2.10 trillion).

There were 3,841 funds (2011: 3,845) or 13,420 sub-funds (2011: 13,294) approved. During the year 2012, 381 new funds were set up while 385 were closed or liquidated.

In terms of sub-funds there was a net increase of 126 sub-funds during the year. In addition there were 276 (2011: 276) SICARs and 32 (2011: 28) securitization vehicles on the list of regulated vehicles by the Commission de Surveillance du Secteur Financier (the Luxembourg regulator) as at 31 December 2012. 2012 has seen an increase in the number of SIFs from 1,374 at the end of December 2011 to 1,485 at the end of December 2012.

The table below shows the number of funds under the different laws and the size of the assets managed.

September 2013

	2011			2012		
	Funds	Sub-funds	Assets (€ billion)	Funds	Sub-funds	Assets (€ billion)
<b>Part I (2010 law)</b>	1,870	8,594	1,655	1,801	8,670	1,913
<b>Part II (2010 law)</b>	601	1,904	202	555	1,727	194
<b>SIF</b>	1,374	2,796	239	1,485	3,023	277
<b>SICAR</b>	276	301	-	276	337	-
<b>Securitization (regulated)</b>	27	-	-	32	-	-

Source: CSSF

# Legal and regulatory requirements

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Applicable legislation</b>			
Law of 17 December 2010, as amended ("Fund law").	Law of 17 December 2010, as amended ("Fund law").	PLaw of 17 December 2010, as amended ("Fund law").	Law of 13 February 2007, as amended ("SIF law").
Part I	Part II	Part II	Part I
<b>Eligible assets</b>			
<p>Restricted to: Transferable securities, admitted or dealt in on a regulated market, investment funds, financial derivative instruments, cash and money market instruments that are compliant with Article 41 of the Fund law, the Commission Directive of 19 March 2007 implementing Council Directive 85/611/EEC as transposed in Luxembourg by the grand-ducal decree of 8 February 2008, CSSF circular 08/380 and CESR guidelines on a common definition of European money market funds (CESR 10-049).</p> <p>Uncovered short sales and borrowings are not permitted. Precious metals and certificates representing them may not be acquired.</p> <p>More details can be found in our separate brochure entitled "Clarification of Definitions concerning Eligible Assets for investments of UCITS".</p>	<p>Unrestricted.</p> <p>Prior approval of the investment objective and strategy by the CSSF.</p>	<p>Unrestricted.</p> <p>Prior approval of the investment objective and strategy by the CSSF.</p>	<p>Unrestricted.</p>
<b>Risk diversification requirements</b>			
Detailed risk diversification is required per Articles 42 to 52 of the Fund law.	<p>Risk diversification requirements are detailed in CSSF Circular 91/75 and are less stringent than the ones in application for Part I funds.</p> <p>In addition, specific restrictions are contained in :</p> <ul style="list-style-type: none"> <li>- CSSF Circular 91/75 for funds investing in venture capital, futures, options and real estate.</li> <li>- CSSF Circular 02/80 for funds adopting an alternative investment strategy.</li> </ul>	<p>Risk diversification requirements are detailed in CSSF Circular 91/75 and are less stringent than the ones in application for Part I funds.</p> <p>In addition, specific restrictions are contained in :</p> <ul style="list-style-type: none"> <li>- CSSF Circular 91/75 for funds investing in venture capital, futures, options and real estate.</li> <li>- CSSF Circular 02/80 for funds adopting an alternative investment strategy.</li> </ul>	<p>Risk diversification requirements are detailed in CSSF Circular 07/309 and are less stringent than the ones in application for part I and part II funds under the Fund Law.</p>

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
Law of 13 February 2007, as amended (“SIF law”). Part II	Law of 15 June 2004, as amended (“SICAR law”). Part I	Law of 15 June 2004, as amended (“SICAR law”). Part II	Law of 22 March 2004 (“Law on Securitization”).
Unrestricted.	<p>Restricted to direct and/or indirect investment in securities that represent risk capital.</p> <p>CSSF Circular 06/241 defines the notion of risk capital and the way the CSSF will decide if the investment objective of the SICAR complies with the requirement to invest in risk capital.</p> <p>Risk capital consists mainly of high risk investments made in view of their launch, development or listing on stock exchange. Such investments may take varied forms and are normally done with a medium-term view.</p> <p>The SICAR may also marginally enter into financial derivative instruments on an exceptional basis.</p> <p>Temporary investment in other assets is allowed pending investment in risk capital.</p>	<p>Restricted to direct and/or indirect investment in securities that represent risk capital.</p> <p>CSSF Circular 06/241 defines the notion of risk capital and the way the CSSF will decide if the investment objective of the SICAR complies with the requirement to invest in risk capital.</p> <p>Risk capital consists mainly of high risk investments made in view of their launch, development or listing on stock exchange. Such investments may take varied forms and are normally done with a medium-term view.</p> <p>The SICAR may also marginally enter into financial derivative instruments on an exceptional basis.</p> <p>Temporary investment in other assets is allowed pending investment in risk capital.</p>	Securitization of risks linked to all kinds of assets, whether movable or immovable, tangible or intangible as well as risks relating to obligations or liabilities assumed by third parties or relating to all or part of the activities of a third party. Such risks can be taken on by the securitization vehicle through the acquisition of assets, the securing or guaranteeing of liabilities, or the entering into any kind of obligation.
Risk diversification requirements are detailed in CSSF Circular 07/309 and are less stringent than the ones in application for part I and part II funds under the Fund Law.	No risk diversification requirements.	No risk diversification requirements.	No risk diversification requirements.

# Legal and regulatory requirements

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Entity Type</b>			
SICAV (SA) SICAF (SA, SCA)	SICAV (SA) SICAF (SA, SCA, Sàrl, SCS, SCSp)	SICAV (SA) SICAF (SA, SCA, Sàrl, SCS, SCSp)	SICAV / SICAF (SA, SCA, Sàrl, SCoSA, SCS, SCSp)
FCP	FCP	FCP	FCP
All three must be open-ended.	Structures may be open or closed-ended.	Structures may be open or closed-ended.	Structures may be open or closed-ended.
<b>Segregated sub-funds</b>			
Yes	Yes	Yes	Yes
<b>Cross sub-funds investment</b>			
Yes, with restrictions.	Yes, with restrictions.	Yes, with restrictions.	Yes, with restrictions.
<b>Master - Feeder</b>			
Yes Subject to specific rules (CSSF Regulation 10-5).	Yes	Yes	Yes
<b>Central administration</b>			
Central administration established in Luxembourg. Central administration may be performed in another EU Member State for funds managed by UCITS Management Company established in another EU Member State.	Central administration established in Luxembourg	Central administration established in Luxembourg	Central administration established in Luxembourg
<b>Required service providers in Luxembourg</b>			
Depositary eligible under UCITS directive Réviseur d'entreprises agréé	Depositary - eligible entity under AIFM law Réviseur d'entreprises agréé	Depositary - eligible entity under AIFM law Réviseur d'entreprises agréé	Depositary - eligible entity under AIFM law Réviseur d'entreprises agréé

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.



■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
SICAV / SICAF (SA, SCA, Sàrl, SCoSA, SCS, SCSp)  FCP  Structures may be open or closed-ended.	Corporate entity with fixed or variable share capital (SA, SCA, Sàrl, SCoSA, SCS, SCSp)	Corporate entity with fixed or variable share capital (SA, SCA, Sàrl, SCoSA, SCS, SCSp)	<b>Securitization company</b> (SA, SCA, Sàrl, SCoSA) Public offering may only be conducted under the structure of a SA or SCA.  <b>Securitization fund</b> (FCP, Fiduciary trust)
Yes	Yes	Yes	Yes
Yes, with restrictions.	No	No	No
Yes	Yes	Yes	Yes
Central administration established in Luxembourg	Central administration established in Luxembourg	Central administration established in Luxembourg	N/A
Depository - eligible entity under AIFM law Réviseur d'entreprises agréé	Depository - eligible entity under AIFM law Réviseur d'entreprises agréé	Depository - eligible entity under AIFM law Réviseur d'entreprises agréé	Depository under local law Réviseur d'entreprises agréé



