

SIF Law main changes

	Main requirements	Reference
Activities	SIF will have to provide portfolio management services in order to clearly exclude purely passive investment vehicles such as Luxembourg SPFs (Société de Gestion de Patrimoine Familial) within the scope of the SIF.	Art. 1
Well-informed investors	SIF will have to implement procedures allowing them to verify that their investors qualify to the status of well-informed investors.	Art. 2
Translation of constitutional documents	The new Law provides an exemption to translate the articles of incorporation or any modification to the articles of incorporation or any notarial deeds into French or German in the event that these documents have been originally drafted in English.	Art. 3 (2)
Reporting	For SIF constituted under certain corporate form: There will be no obligation to send the annual report, the independent auditor's report, the management report and the observation of the supervisory board to registered shareholders at the same time as the convening notice to the annual general meeting of shareholders.	Art. 3 (3)
Convening notices	For SIF constituted under certain corporate forms: Convening notices can provide that the quorum to the shareholder meetings be determined with respect to shares issued and outstanding 5 days before the day of the meeting.	Art. 3 (4)
Preliminary approval by CSSF	It will no longer be possible to launch SIF prior to approval from the CSSF on their constitutive documents, choice of custodian and identity of the directors and persons in charge of the portfolio management.	Art. 5
Risk management	The risk management policy and related systems will have to be put in place to detect, measure and manage risks associated with the portfolio positions and the impact of these positions with respect to the general risk profile of the portfolio. In a press release dated 20 March 2012, the CSSF has clarified its understanding of Art. 6 (1) of the Law. More information available in our <i>SIF & Risk Management section</i> .	Art. 6 (1)
Conflicts of interest	SIF will have to be structured and organised so as to restrain risks of any conflict of interest. In a press release dated 20 March 2012, the CSSF has clarified its understanding of art. 6 (2) of the law. More information available in our <i>SIF & Risk Management section</i> .	Art. 6 (2)
Delegations	The CSSF will have to be adequately informed of all delegations made by the SIF. If the delegation relates to portfolio management, the mandate can only be given to persons or entities that are authorised or registered for the purpose of asset management and subject to prudential supervision. Should this condition not be met, the delegation must be subject to prior approval from the CSSF. Furthermore, it is expressly forbidden to delegate investment management to the SIF's custodian.	Art. 7
Cross sub-fund investments	Subject to certain conditions, sub-funds of a multiple compartment SIF will be permitted to make investments within other sub-funds of the same SIF.	Art. 16