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RAIF
A quick start

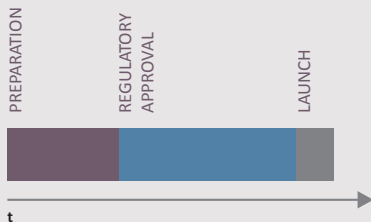
Reserved Alternative Investment Fund

Luxembourg evolves its fund regime with the introduction of a new regulatory framework for alternative investment funds (AIFs) which entered into force on 1 August 2016:

The reserved alternative investment fund, abbreviated as RAIF

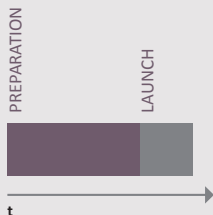
Initiators of Luxembourg investment funds have now the opportunity to chose a new regime for setting up their AIFs which remains equally attractive for professional investors but speeds up the set-up and smoothes the running of the AIF.

SIFs and SICARS



Double authorization:
alternative investment
fund manager (AIFM)
under AIFMD and SIFs
or SICARs as products
under the SIF or SICAR
regime

RAIFs

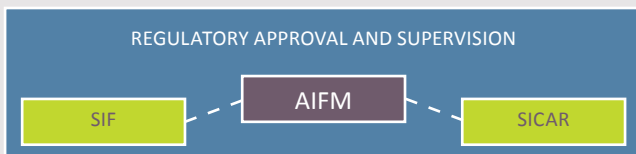


Single authorization:
RAIFs not authorized
but being able to benefit
from flexibilities of SIFs
and SICARs

SUPERVISION.

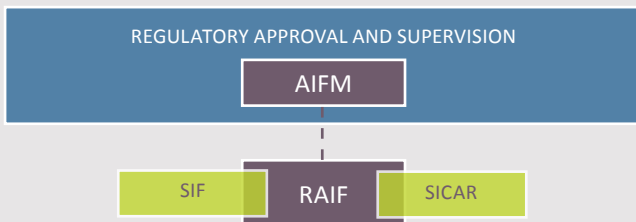
SIFs and SICARS

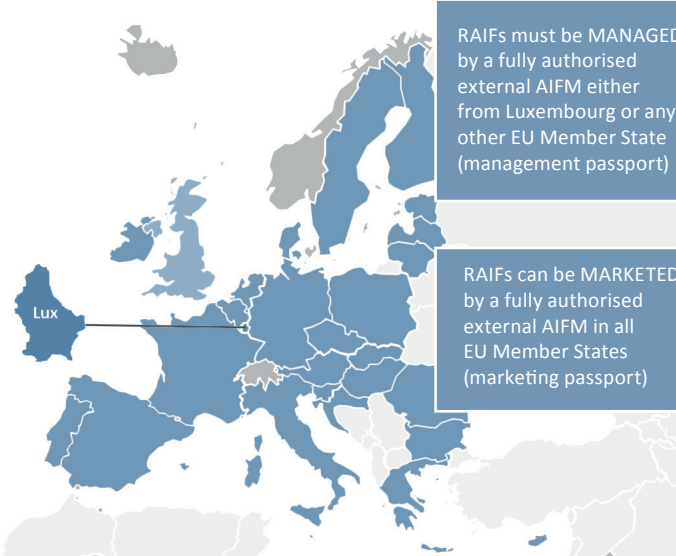
Double supervision:
Supervision of AIFM and SIFs or SICARS



RAIFs

Single supervision:
No supervision of RAIFs only AIFM





RAIFs must be **MANAGED** by a fully authorised external AIFM either from Luxembourg or any other EU Member State (management passport)

RAIFs can be **MARKETED** by a fully authorised external AIFM in all EU Member States (marketing passport)

RAIFs can be marketed to professional investors under MiFID and to investors to which marketing is permitted under host country regulation (e.g., Germany allows also marketing to semi-professional investors).

Generally, RAIFs are equally interesting to pension funds or insurance companies (Solvency II) unless specific home country regulation requires a product regulation.

MAIN FEATURES.

The main features of RAI Fs are the same as for SICARs (investment in risk capital) or SIFs (investment in accordance with risk-spreading).



Variable capital

RAIFs can be set-up either as company with variable capital (SICAV) or with fixed capital (SICAF)



Multiple compartments

RAIFs can also be set-up as umbrella structures comprising multiple compartments, each having its own investment policy and terms as well as a strict segregation of assets and liabilities by law



Variety of legal forms

RAIFs can be established in a wide range of legal forms e.g., as CORPORATIONS (public limited liability company (SA), corporate partnership limited by shares (SCA) private limited liability company (SARL)) as PARTNERSHIPS (limited partnership with and without legal personality (SCS and SCSp)) or as a COMMON FUND (FCP)



Specific tax regime

Risk diversified RAIFs are subject to a 0.01% subscription tax but are exempted from corporate income tax or other tax in Luxembourg. RAIFs which restrict themselves to investments in risk capital may opt for a different tax treatment

Well-informed investors

Eligible investors must be well-informed.
The definition of well-informed investors may deviate from definitions in other jurisdictions

Appointment of Depository

RAIFs must appoint a fully AIFMD compliant depository that is either established in Luxembourg or is acting through a Luxembourg branch

Appointment of Auditor

RAIFs must appoint an auditor that qualifies as an independent statutory auditor under Luxembourg law

Central Administrator

The central administration of RAIFs must be located in Luxembourg
Appointment of central administrator is not required if central administration is undertaken by the RAIF itself or its AIFM

Risk Diversification

RAIFs must comply with the principle of risk-spreading unless the RAIF restricts itself to investments in risk capital (development and increased risk components)

Issuing Document

RAIFs must provide investors with an issuing document in order to allow them to make an informed judgement on their investment and which must contain disclosures as required under AIFMD

YOUR KEY CONTACTS.



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Benefitting from our global reach and excellent local experience, our multidisciplinary team of lawyers in Luxembourg offers our clients a wide range of legal advice that is both business driven and practical.

Our investment funds team provides legal advisory and implementation services in relation to the establishment, marketing, and operation of all kinds of Luxembourg investment funds.

Our broad and varied client base has resulted in us gaining experience in many types of fund structures and asset classes. This provides us with an edge in engineering the appropriate structure to meet the particular needs of our clients.



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