

AIFMD

Making the passport a reality



Beyond the concept of AIFMD there is the practicality of distribution.

Context

The Alternative Investment Managers Directive (AIFMD) is one of the most far-reaching legislative initiatives undertaken by the European Union in the field of investment services.

It provides the framework within the internal market for the cross-border distribution of Alternative Investment Funds (AIF), based on the notion of the passporting of the Alternative Investment Fund Manager (AIFM) itself, in offering the alternative products under management in multiple jurisdictions.

Key issues

The process whereby AIFMD came into force, and the accompanying Level II implementing measures, has been long and complex. The scope and extent of AIFMD touches almost all aspects of the fund and investment management world.

As the focus has shifted from understanding to practical implementation, the key challenges are meeting home and host member state requirements, articulating those subtleties back to relevant third countries and understanding all the attendant requirements with regards to marketing and distribution.

Main challenges

Once the structure and governance of the Alternative offering has been decided:

- In terms of the authorisation of the AIFM and the choice of product, the relevant authorities must be notified
- The requirements for cross-border notification, both of the AIFM and AIFs to be marketed must be translated into practical steps, assimilated and executed
- Once the investment has been made to achieve authorisation, smooth access to target markets must follow to ensure success; a process that will require monitoring
- Building this process requires understanding, access to extensive market intelligence and expertise

Distribution and the national placement regimes

- The Directive contains references as to how it is envisaged that it will interact with national placement regimes
- The transposition of the Directive into national law has already abolished many private placement arrangements

Our services

Deloitte has a proven track record in providing infrastructure support for the cross-border provision of investment products. Our fund registration services team covers funds domiciled in many recognised fund domiciles offered in over 50 different jurisdictions within the European Union and beyond.

Based in Luxembourg we offer:

- A dedicated client relationship manager to streamline your internal process and customise our services to your needs
- Access to regulators worldwide
- Knowledge of processes and requirements to achieve your distribution goals
- Carefully selected and proven relationships with external professionals in markets where you need them
- Excellence in execution coupled with regulatory awareness keeping you informed of relevant regulatory changes
- A Gap-Analysis tool to map AIFM preparedness

How can we help?

- Leverage our existing UCITS business model across the spectrum of relevant regulators
- Understand how each jurisdiction is approaching notification and follow the process for you
- Maintain and update notifications as required
- Focus on the peripheral requirements not catered for directly in the Directive - marketing literature and various information requirements
- Article 43 AIFMD caters for distribution to retail investors, which will vary from country to country; our expertise will assist you in translating theory to practice

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