# Legal and regulatory requirements

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Management company requirement</b>			
<p><b>FCP</b> Yes Management Company established in Luxembourg under Chapter 15 of the Fund law or a UCITS Management Company established in another EU Member State.</p> <p><b>SICAV/SICAF</b> May appoint a Luxembourg (Chapter 15 of the Fund law) or EU management company or be set-up as a UCITS self-managed SICAV.</p>	<p><b>FCP</b> Yes Management Company established in Luxembourg under Chapter 15 of the Fund law or Management Company established in Luxembourg under Chapter 16, art. 125-1 of the Fund law.</p> <p><b>SICAV/SICAF</b> No</p>	<p><b>FCP</b> Yes Management Company established in Luxembourg under Chapter 15 of the Fund law, Management Company established in Luxembourg under Chapter 16, article 125-2 of the Fund law or a Management Company established in Luxembourg under Chapter 16, art. 125-1 of the Fund law (which must designate an AIFM for the FCP managed)</p> <p><b>SICAV/SICAF</b> No</p>	<p><b>FCP</b> Yes Management Company established in Luxembourg under Chapter 15 of the Fund law or Management Company established in Luxembourg under Chapter 16, art. 125-1 of the Fund law.</p> <p><b>SICAV/SICAF</b> No</p>
<b>Registration requirements in Luxembourg</b>			
<p>A Fund is deemed to be established in Luxembourg if it is authorized by the CSSF.</p> <p>No nationality or residency requirements for Directors of funds which have appointed a management company.</p> <p>At least two conducting officers/persons of the Luxembourg management company or self-managed SICAV must be located in Luxembourg (unless specific derogation is obtained from the CSSF). For non-luxembourg management companies, local rules apply.</p>	<p>Head office of SICAV/ SICAF or of the management company of the FCP must be in Luxembourg.</p> <p>No nationality or residency requirements for Directors of funds or chapter 16 management company.</p> <p>Minimum requirements for the two conducting officers of the Chapter 15 management company to be located in Luxembourg (unless specific derogation is obtained from the CSSF).</p>	<p>Head office of SICAV/ SICAF or of the management company of the FCP must be in Luxembourg.</p> <p>No nationality or residency requirements for Directors of funds or chapter 16 management company.</p> <p>Minimum requirements for the two conducting officers of the Chapter 15 management company to be located in Luxembourg (unless specific derogation is obtained from the CSSF).</p>	<p>Head office of SICAV/ SICAF or of the management company of the FCP must be in Luxembourg.</p> <p>No nationality or residency requirements for Directors of funds or Chapter 16 management company.</p> <p>Minimum requirement for the two conducting officers of the Chapter 15 management company to be located in Luxembourg (unless specific derogation is obtained from the CSSF).</p>
<b>Minimum capital requirement for fund/company</b>			
<p>€1,250,000 to be reached within 6 months of authorization.</p> <p>Self-managed SICAV/SICAF: €300,000 at the date of authorization and €1,250,000 to be reached within 6 months of authorization.</p> <p>For umbrella structures, this capital requirement applies to the structure as a whole.</p>	<p>€1,250,000 to be reached within 6 months of authorization.</p> <p>For umbrella structures, this capital requirement applies to the structure as a whole.</p>	<p>€1,250,000 to be reached within 6 months of authorization.</p> <p>Internally-managed SICAV/SICAF: €300,000 at the date of authorization and €1,250,000 to be reached within 6 months of authorization.</p> <p>For umbrella structures, this capital requirement applies to the structure as a whole.</p>	<p>€1,250,000 to be reached within 12 months of authorization.</p> <p>For umbrella structures, this capital requirement applies to the structure as a whole.</p>

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
<p><b>FCP</b> Yes Management Company established in Luxembourg under Chapter 15 of the Fund law, Management Company established in Luxembourg under Chapter 16, article 125-2 of the Fund law or a Management Company established in Luxembourg under Chapter 16, art. 125-1 of the Fund law (which must designate an AIFM for the FCP managed)</p> <p><b>SICAV/SICAF</b> No</p>	No	No	<p><b>Securitization fund</b> Yes (Commercial Law)</p> <p><b>Securitization company</b> No</p>
<p>Head office of SICAV/ SICAF or of the management company of the FCP must be in Luxembourg.</p> <p>No nationality or residency requirements for Directors of funds or Chapter 16 management company.</p> <p>Minimum requirement for the two conducting officers of the Chapter 15 management company to be located in Luxembourg (unless specific derogation is obtained from the CSSF).</p>	<p>Head office of the SICAR must be in Luxembourg.</p> <p>No nationality or residency requirements for Directors.</p>	<p>Head office of the SICAR must be in Luxembourg.</p> <p>No nationality or residency requirements for Directors.</p>	<p>Head office of securitization company or of the management company of the securitization fund must be in Luxembourg.</p> <p>No nationality or residency requirements for Directors of securitization company or management company.</p>
<p>€1,250,000 to be reached within 6 months of authorization.</p> <p>Internally-managed SICAV/SICAF: €300,000 at the date of authorization and €1,250,000 to be reached within 6 months of authorization.</p> <p>For umbrella structures, this capital requirement applies to the structure as a whole.</p>	<p>Total of subscribed share capital and share premium of €1,000,000 to be reached within 12 months of authorization.</p>	<p>Total of subscribed share capital and share premium of €1,000,000 to be reached within 12 months of authorization.</p> <p>Internally-managed company: €300,000 at the date of authorization and the total of subscribed share capital and share premium of €1,000,000 to be reached within 12 months of authorization.</p>	<p><b>Securitization fund</b> No minimum requirement.</p> <p><b>Securitization company</b> SA/SCA: €31.000 Sàrl: €12.500 SCoSA: no minimum requirement.</p>



# Legal and regulatory requirements

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Minimum capital requirement for management company</b>			
<p><b>Chapter 15 management company:</b> Initial capital: €125,000</p> <p>Additional capital: 0.02% of the value of the portfolios managed by the management company in excess of €250,000,000.</p> <p>Initial capital and additional capital are capped to €10,000,000.</p> <p>Possibility to reduce capital need by 50% if a guarantee is received from a bank or an insurance company.</p> <p>The own funds of the Management Company shall never be less than a quarter of the previous year's fixed overheads and shall be invested in liquid assets or assets readily convertible to cash in the short term.</p>	<p><b>Chapter 15 management company:</b> Initial capital : €125,000</p> <p>Additional capital: 0.02% of the value of the portfolios managed by the management company in excess of €250,000,000. Initial capital and additional capital are capped to €10,000,000.</p> <p>Possibility to reduce capital need by up to 50% if a guarantee is received from a bank or an insurance company.</p> <p>The own funds of the management company shall never be less than a quarter of the previous year's fixed overheads and shall be invested in liquid assets or assets readily convertible to cash in the short term.</p> <p><b>Chapter 16, art. 125-1 management company:</b> Initial capital : €125,000</p>	<p><b>Chapter 15 and Chapter 16, art. 125-2 management company:</b> Initial capital : €125,000</p> <p>Additional capital: 0.02% of the value of the portfolios managed by the management company in excess of €250,000,000. Initial capital and additional capital are capped to €10,000,000.</p> <p>Possibility to reduce capital need by up to 50% if a guarantee is received from a bank or an insurance company.</p> <p>The own funds of the management company shall never be less than a quarter of the previous year's fixed overheads and shall be invested in liquid assets or assets readily convertible to cash in the short term.</p> <p><b>Chapter 16, art. 125-1 management company:</b> Initial capital : €125,000</p>	<p><b>Chapter 15 management company:</b> Initial capital : €125,000</p> <p>Additional capital: 0.02% of the value of the portfolios managed by the management company in excess of €250,000,000.</p> <p>Initial capital and additional capital are capped to €10,000,000.</p> <p>Possibility to reduce capital need by up to 50% if a guarantee is received from a bank or an insurance company.</p> <p>The own funds of the management company shall never be less than a quarter of the previous year's fixed overheads and shall be invested in liquid assets or assets readily convertible to cash in the short term.</p> <p><b>Chapter 16, art. 125-1 management company:</b> Initial capital : €125,000</p>
<b>Risk management</b>			
The risk management function is regulated by the the CSSF Regulation 10-4, CSSF Circular 11/512, CSSF Circular 12/546 and CSSF Circular 11/498 implementing CESR guidelines 10-788.	The risk management function is not regulated	The risk management function is regulated under AIFMD and under articles 38 to 49 of the Commission Delegated Regulation (EU) No 231/2013. It is one of the two core functions of an AIFM.	The risk management function is regulated by Art.42bis of the SIF law.
<b>Portfolio management</b>			
The asset management function is regulated under the asset manager's local legislation.	<b>Registered AIFM in the EU **</b> The portfolio management function is regulated under the asset manager's local legislation.	<b>Authorized AIFM in the EU**</b> The portfolio management function is regulated under AIFMD and under the Commission Delegated Regulation (EU) No 231/2013. It is one of the two core functions of an AIFM.	<b>Registered AIFM in the EU **</b> The portfolio management function is regulated under the asset manager's local legislation.  <i>SIF that does not qualify as AIF: The portfolio management function is subject to local regulation. Supervisory arrangements between regulatory authorities may be required.</i>

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

\*\* Portfolio management may also be performed by a non-EU AIFM under specific third country regime

