FUND FINANCE
LUXEMBOURG

DEBROISELEGAL
Luxembourg Law Firm

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CLIENT
BRIEFING

UNDER STAND ING FUNDS

" In a general fashion, Luxembourg law does not impose any specific restriction on a fund's ability to borrow or grant security over its assets. "

MAIN FEATURES

WHAT YOU NEED TO KNOW

Luxembourg offers a wide range of alternative investment fund vehicles depending on the targeted investors, the investment strategy and the marketing strategy of the proposed fund.

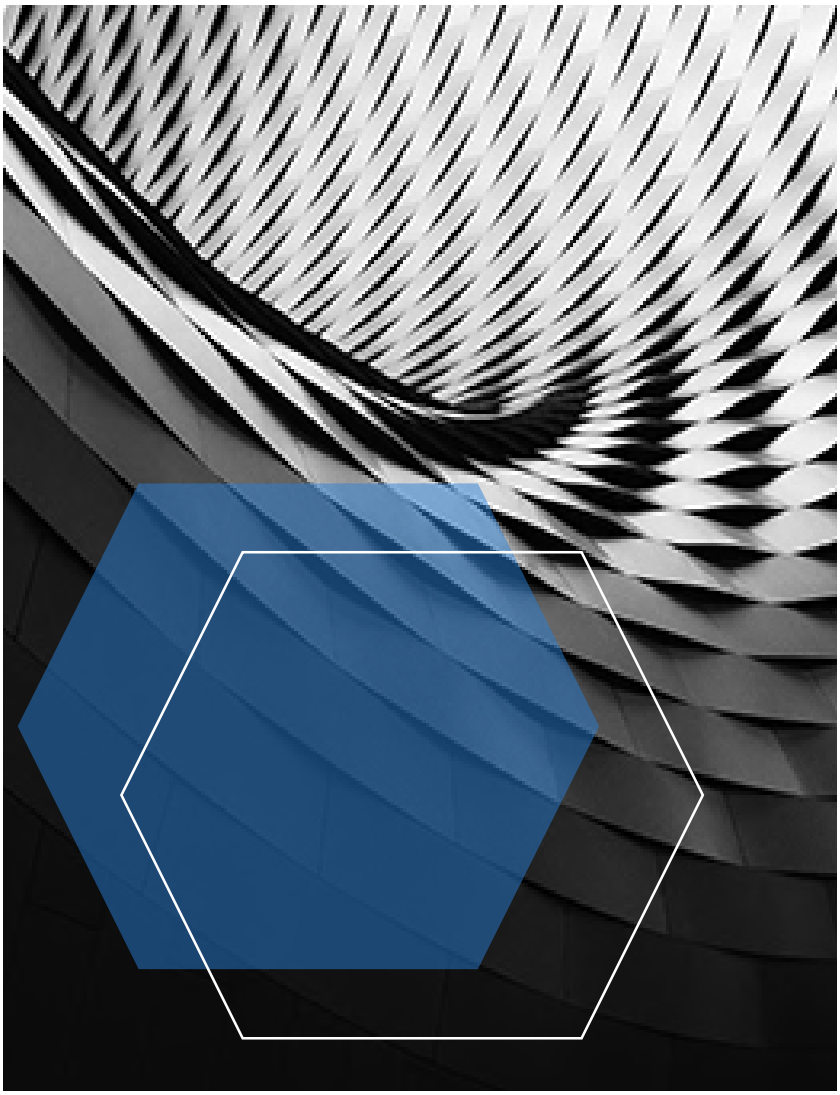
This briefing provides a non-exhaustive overview of the main features of the most common regulated and unregulated vehicles.

For definitions of the acronyms used in this briefing, please refer to our earlier publication "Decoding Fund Names".

	UNREGULATED VEHICLES		REGULATED VEHICLES	
	SOPARFI	**RAIF**	**SIF**	**Part II UCI**
Most frequently used corporate forms	SCA SCS SCSp	SCA SCS SCSp FCP	SCA SCS SCSp FCP	SCA SCS SCSp FCP
Authorisation and supervision by the CSSF	No (or indirect supervision if an AIFM is appointed)	No (indirect supervision through the authorised AIFM)	Yes	Yes
Eligible investors	Unrestricted	Restricted to well-informed investors	Restricted to well-informed investors	Unrestricted
Eligible assets	Unrestricted	Unrestricted	Unrestricted	Unrestricted
Umbrella structure	No	Yes	Yes	Yes
Fixed/Variable capital	No	Yes	Yes	Yes
Net asset value calculation frequency	Not required	At least once a year	At least once a year	At least once a month
Restriction on borrowing[1]	No	No	No	Up to 25% of the NAV without restriction as to the intended use but can be increased depending on the investment strategy (real estate, hedge funds...)
Financial reports	SCS: annual accounts to be approved within 6 months following the end of the period to which it relates. SCSp: no legal obligations.	Audited annual report within 6 months following the end of the period to which it relates. Where several compartments have been created, each will have to be separately referred to and detailed in the audited annual report of the RAIF.	Audited annual report within 6 months following the end of the period to which it relates. Where several compartments have been created, each will have to be separately referred to and detailed in the audited annual report of the SIF.	Audited annual report within 6 months following the end of the period to which it relates + unaudited half-yearly report. Where several compartments have been created, each will have to be separately referred to and detailed in the audited annual report of the Part II UCI.

[1] unless the borrowing arrangement is fully covered by investors' capital commitments, an ELTIF may borrow cash provided that this borrowing represents (i) no more than 50% of its NAV for retail ELTIFs, and (ii) no more than 100% of its NAV for ELTIFs marketed solely to professional investors

AIFM requirements	Not required unless set-up as an AIF that is no self-managed and above the AIFMD threshold	Yes (external authorised AIFM required)	Yes (internal AIFM if the legal form permits an internal management or external (authorised or registered) AIFM)	Yes (internal AIFM if the legal form permits an internal management or external (authorised or registered) AIFM)
Required service providers	No requirement to appoint a depositary except if qualifies as an AIF and is managed by an authorised AIFM	- Luxembourg depositary or Luxembourg branch of a depositary registered in the EU - Central administration, registrar and transfer agency services provider based in Luxembourg - Independent auditor	- Luxembourg depositary or Luxembourg branch of a depositary registered in the EU - Central administration, registrar and transfer agency services provider based in Luxembourg - Independent auditor	- Luxembourg depositary or Luxembourg branch of a depositary registered in the EU - Central administration, registrar and transfer agency services provider based in Luxembourg - Independent auditor



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Fabien Debroise

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