



LINARI LAW FIRM

AVOCATS A LA COUR

Brushing up the Luxembourg investment fund landscape: new tools for seasoned vehicles

Incontestably, Luxembourg has for years been one of the most prominent hubs for investment funds in Europe. To keep up with its fame and to attract further investment fund business to the Grand Duchy, the government has recently proposed amending the main fund product laws – notably, the law of 17 December 2010 relating to undertakings for collective investment, the law of 13 February 2007 relating to specialized investment funds (the “SIF Law”), the law of 15 June 2004 relating to the investment company in risk capital (SICAR) (the “SICAR Law”), the law of 23 July 2016 on reserved alternative investment funds (the “RAIF Law”) as well as main law applicable to managers of alternative investment funds (AIFM) - the law of 12 July 2013 on alternative investment fund managers (all laws, as amended).



Within the amendments package, the most noteworthy ones will concern (i) the levelling up of the definition of a “well-informed investor” across the SIF Law, the SICAR Law and the RAIF Law and reduction of the EUR 125,000 investment threshold to EUR 100,000, (ii) the increase of the period within which a SIF, a SICAR and a RAIF have to reach the minimum subscribed capital threshold from 12 to 24 months, (iii) clarification of the formation formalities for RAIFs and express recognition of a possibility to market shares/units/partnership interests of a RAIF to well-informed investors in Luxembourg, (iv) introduction of a possibility for AIFMs to use tied agents (similarly to banks, payment institutions etc), (v) introduction of certain subscription tax exemptions for investment funds pursuing a fund-of-funds strategy, (vi) clarification of the rules related to replacement of a depositary for and liquidation of regulated funds and RAIFs.

The draft law is now to be voted on by the Luxembourg parliament and certain changes may still be made to the draft. We will keep monitoring the legislative process in respect of this draft law and will keep our readers informed about subsequent developments.

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