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
<p><b>Chapter 15 and Chapter 16, art. 125-2 management company:</b> Initial capital : €125,000</p> <p>Additional capital: 0.02% of the value of the portfolios managed by the management company in excess of €250,000,000. Initial capital and additional capital are capped to €10,000,000.</p> <p>Possibility to reduce capital need by up to 50% if a guarantee is received from a bank or an insurance company.</p> <p>The own funds of the management company shall never be less than a quarter of the previous year's fixed overheads and shall be invested in liquid assets or assets readily convertible to cash in the short term.</p> <p><b>Chapter 16, art. 125-1 management company:</b> Initial capital : €125,000</p>	N/A	N/A	Will depend on the legal form chosen. The minimum capital will range from €12,500 for a Sàrl to €31,000 for a SA.
The risk management function is regulated under AIFMD and under articles 38 to 49 of the Commission Delegated Regulation (EU) No 231/2013. It is one of the two core functions of an AIFM.	The risk management function is not regulated.	The risk management function is regulated under AIFMD and under articles 38 to 49 of the Commission Delegated Regulation (EU) No 231/2013. It is one of the two core functions of an AIFM.	The risk management function is not regulated.
<p><b>Authorized AIFM in the EU**</b> The portfolio management function is regulated under AIFMD and under the Commission Delegated Regulation (EU) No 231/2013. It is one of the two core functions of an AIFM.</p>	<p><b>Registered AIFM in the EU **</b> The portfolio management function is regulated under the asset manager's local legislation.</p> <p><i>SICAR that does not qualify as AIF:</i> <i>The portfolio management function is subject to local regulation. Supervisory arrangements between regulatory authorities may be required.</i></p>	<p><b>Authorized AIFM in the EU**</b> The portfolio management function is regulated under AIFMD and under the Commission Delegated Regulation (EU) No 231/2013. It is one of the two core functions of an AIFM.</p>	No

# Shareholding

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Eligible investors</b>			
All types	All types	All types	Well-informed investors
<b>Listing</b>			
Possible	Possible	Possible	Possible
<b>Capital calls</b>			
<p><b>FCP</b> Capital calls can be made either by way of capital commitments or through the issue of partly paid units. The law does not prescribe the minimum percentage of payment of the unit.</p> <p><b>SICAV</b> Capital calls may only be made by way of capital commitments as partly paid shares are not allowed for a SICAV.</p> <p><b>SICAF</b> If the SICAF is set up as a SA or SCA, capital calls can be organized through capital commitments or by way of the issue of partly paid shares. At least 25% of each share must be paid-up.</p>	<p><b>FCP</b> Capital calls can be made either by way of capital commitments or through the issue of partly paid units. The law does not prescribe the minimum percentage of payment of the unit.</p> <p><b>SICAV</b> Capital calls may only be made by way of capital commitments as partly paid shares are not allowed for a SICAV.</p> <p><b>SICAF</b> For a Sàrl capital calls may only be made by way of capital commitments as partly paid shares are not allowed. If the SICAF is set up as a SA, SCA, SCS or SCSp capital calls can be organized through capital commitments or by way of the issue of partly paid shares. For SA and SCA, at least 25% of each share must be paid-up and there are no minimum legal requirements for SCS or SCSp.</p>	<p><b>FCP</b> Capital calls can be made either by way of capital commitments or through the issue of partly paid units. The law does not prescribe the minimum percentage of payment of the unit.</p> <p><b>SICAV</b> Capital calls may only be made by way of capital commitments as partly paid shares are not allowed for a SICAV.</p> <p><b>SICAF</b> For a Sàrl capital calls may only be made by way of capital commitments as partly paid shares are not allowed. If the SICAF is set up as a SA, SCA, SCS or SCSp capital calls can be organized through capital commitments or by way of the issue of partly paid shares. For SA and SCA, at least 25% of each share must be paid-up and there are no minimum legal requirements for SCS or SCSp.</p>	<p><b>FCP</b> Capital calls may be made by way of capital commitments or through the issue of partly paid units. The law does not prescribe the minimum percentage to which each unit must be paid-up.</p> <p><b>SICAV</b> Capital calls may be done by way of capital commitments or through the issue of partly paid shares. At least 5% of each share must be paid-up.</p> <p><b>SICAF</b> Capital calls may be done by way of capital commitments or through the issue of partly paid shares. At least 5% of each share must be paid-up.</p>
<b>Issue of shares / units</b>			
<p><b>FCP</b> Units must be issued at the NAV price.</p> <p>Existing unitholders do not have a pre-emption right when new units are issued, unless specifically provided for in the Management Regulations.</p>	<p><b>FCP</b> Units must be issued at the NAV price.</p> <p>Existing unitholders do not have a pre-emption right when new units are issued, unless specifically provided for in the Management Regulations.</p>	<p><b>FCP</b> Units must be issued at the NAV price.</p> <p>Existing unitholders do not have a pre-emption right when new units are issued, unless specifically provided for in the Management Regulations.</p>	<p><b>FCP</b> The unit price will be determined based on the principles laid down in the Management Regulations.</p> <p>Existing unitholders do not have a pre-emption right when new units are issued, unless specifically provided for in the Management Regulations.</p>

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.



■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
Well-informed investors	Well-informed investors	Well-informed investors	All types
Possible	Possible	Possible	Possible
<p><b>FCP</b> Capital calls may be made by way of capital commitments or through the issue of partly paid units. The law does not prescribe the minimum percentage to which each unit must be paid-up.</p> <p><b>SICAV</b> Capital calls may be done by way of capital commitments or through the issue of partly paid shares. At least 5% of each share must be paid-up.</p> <p><b>SICAF</b> Capital calls may be done by way of capital commitments or through the issue of partly paid shares. At least 5% of each share must be paid-up.</p>	<p>Capital calls may be made by way of capital commitments or through the issue of partly paid shares. At least 5% of each share must be paid-up.</p>	<p>Capital calls may be made by way of capital commitments or through the issue of partly paid shares. At least 5% of each share must be paid-up.</p>	<p><b>Securitization fund</b> Capital calls can be made either by way of capital commitments or through the issue of partly paid shares. The law does not prescribe the minimum percentage to which each share must be paid-up.</p> <p><b>Securitization company</b> Partly paid shares are not allowed for the Sàrl and SCoSA so capital calls must be organized through capital commitments. If the company is set up as a SA or SCA, capital calls can be organized through capital commitments or by way of the issue of partly paid shares. At least 25% of each share must be paid-up.</p>
<p><b>FCP</b> The unit price will be determined based on the principles laid down in the Management Regulations.</p> <p>Existing unitholders do not have a pre-emption right when new units are issued, unless specifically provided for in the Management Regulations.</p>	<p>The issue of new shares requires an amendment of the constitutive documents unless the SICAR is set-up with variable share capital.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p>	<p>The issue of new shares requires an amendment of the constitutive documents unless the SICAR is set-up with variable share capital.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p>	<p><b>Securitization fund</b> The unit price will be determined based on the principles laid down in the Management Regulations.</p> <p>Existing unitholders do not have a pre-emption right when new units are issued, unless specifically provided for in the Management Regulations.</p>

