

**Crossing the line: The CSSF sanctions a registered alternative investment fund manager for going above the AuM threshold**

In a rare move the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier or CSSF) has recently imposed a sanction on a Luxembourg registered alternative investment fund manager (i.e. a so-called sub-threshold alternative investment fund manager with AuM under management below EUR 100 million (with leverage) or EUR 500 million (without leverage)), as disclosed in a CSSF publication some days ago.

Notably, the CSSF determined - as part of its prudential supervision process - that a registered alternative investment fund manager had failed to notify in due time the CSSF that the total value of AuM of the alternative investment funds it managed exceeded the applicable threshold for an extended time period and on a non-temporary basis as well as, most importantly, that it had failed to submit an application for authorization as a fully-fledged alternative investment fund manager within prescribed deadline further to surpassing the applicable threshold.



This case indeed clearly demonstrates that registered alternative investment fund managers should not take applicable legal obligations lightly and must remain extremely vigilant in continuously monitoring the AuM of alternative investment funds they manage (including, developing a comprehensive monitoring program and automatic tools to assess and measure the relevant AuM).

Please visit our website and social media accounts for further information on the scope of services offered by our asset management law practice or reach out to our team members directly to discuss your potential projects.