# Shareholding

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Issue of shares / units (continued)</b>			
<p><b>SICAV</b> The issue of shares does not require an amendment of the constitutive documents.</p> <p>The share price will be determined by dividing the NAV by the number of shares outstanding.</p> <p>Existing shareholders do not have a pre-emption right when new shares are issued, unless specifically provided for in the constitutive documents.</p>	<p><b>SICAV</b> The issue of shares does not require an amendment of the constitutive documents.</p> <p>The share price will be determined by dividing the NAV by the number of shares outstanding.</p> <p>Existing shareholders do not have a pre-emption right when new shares are issued, unless specifically provided for in the constitutive documents.</p>	<p><b>SICAV</b> The issue of shares does not require an amendment of the constitutive documents.</p> <p>The share price will be determined by dividing the NAV by the number of shares outstanding.</p> <p>Existing shareholders do not have a pre-emption right when new shares are issued, unless specifically provided for in the constitutive documents.</p>	<p><b>SICAV</b> The issue of shares does not require an amendment of the constitutive documents.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p> <p>Existing shareholders do not have a pre-emption right when new shares are issued, unless specifically provided for in the constitutive documents.</p>
<p><b>SICAF</b> The issue of shares requires an amendment of the constitutive documents.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p> <p>When the SICAF is organized as a SA or SCA, existing shareholders have a pre-emption right when new shares are issued, unless this right was waived by the Shareholders' Meeting as permitted in the constitutive documents.</p>	<p><b>SICAF</b> The issue of shares requires an amendment of the constitutive documents.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p> <p>When the SICAF is organized as a SA or SCA, existing shareholders have a pre-emption right when new shares are issued, unless this right was waived by the Shareholders' Meeting as permitted in the constitutive documents.</p>	<p><b>SICAF</b> The issue of shares requires an amendment of the constitutive documents.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p> <p>When the SICAF is organized as a SA or SCA, existing shareholders have a pre-emption right when new shares are issued, unless this right was waived by the Shareholders' Meeting as permitted in the constitutive documents.</p>	<p><b>SICAF</b> The issue of shares requires an amendment of the constitutive documents.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p> <p>When the SICAF is organized as a SA or SCA, existing shareholders have a pre-emption right when new shares are issued, unless this right was waived by the Shareholders' Meeting as permitted in the constitutive documents.</p>
<b>Distribution of dividends</b>			
<p>The distribution of dividends must be foreseen in the prospectus of the fund.</p> <p>For SICAV and FCP, distributions (interim or final) can be made irrespective of the realized results within the period, to the extent the minimum share capital is maintained. (€1,250,000)</p> <p>For SICAF, final dividend distributions may not result in a decrease in assets to an amount less than one-and-a-half times the fund's total liabilities to its creditors. Interim dividend distributions may be subject to statutory requirements per Article 72-2 of the Commercial Law.</p>	<p>The distribution of dividends must be foreseen in the prospectus of the fund.</p> <p>For SICAV and FCP, distributions (interim or final) can be made irrespective of the realized results within the period, to the extent the minimum share capital is maintained. (€1,250,000)</p> <p>When the SICAF is organized as a SA or SCA, final dividend distributions are subject to restrictions as per Article 72-3 of the Commercial Law. Interim dividend distributions may be subject to statutory requirements per Article 72-2 of the Commercial Law.</p>	<p>The distribution of dividends must be foreseen in the prospectus of the fund.</p> <p>For SICAV and FCP, distributions (interim or final) can be made irrespective of the realized results within the period, to the extent the minimum share capital is maintained. (€1,250,000)</p> <p>When the SICAF is organized as a SA or SCA, final dividend distributions are subject to restrictions as per Article 72-3 of the Commercial Law. Interim dividend distributions may be subject to statutory requirements per Article 72-2 of the Commercial Law.</p>	<p>The distribution of dividends must be foreseen in the prospectus of the fund.</p> <p>For SICAV and FCP, distributions (interim or final) can be made irrespective of the realized results within the period, to the extent the minimum share capital is maintained. (€1,250,000)</p> <p>When the SICAF is organized as a SA or SCA, final dividend distributions are subject to restrictions as per Article 72-3 of the Commercial Law. Interim dividend distributions may be subject to statutory requirements per Article 72-2 of the Commercial Law.</p>

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
<p><b>SICAV</b> The issue of shares does not require an amendment of the constitutive documents.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p> <p>Existing shareholders do not have a pre-emption right when new shares are issued, unless specifically provided for in the constitutive documents.</p> <p><b>SICAF</b> The issue of shares requires an amendment of the constitutive documents.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p> <p>When the SICAF is organized as a SA or SCA, existing shareholders have a pre-emption right when new shares are issued, unless this right was waived by the Shareholders' Meeting as permitted in the constitutive documents.</p>	<p>The issue of new shares will be conducted as provided for in the constitutive documents.</p> <p>The existing shareholders will have a pre-emption right if specifically provided for in the constitutive documents.</p>	<p>The issue of new shares will be conducted as provided for in the constitutive documents.</p> <p>The existing shareholders will have a pre-emption right if specifically provided for in the constitutive documents.</p>	<p><b>Securitization company</b> The issue of new shares requires an amendment of the constitutive documents.</p> <p>The share price will be determined based on the principles laid down in the constitutive documents.</p> <p>When the securitization company is organized as a SA or SCA, existing shareholders have a pre-emption right when new shares are issued, unless this right was waived by the Shareholders' Meeting.</p>
<p>The distribution of dividends must be foreseen in the prospectus of the fund.</p> <p>For SICAV and FCP, distributions (interim or final) can be made irrespective of the realized results within the period, to the extent the minimum share capital is maintained. (€1,250,000)</p> <p>When the SICAF is organized as a SA or SCA, final dividend distributions are subject to restrictions as per Article 72-3 of the Commercial Law. Interim dividend distributions may be subject to statutory requirements per Article 72-2 of the Commercial Law.</p>	<p>The distribution of dividends must be foreseen in the prospectus of the SICAR.</p> <p>Dividend distributions, interim and final, are not subject to specific regulatory restrictions, except for compliance with minimum capital requirements and other restrictions stated in the constitutive documents.</p>	<p>The distribution of dividends must be foreseen in the prospectus of the SICAR.</p> <p>Dividend distributions, interim and final, are not subject to specific regulatory restrictions, except for compliance with minimum capital requirements and other restrictions stated in the constitutive documents.</p>	<p><b>Securitization fund</b> There are no restrictions on distributions (interim or final).</p> <p><b>Securitization company</b> Final dividend distribution may not result in a decrease in assets to an amount less than the subscribed capital plus non-distributable reserves.</p> <p>Interim dividend distributions may be subject to statutory requirements per Article 72-2 of the Commercial Law.</p>



# Reporting requirements

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Prospectus directive as transposed into the Luxembourg law</b>			
<p><b>Closed-ended</b> Part I funds may not be closed-ended.</p> <p><b>Open-ended</b> Part I funds may make a public offer on the basis of their prospectus prepared in accordance with the requirements of the Fund law.</p> <p>The prospectus must be updated on an ongoing basis.</p>	<p><b>Closed-ended</b> A prospectus prepared in compliance with the requirements of the Prospectus Directive must be prepared when an “offer to the public” within the meaning of the Prospectus Directive is made except if the offer falls under any exemption of the Prospectus Directive. In that case, a prospectus must be prepared in accordance with the Fund law.</p> <p><b>Open-ended</b> Part II funds may make a public offer on the basis of their prospectus prepared in accordance with the requirements of the Fund law.</p> <p>The prospectus must be updated on an ongoing basis.</p>	<p><b>Closed-ended</b> A prospectus prepared in compliance with the requirements of the Prospectus Directive must be prepared when an “offer to the public” within the meaning of the Prospectus Directive is made except if the offer falls under any exemption of the Prospectus Directive. In that case, a prospectus must be prepared in accordance with the Fund law. The information to be communicated to investors stated in article 21 of the AIFM law must either be included in the prospectus or communicated separately to investors.</p> <p><b>Open-ended</b> Part II funds may make a public offer on the basis of their prospectus prepared in accordance with the requirements of the Fund law. The information to be communicated to investors stated in article 21 of the AIFM law must either be included in the prospectus or communicated separately to investors.</p> <p>The prospectus must be updated on an ongoing basis.</p>	<p><b>Closed-ended</b> A prospectus prepared in compliance with the requirements of the Prospectus Directive must be prepared when an “offer to the public” within the meaning of the Prospectus Directive is made except if the offer falls under any exemption of the Prospectus Directive. In that case, either a prospectus or an offering document must be prepared in accordance with the SIF law.</p> <p><b>Open-ended</b> SIF may make offer to well-informed investors on the basis of their prospectus/offering document prepared in accordance with the requirements of the SIF law.</p> <p>The prospectus/offering document must be updated on an ongoing-basis.</p>
<b>Key Investor Information Document (KIID)</b>			
Required	Not required	Not required	Not required
<b>NAV computation frequency</b>			
NAV must be computed on each day there are subscriptions or redemptions with a minimum of twice a month.	NAV must be computed on each day there are subscriptions or redemptions with a minimum of once a month.	NAV must be computed on each day there are subscriptions or redemptions with a minimum of once a month.	NAV is computed on the frequency set in the constitutive documents or management regulations.

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
<p><b>Closed-ended</b> A prospectus prepared in compliance with the requirements of the Prospectus Directive must be prepared when an “offer to the public” within the meaning of the Prospectus Directive is made except if the offer falls under any exemption of the Prospectus Directive. In that case, either a prospectus or an offering document must be prepared in accordance with the SIF law. The information to be communicated to investors stated in article 21 of the AIFM law must either be included in the prospectus or communicated separately to investors.</p> <p><b>Open-ended</b> SIF may make offer to well-informed investors on the basis of their prospectus/offering document prepared in accordance with the requirements of the SIF law. The information to be communicated to investors stated in article 21 of the AIFM law must either be included in the prospectus or communicated separately to investors.</p> <p>The prospectus/offering document must be updated on an ongoing-basis.</p>	<p>A prospectus prepared in compliance with the requirements of the Prospectus Directive must be prepared when an “offer to the public” within the meaning of the Prospectus Directive is made except if the offer falls under any exemption of the Prospectus Directive.</p> <p>A SICAR that makes an offer under an exemption of the prospectus Directive must prepare a prospectus compliant with the SICAR law.</p> <p>The prospectus must be updated each time new securities are issued.</p>	<p>A prospectus prepared in compliance with the requirements of the Prospectus Directive must be prepared when an “offer to the public” within the meaning of the Prospectus Directive is made except if the offer falls under any exemption of the Prospectus Directive. The information to be communicated to investors stated in article 21 of the AIFM law must either be included in the prospectus or communicated separately to investors.</p> <p>A SICAR that makes an offer under an exemption of the prospectus Directive must prepare a prospectus compliant with the SICAR law and of the AIFM law. The information to be communicated to investors stated in article 21 of the AIFM law must either be included in the prospectus or communicated separately to investors.</p> <p>The prospectus must be updated each time new securities are issued.</p>	<p>A prospectus prepared in compliance with the requirements of the Prospectus Directive must be prepared when an “offer to the public” within the meaning of the Prospectus Directive is made except if the offer falls under any exemption of the Prospectus Directive.</p> <p>There are no specific requirements when an offer falls under an exemption of the Prospectus Directive.</p>
Not required	Not required	Not required	Not required
NAV is computed on the frequency set in the constitutive documents or management regulations.	Not required	Not required	<p><b>Securitization fund</b> Not required</p> <p><b>Securitization company</b> Not required</p>

# Reporting requirements

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Valuation principles</b>			
Valuation of assets is made on the basis of the realizable value estimated in good faith, unless provided for differently in the constitutive documents or management regulations.	Valuation of assets is made on the basis of the realizable value estimated in good faith unless provided for differently in the constitutive documents or management regulations.	Valuation of assets is made on the basis of the realizable value estimated in good faith unless provided for differently in the constitutive documents or management regulations.	Assets are to be valued at fair value and determined in compliance with the rules detailed in the constitutive documents or management regulations.
<b>Financial reports</b>			
Audited annual report is required within 4 months of the year-end.  Semi-annual report due within 2 months of the 6 month period-end.	Audited annual report is required within 6 months of the year-end.  Semi-annual report due within 3 months of the 6 month period-end.  If a closed-ended fund is listed on an EU regulated market the deadlines may be shorter (if listed on LuxSE, an audited annual report is required within 4 months of the year-end and a semi-annual report is due within 2 months of the 6 month period-end).	Audited annual report is required within 6 months of the year-end.  Semi-annual report due within 3 months of the 6 month period-end.  If a closed-ended fund is listed on an EU regulated market the deadlines may be shorter (if listed on LuxSE, an audited annual report is required within 4 months of the year-end and a semi-annual report is due within 2 months of the 6 month period-end).	Audited annual report is required within 6 months of the year-end.  No semi-annual report is required.  If a closed-ended fund is listed on an EU regulated market the requirements may be different (if listed on LuxSE, an audited annual report is required within 4 months of the year-end and a semi-annual report is due within 2 months of the 6 month period-end).

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
<p>Assets are to be valued at fair value to be determined in compliance with the rules detailed in the constitutive documents or management regulations.</p>	<p>Assets are to be valued at fair value and determined in compliance with the rules detailed in the constitutive documents.</p>	<p>Assets are to be valued at fair value to be determined in compliance with the rules detailed in the constitutive documents.</p>	<p><b>Securitization fund</b> Valuation of assets is made on the basis of the realizable value estimated in good faith unless provided for differently in the constitutive documents or management regulations.</p> <p><b>Securitization company</b> Valuation of assets is made at the lower of acquisition cost or market value or at acquisition cost less any permanent impairment considered by the Board of Directors.</p>
<p>Audited annual report is required within 6 months of the year-end.</p> <p>No semi-annual report is required.</p> <p>If a closed-ended fund is listed on an EU regulated market the requirements may be different. (if listed on LuxSE, an audited annual report is required within 4 months of the year-end and a semi-annual report is due within 2 months of the 6 month period-end).</p>	<p>Audited annual report is required within 6 months of the year-end.</p> <p>No semi-annual report is required.</p> <p>If the entity is listed on an EU regulated market the requirements may be different. (if listed on LuxSE, an audited annual report is required within 4 months of the year-end and a semi-annual report is due within 2 months of the 6 month period-end).</p>	<p>Audited annual report is required within 6 months of the year-end.</p> <p>No semi-annual report is required.</p> <p>If the entity is listed on an EU regulated market the requirements may be different. (if listed on LuxSE, an audited annual report is required within 4 months of the year-end and a semi-annual report is due within 2 months of the 6 month period-end).</p>	<p><b>Securitization fund</b> Same requirements as for the Fund law.</p> <p><b>Securitization company</b> Audited annual report is required at year-end. It must be available 15 days before the Annual General meeting of shareholders and filed with the Registrar within 7 months of the year-end.</p> <p>No semi-annual report is required.</p> <p>If the entity has securities listed on an EU regulated market the deadlines may be shorter.</p>





# Reporting requirements

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Generally accepted accounting principles</b>			
<p>Irrespective of the methodology used for the calculation of the NAV, the reports may be prepared as follows :</p> <p><b>Annual report</b> - Lux GAAP, i.e. provisions of the law of 19 December 2002 except for :</p> <ul style="list-style-type: none"> <li>• The content and layout of the annual report.</li> <li>• The valuation of assets which is ruled by articles 9§3, 28§4, 39, 90, 95, 99§5 of the Fund law.</li> </ul> <p>or</p> <p>- IFRS</p> <p><b>Semi-annual report</b> - Lux GAAP, i.e. provisions of the law of 19 December 2002 except for :</p> <ul style="list-style-type: none"> <li>• The content and layout of the annual report.</li> <li>• The valuation of assets which is ruled by articles 9§3, 28§4, 39, 90, 95, 99§5 of the Fund law.</li> </ul> <p>or</p> <p>- IFRS</p> <p><b>Consolidated accounts</b> IFRS is mandatory if the company is listed in accordance with the EU regulation 1606/2002.</p>	<p>Irrespective of the methodology used for the calculation of the NAV, the reports may be prepared as follows :</p> <p><b>Annual report</b> - Lux GAAP, i.e. provisions of the law of 19 December 2002 except for :</p> <ul style="list-style-type: none"> <li>• The content and layout of the annual report.</li> <li>• The valuation of assets which is ruled by articles 9§3, 28§4, 39, 90, 95, 99§5 of the Fund law.</li> </ul> <p>or</p> <p>- IFRS</p> <p><b>Semi-annual report</b> - Lux GAAP, i.e. provisions of the law of 19 December 2002 except for :</p> <ul style="list-style-type: none"> <li>• The content and layout of the annual report.</li> <li>• The valuation of assets which is ruled by articles 9§3, 28§4, 39, 90, 95, 99§5 of the Fund law.</li> </ul> <p>or</p> <p>- IFRS</p> <p><b>Consolidated accounts</b> IFRS is mandatory if the company is listed in accordance with the EU regulation 1606/2002.</p>	<p>Irrespective of the methodology used for the calculation of the NAV, the reports may be prepared as follows :</p> <p><b>Annual report</b> - Lux GAAP, i.e. provisions of the law of 19 December 2002 except for :</p> <ul style="list-style-type: none"> <li>• The content and layout of the annual report.</li> <li>• The valuation of assets which is ruled by articles 9§3, 28§4, 39, 88-4, 90, 95, 99§5 of the Fund law.</li> </ul> <p>or</p> <p>- IFRS</p> <p><b>Semi-annual report</b> - Lux GAAP, i.e. provisions of the law of 19 December 2002 except for :</p> <ul style="list-style-type: none"> <li>• The content and layout of the annual report.</li> <li>• The valuation of assets which is ruled by articles 9§3, 28§4, 39, 88-4, 90, 95, 99§5 of the Fund law.</li> </ul> <p>or</p> <p>- IFRS</p> <p><b>Consolidated accounts</b> IFRS is mandatory if the company is listed in accordance with the EU regulation 1606/2002.</p>	<p>Irrespective of the methodology used for the calculation of the NAV, the reports may be prepared as follows :</p> <p><b>Annual report</b> - Lux GAAP, i.e. provisions of the law of 19 December 2002 except for :</p> <ul style="list-style-type: none"> <li>• The content and layout of the annual report.</li> <li>• The valuation of assets which is ruled by articles 9, 28§4, 40§1 of the SIF law.</li> </ul> <p>or</p> <p>- IFRS</p> <p><b>Semi-annual report</b> Not required</p> <p><b>Consolidated accounts</b> IFRS is mandatory if the company is listed in accordance with the EU regulation 1606/2002.</p>
<b>Other reports</b>			
Long-form report to be issued by the auditor with the annual report in accordance with CSSF Circular 02/81.	Long-form report to be issued by the auditor with the annual report in accordance with CSSF Circular 02/81.	Long-form report to be issued by the auditor with the annual report in accordance with CSSF Circular 02/81.	None
<b>Consolidation</b>			
No exemption granted – normally not required due to diversification requirements.	The law contains an exemption to prepare consolidated accounts for the UCI and its subsidiaries owned for investment purposes.	The law contains an exemption to prepare consolidated accounts for the UCI and its subsidiaries owned for investment purposes.	The law contains an exemption to prepare consolidated accounts for the SIF and its subsidiaries owned for investment purposes.

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
<p>Irrespective of the methodology used for the calculation of the NAV, the reports may be prepared as follows :</p> <p><b>Annual report</b> - Lux GAAP, i.e. provisions of the law of 19 December 2002 except for :</p> <ul style="list-style-type: none"> <li>• The content and layout of the annual report.</li> <li>• The valuation of assets which is ruled by articles 9, 28§4, 40§1, 82 of the SIF law. or</li> </ul> <p>- IFRS</p> <p><b>Semi-annual report</b> Not required</p> <p><b>Consolidated accounts</b> IFRS is mandatory if the company is listed in accordance with the EU regulation 1606/2002.</p>	<p>Irrespective of the methodology used for the calculation of the NAV, the reports may be prepared as follows :</p> <p><b>Annual report</b> - Lux GAAP only, i.e. provisions of the law of 19 December 2002 except for the valuation of assets which is ruled by article 5§3 of the SICAR law. or - IFRS</p> <p><b>Semi-annual report</b> Not required</p> <p><b>Consolidated accounts</b> IFRS is mandatory if the company is listed in accordance with the EU regulation 1606/2002.</p>	<p>Irrespective of the methodology used for the calculation of the NAV, the reports may be prepared as follows :</p> <p><b>Annual report</b> - Lux GAAP only, i.e. provisions of the law of 19 December 2002 except for the valuation of assets which is ruled by article 49 of the SICAR law. or - IFRS</p> <p><b>Semi-annual report</b> Not required</p> <p><b>Consolidated accounts</b> IFRS is mandatory if the company is listed in accordance with the EU regulation 1606/2002.</p>	<p>Irrespective of the methodology used for the calculation of the NAV, the reports may be prepared as follows :</p> <p><b>Annual report</b> <b>- Securitization fund</b> Lux GAAP only, i.e. provisions of the law of 19 December 2002 except for :</p> <ul style="list-style-type: none"> <li>• The content and layout of the annual report.</li> <li>• The valuation of assets which is ruled by articles 9§3, 28§4, 39, 90, 95, 99§5 of the Fund law. or</li> </ul> <p>- IFRS</p> <p><b>- Securitization company</b> Lux GAAP, i.e. provisions of the law of 19 December 2002. or - IFRS</p> <p><b>Semi-annual report</b> Not required</p> <p><b>Consolidated accounts</b> IFRS is mandatory if the company is listed in accordance with the EU regulation 1606/2002.</p>
None	None	None	None
The law contains an exemption to prepare consolidated accounts for the SIF and its subsidiaries owned for investment purposes.	The law contains an exemption for the SICAR to prepare consolidated accounts.	The law contains an exemption for the SICAR to prepare consolidated accounts.	No exemption granted.

# Approval and supervision

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Promoter requirement</b>			
No for SIAGs, FCPs and SICAVs with a Luxembourg UCITS Management Company.  Yes for FCPs and SICAVs with a Management Company established in another EU Member State.	Yes for self-managed SICAVs and for FCPs and SICAVs with a management company established under Chapter 16 of the Fund law .	Yes for self-managed SICAVs and for FCPs and SICAVs with a management company established under Chapter 16 of the Fund law .	No
<b>Supervision by CSSF</b>			
Yes	Yes	Yes	Yes
<b>Regular reporting to CSSF</b>			
Yes Monthly with due date the 10 <sup>th</sup> of the next month.  Annually with due date four months after year-end.  Details on reporting contained in CSSF Circular 97/136 as modified by CSSF Circular 08/348.	Yes Monthly with due date the 10 <sup>th</sup> of the next month.  Annually with due date six months after year-end.  Details on reporting contained in CSSF Circular 97/136 as modified by CSSF Circular 08/348.  Internally-managed SICAV/SICAF (registered AIFM): Details on reporting contained in article 3.d) of the AIFM law.	Yes Monthly with due date the 10 <sup>th</sup> of the next month.  Annually with due date six months after year-end.  Details on reporting contained in CSSF Circular 97/136 as modified by CSSF Circular 08/348.  Internally-managed SICAV/SICAF (authorized AIFM): Details on reporting contained in article 22 of the AIFM law	Yes Monthly with due date the 10 <sup>th</sup> of the next month based on the latest available NAV (when NAV is not calculated monthly).  Annually with due date six months after year-end.  Details on reporting contained in CSSF Circular 07/310 as modified by CSSF Circular 08/348.  Internally-managed SICAV/SICAF (registered AIFM): Details on reporting contained in article 3.d) of the AIFM law. <i>The latter reporting does not apply for SIF which do not qualify as an AIF.</i>

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
No	No	No	No
Yes	Yes	Yes	Yes
<p>Yes Monthly with due date the 10<sup>th</sup> of the next month based on the latest available NAV (when NAV is not calculated monthly).</p> <p>Annually with due date six months after year-end.</p> <p>Details on reporting contained in CSSF Circular 07/310 as modified by CSSF Circular 08/348.</p> <p>Internally-managed SICAV/SICAF (authorized AIFM): Details on reporting contained in article 22 of the AIFM law.</p>	<p>Yes Twice a year, as at June 30 and December 31 with due date 45 calendar days subsequent to the reference date of the report.</p> <p>Annually with due date six months after year-end.</p> <p>Details on reporting contained in CSSF circular 08/376.</p> <p>Internally-managed company (registered AIFM): Details on reporting contained in article 3.d) of the AIFM law. <i>The latter reporting does not apply for SICAR which do not qualify as an AIF.</i></p>	<p>Yes Twice a year, as at June 30 and December 31 with due date 45 calendar days subsequent to the reference date of the report.</p> <p>Annually with due date six months after year-end.</p> <p>Details on reporting contained in CSSF circular 08/376.</p> <p>Internally-managed company (authorized AIFM): Details on reporting contained in article 22 of the AIFM law</p>	<p>Yes (only applicable for regulated vehicles that issue securities to the public on a continuous basis – for others no requirements)</p> <p>When issued :</p> <ul style="list-style-type: none"> <li>• Final documents relating to each issue.</li> <li>• Financial statements prepared for investors and rating agencies.</li> <li>• Annual audited report.</li> </ul> <p>Half-yearly :</p> <ul style="list-style-type: none"> <li>• Details on the issuing activities and situation as at half-year.</li> <li>• Financial situation including assets and liabilities.</li> </ul> <p>At year-end :</p> <ul style="list-style-type: none"> <li>• Balance sheet and profit and loss account.</li> </ul>



# Approval and supervision

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Approval process</b>			
<p>Creation of a fund is subject to prior approval by the CSSF of:</p> <ul style="list-style-type: none"> <li>• Constitutive documents or management regulations, prospectus, draft KIIDs and main agreements with service providers.</li> <li>• Directors of the fund and/or of the management company.</li> <li>• Choice of Depositary, auditor and asset manager.</li> <li>• Promoter's experience and financial soundness (if applicable).</li> <li>• Confirmation of supervision by regulatory authority of Promoter (if applicable) and asset manager.</li> </ul>	<p>Creation of a fund is subject to prior approval by the CSSF of:</p> <ul style="list-style-type: none"> <li>• Constitutive documents, or management regulations, prospectus and main agreements with service providers.</li> <li>• Directors of the fund and/or of the management company.</li> <li>• Choice of Depositary, auditor and AIFM</li> <li>• Promoter's experience and financial soundness (if applicable).</li> <li>• Confirmation of supervision by regulatory authority of Promoter (if applicable)</li> </ul>	<p>Creation of a fund is subject to prior approval by the CSSF of:</p> <ul style="list-style-type: none"> <li>• Constitutive documents or management regulations, prospectus and main agreements with service providers.</li> <li>• Directors of the fund and/or of the management company.</li> <li>• Choice of Depositary, auditor and AIFM</li> <li>• Promoter's experience and financial soundness (if applicable).</li> <li>• Confirmation of supervision by regulatory authority of Promoter (if applicable)</li> </ul>	<p>Creation of a fund is subject to prior approval by the CSSF of:</p> <ul style="list-style-type: none"> <li>• Constitutive documents or management regulations, offering document or prospectus and main agreements with service providers.</li> <li>• Directors of the fund and/or of the management company.</li> <li>• Choice of Depositary, auditor and AIFM (<i>portfolio manager if the SIF does not qualify as an AIF</i>)</li> </ul>
<b>Process for cross-border distribution in Europe</b>			
<p>Regulator to regulator for initial notification Fund Management Company to regulator notification for subsequent changes.</p>	<p><b>EU AIFM ***:</b> National marketing rules apply.</p>	<p><b>EU AIFM ****:</b> Professional investors: Regulator to regulator for initial notification and subsequent changes.</p> <p>Retail investors: National marketing rules apply</p>	<p><b>EU AIFM ***:</b> National marketing rules apply.</p> <p><i>If the SIF does not qualify as an AIF, no marketing is normally done.</i></p>

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

\*\*\* Marketing may also be performed by a non-EU AIFM based on National marketing rules

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
<p>Creation of a fund is subject to prior approval by the CSSF of:</p> <ul style="list-style-type: none"> <li>• Constitutive documents or management regulations, offering document or prospectus and main agreements with service providers.</li> <li>• Directors of the fund and/or of the management company.</li> <li>• Choice of Depositary, auditor and AIFM</li> </ul>	<p>Formation of a SICAR is not subject to approval of the CSSF:</p> <p>An autorisation file must be submitted to the CSSF within the month following the formation of the SICAR. The autorisation will be granted subject to:</p> <ul style="list-style-type: none"> <li>• Approval of the constitutive documents, prospectus and main agreements with service providers.</li> <li>• Notification of the directors of the SICAR</li> <li>• Approval of the choice of Depositary, auditor and AIFM (<i>portfolio manager if the SICAR does not qualify as an AIF</i>)</li> </ul>	<p>Formation of a SICAR is not subject to approval of the CSSF:</p> <p>An autorisation file must be submitted to the CSSF within the month following the formation of the SICAR. The autorisation will be granted subject to:</p> <ul style="list-style-type: none"> <li>• Approval of the constitutive documents, prospectus and main agreements with service providers.</li> <li>• Notification of the directors of the SICAR</li> <li>• Approval of the choice of Depositary, auditor and AIFM</li> </ul>	<p>Creation of a securitization vehicle is subject to prior approval by the CSSF of:</p> <ul style="list-style-type: none"> <li>• Articles or Management Regulations and main agreements with service providers.</li> <li>• Directors of the company or managers of the management company.</li> <li>• Choice of Depositary and Auditor.</li> </ul> <p>Notification is required of :</p> <ul style="list-style-type: none"> <li>• Investors that may have a significant influence on the business conduct.</li> <li>• Initiation of the securitization scheme.</li> </ul>
<p><b>EU AIFM ****:</b> Professional investors: Regulator to regulator for initial notification and subsequent changes.</p> <p>Other types of well-informed investors: National marketing rules apply.</p>	<p><b>EU AIFM ***:</b> National marketing rules apply.</p> <p><i>If the Sicar does not qualify as an AIF, no marketing is normally done.</i></p>	<p><b>EU AIFM ****:</b> Professional investors: Regulator to regulator for initial notification and subsequent changes.</p> <p>Other types of well-informed investors: National marketing rules apply.</p>	<p>Authorization required in local jurisdictions</p>



\*\*\*\* Marketing may also be performed by a non-EU AIFM based on National marketing rules. This is subject to change in 2015 when a regulator to regulator notification may be allowed.

# Taxation

Part I Fund	Part II Fund with registered AIFM	Part II Fund with authorized AIFM	SIF with registered AIFM*
<b>Income tax</b>			
Tax exempt	Tax exempt	Tax exempt	Tax exempt
<b>Withholding tax on dividends and capital gains</b>			
Not subject to withholding tax except if EU savings directive applies.	Not subject to withholding tax except if EU savings directive applies.	Not subject to withholding tax except if EU savings directive applies.	Not subject to withholding tax except if EU savings directive applies.
<b>Subscription tax</b>			
<ul style="list-style-type: none"> <li>• 0.05% of NAV, except: 0.01% of NAV for money market funds, cash funds or share-classes of UCIs reserved to one or more institutional investors.</li> <li>• Exemption for special institutional money market funds, pension funds, exchange traded funds, micro-finance funds and funds investing in other funds already subject to the subscription tax.</li> </ul>	<ul style="list-style-type: none"> <li>• 0.05% of NAV, except: 0.01% of NAV for money market funds, cash funds or share-classes of UCIs reserved to one or more institutional investors.</li> <li>• Exemption for special institutional money market funds, pension funds, exchange traded funds, micro-finance funds and funds investing in other funds already subject to the subscription tax.</li> </ul>	<ul style="list-style-type: none"> <li>• 0.05% of NAV, except: 0.01% of NAV for money market funds, cash funds or share-classes of UCIs reserved to one or more institutional investors.</li> <li>• Exemption for special institutional money market funds, pension funds, exchange traded funds, micro-finance funds and funds investing in other funds already subject to the subscription tax.</li> </ul>	<ul style="list-style-type: none"> <li>• Annually 0.01% of NAV.</li> <li>• Tax exemption possible for certain money market and pension funds or SIFs investing in other funds already subject to subscription tax.</li> </ul>
<b>Net wealth tax</b>			
Tax exempt	Tax exempt	Tax exempt	Tax exempt
<b>Capital duty</b>			
No proportional capital duty	No proportional capital duty	No proportional capital duty	No proportional capital duty
<b>Value Added tax (VAT)</b>			
VAT exemption on management services.	VAT exemption on management services.	VAT exemption on management services.	VAT exemption on management services.
<b>Double Taxation Treaties (DTT)</b>			
<p><b>FCP</b> No access to DTT signed by Luxembourg; exception Ireland.</p> <p><b>SICAV/SICAF</b> Limited to some DTTs. Applicability of DTTs is determined by a decision taken by the Luxembourg fiscal authorities, but without practical experience on the exact classification that may be adopted by the other countries.</p>	<p><b>FCP</b> No access to DTT signed by Luxembourg; exception Ireland.</p> <p><b>SICAV/SICAF</b> Limited to some DTTs. Applicability of DTTs is determined by a decision taken by the Luxembourg fiscal authorities, but without practical experience on the exact classification that may be adopted by the other countries.</p>	<p><b>FCP</b> No access to DTT signed by Luxembourg; exception Ireland.</p> <p><b>SICAV/SICAF</b> Limited to some DTTs. Applicability of DTTs is determined by a decision taken by the Luxembourg fiscal authorities, but without practical experience on the exact classification that may be adopted by the other countries.</p>	<p><b>FCP</b> No access to DTT signed by Luxembourg; exception Ireland.</p> <p><b>SICAV/SICAF</b> Limited to some DTTs. Applicability of DTTs is determined by a decision taken by the Luxembourg fiscal authorities, but without practical experience on the exact classification that may be adopted by the other countries.</p>

\* SIF/SICAR which do not qualify as an AIF are subject to the same requirements as SIFs/SICARs with a registered AIFM, except as specifically mentioned in italics.

■ Legal and regulatory requirements ■ Shareholding ■ Reporting requirements ■ Approval and supervision ■ Taxation

SIF with authorized AIFM*	SICAR with registered AIFM*	SICAR with authorized AIFM*	Securitization vehicle – regulated
Tax exempt	<p>Tax exemption for income derived from transferable securities.</p> <p>Tax exemption for one year for income on cash held for the purpose of a future investment.</p> <p>The remaining income is subject to the ordinary income tax of 29.22 % (Municipal Business Tax + Corporate Income Tax - Luxembourg city 2013).</p>	<p>Tax exemption for income derived from transferable securities.</p> <p>Tax exemption for one year for income on cash held for the purpose of a future investment.</p> <p>The remaining income is subject to the ordinary income tax of 29.22 % (Municipal Business Tax + Corporate Income Tax - Luxembourg city 2013).</p>	<p><b>Securitization company</b> Fully taxable at a rate of 29.22% (Municipal Business Tax + Corporate Income Tax - Luxembourg city 2013). A reduction of the taxable income to close to €0 is possible (engagements made to investors and other creditors are fully tax deductible).</p> <p><b>Securitization fund</b> Tax exempt</p>
Not subject to withholding tax except if EU savings directive applies.	Not subject to withholding tax except if EU savings directive applies.	Not subject to withholding tax except if EU savings directive applies.	Not subject to withholding tax except if EU savings directive applies.
<ul style="list-style-type: none"> <li>• Annually 0.01 % of NAV.</li> <li>• Tax exemption possible for certain money market and pension funds or SIFs investing in other funds already subject to subscription tax.</li> </ul>	No subscription tax.	No subscription tax.	<p><b>Securitization company</b> No subscription tax.</p> <p><b>Securitization fund</b> Tax exemption.</p>
Tax exempt	Tax exempt	Tax exempt	Tax exempt
No proportional capital duty	No proportional capital duty	No proportional capital duty	No proportional capital duty
VAT exemption on management services.	VAT exemption on management services.	VAT exemption on management services.	VAT exemption on management services.
<p><b>FCP</b> No access to DTT signed by Luxembourg; exception Ireland.</p> <p><b>SICAV/SICAF</b> Limited to some DTTs. Applicability of DTTs is determined by a decision taken by the Luxembourg fiscal authorities, but without practical experience on the exact classification that may be adopted by the other countries.</p>	SICAR in the form of a corporate entity (all types except the SCS and SCSp) should benefit from the Luxembourg double tax treaty network.	SICAR in the form of a corporate entity (all types except the SCS and SCSp) should benefit from the Luxembourg double tax treaty network.	<p><b>Securitization company</b> Yes (all types except SCS)</p> <p><b>Securitization fund</b> No access to DTT.</p>



# Glossary of terms

<b>Articles</b>	Articles of incorporation of a Company / Fund.
<b>AIF</b>	“Alternative Investment Fund”: collective investment undertaking, including investment compartments thereof, which: a) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and b) do not require autorisation pursuant to Article 5 of Directive 2009/65/EC (the UCITS Directive).
<b>AIFM</b>	“Alternative Investment Fund Manager”: legal persons whose regular business is managing one or more AIFs.
<b>AIFMD</b>	Directive 2011/61/EU of the European Parliament and the council of 8 of June 2011 on alternative investment fund managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.
<b>AIFM Law</b>	Law of 12 July 2013 on Alternative Investment Fund Managers, transposing Directive 2011/61/EU.
<b>Authorized AIFM</b>	Any entities qualifying as AIFM fall under the authorisation regime and have to be authorized under Chapter 2 of the AIFM Law, unless they can benefit from the registration regime referred to here below.
<b>Closed-ended fund</b>	A fund which is not open to redemptions.
<b>Commercial Law</b>	The Law dated 10 August 1915 on commercial companies, as amended.
<b>Constitutive documents</b>	The "constitutive documents" correspond to the "Statuts" (Articles of incorporation of a Company for a SA, SCoSA, SCA and Sàrl) or to the "Contrat Social" (Partnership agreement for a SCS and SCSp).
<b>CSSF</b>	Commission de Surveillance du Secteur Financier, the Luxembourg financial supervisory authority.
<b>EPM</b>	Efficient Portfolio Management.
<b>ETF</b>	Exchange-Traded Fund.
<b>FCP</b>	Fonds Commun de Placement, an unincorporated co-ownership of assets managed by a management company.
<b>IFRS</b>	International Financial Reporting Standards.
<b>IOSCO</b>	International Organization of Securities Commissions.

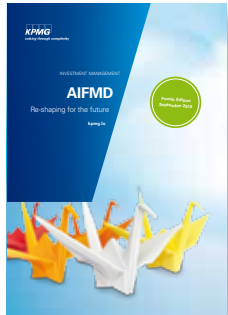
<b>Internally-managed (AIF)</b>	AIFs should be deemed internally managed when the management functions are performed by the governing body or any other internal resource of the AIF.
<b>KIID</b>	Key Investor Information Document. Pre-sale document of 2 pages, written in plain language.
<b>Lux GAAP</b>	Luxembourg Generally Accepted Accounting Principles.
<b>MMF</b>	Money Market Fund.
<b>NAV</b>	Net Asset Value.
<b>Offer to the public</b>	“Offer to the public” within the meaning of the Prospectus Directive : a communication that is addressed in any form or by any means to individuals and containing sufficient information on the conditions of the offer and on the shares offered, so that the investor is in a position to decide on the purchase or subscription of those shares. This definition also applies to the placement of shares by financial intermediaries.
<b>Open-ended fund</b>	A fund that is open to redemptions.
<b>OTC</b>	Over-The-Counter.
<b>Part I fund</b>	A fund that complies with Part I of the law of 17 December 2010, also referred to as UCITS (Undertakings for Collective Investment in Transferable Securities).
<b>Part II fund</b>	A fund that complies with Part II of the law of 17 December 2010.
<b>Professional investors</b>	Investors who are considered to be professionals or who on request may be treated as professionals, within the meaning of Annex II to the Directive 2004/39/EC.
<b>Prospectus Directive</b>	Directive 2003/71/EC (amending Directive 2001/34/EC) on the prospectus to be published when securities are offered to the public or admitted to trading, as transposed into Luxembourg law.
<b>Registered AIFM</b>	As a derogation from the authorisation regime, entities qualifying as below-threshold AIFMs are subject to the registration regime under article 3(3) of the AIFM law, i.e. AIFMs whose AIFs’ assets under management do not in total exceed the following thresholds: (i) EUR 100 million, including assets acquired through use of leverage; (ii) EUR 500 million, when the portfolio of assets managed consists of AIFs that are not leveraged and have no redemption rights exercisable during a period of 5 years following the date of the initial investment in each AIF.

- SA** Société Anonyme (public limited company).
- Sàrl** Société à Responsabilité Limitée (private limited company).
- SCA** Société en Commandite par Actions (partnership limited by shares).
- SCoSA** Société Coopérative organisée comme une Société Anonyme (cooperative company organized as a public limited company).
- SCS** Société en Commandite Simple (limited partnership).
- SCSp** Société en Commandite Spéciale (limited partnership without legal personality).
- SICAF** Société d'Investissement à Capital Fixe (investment company with fixed capital).
- SICAR** Société d'Investissement en Capital à Risque (investment company in risk capital), compliant with the law of 15 June 2004
- SICAV** Société d'Investissement à Capital Variable (investment company with variable capital).
- SIF** Specialized investment fund, compliant with the law of 13 February 2007.
- UCITS** Undertakings for Collective Investments in Transferable Securities.

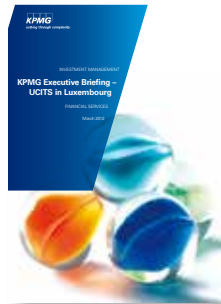
**Well-informed investor** A well-informed investor must be either :

- An institutional investor:  
Undertakings and organizations that manage an important amount of funds and assets. This concept covers inter alia credit institutions and other financial sector professionals, insurance and re-insurance undertakings, welfare institutions and pension funds, industrial and financial groups and structures put in place by these entities to manage an important amount of funds and assets.
- Or a professional investor  
Any professional investor within the meaning of Annex II to the Directive 2004/39/EC on markets in financial instruments.
- Or an investor who has adhered in writing to the status of well-informed investor and complies with one of the following conditions:
  - he invests at least 125,000 in the fund /company,
  - his expertise is confirmed by a banking institution as defined in Directive 2006/48/EC, by an investment firm as defined in Directive 2004/39/EC or by a management company as defined in Directive 2009/65/EC.

# Publications



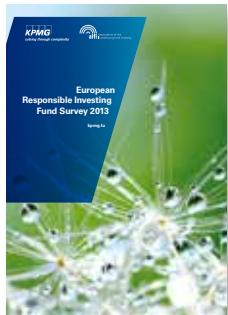
**AIFMD**  
Re-shaping for the future



**KPMG Executive Briefing - UCITS in Luxembourg**



**Evolving Investment Management Regulation**



**European Responsible Investing Fund Survey 2013**



**KPMG Executive Briefing - UCITS Management Companies**



**The Perfect UCITS**



**Fill the glass to the brim II: have we broken through?**



**KPMG Luxembourg Investment Management Practice**



# About KPMG in Luxembourg

KPMG in Luxembourg, with over 1,100 staff, is a leading provider of professional services including audit, tax and advisory services. As part of KPMG Europe LLP, it is part of the largest integrated accounting firm in Europe. KPMG is a global network of legally independent professional firms with 152,000 employees in 156 countries.

## Services provided by KPMG to the investment management industry

**We aim to provide you with a tailored service of the highest standard.**

- Our **Audit services** include statutory audits, contribution in kind/merger reports, ISAE 3402 reports.
- Our **Tax services** include processing withholding tax reclaims, operational tax reporting, VAT services, Tax structuring in relation with Private Equity and Real Estate investments, analysis of transfer pricing arrangements, corporate tax returns by.
- Our **Management Consulting services** support asset management players in improving their operational efficiency, aligning their business and their IT strategies and running transformation projects.
- **Value for Funds** is our platform of services dedicated to Management Companies and funds including the following services:
  - Set up and engineering
    - Investment funds set up, re-domiciliation, liquidation
    - Draft and maintenance of the prospectus
    - Asset Servicers selection & migration
  - Accounting and regulatory reporting
    - Accounting and domiciliation of SPVs
    - Corporate secretarial services
    - Financial statements compilation, including IFRS
  - Tax reporting
    - European countries tax preparation (Germany, Austria, Switzerland, Italy, UK, etc.)
    - German tax certification
  - Risk management
    - Risk Management reporting (including VaR, and Commitments approaches)
    - Eligible assets and investment restrictions monitoring
    - Asset valuation review
  - Distribution
    - Cross-border registration with foreign regulators
    - KIIDs: narratives - compilation - SRRI calculation- dissemination
    - Factsheets compilation
  - Risk & compliance
    - Internal Audit insourcing
    - Compliance insourcing
    - AML & KYC compliance review



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