

10 July 2013
Press release

Luxembourg Parliament adopts law implementing AIFMD

On 10 July 2013, the Luxembourg Parliament adopted the law transposing the Alternative Investment Fund Manager Directive (AIFMD) into Luxembourg law.

Marc Saluzzi, Chairman of ALFI, comments: “With the legislative process now complete, the regulated alternative investment fund industry in Luxembourg is ready to take off.”

He continued: “AIFMD pushed the alternative fund management industry towards a model which is based on the compromise of more regulation in exchange for a passport. This is the same as the UCITS model which we know so well in Luxembourg, and, combined with the fact that we already have a well-established ‘alternatives’ industry, the law puts the Luxembourg financial centre in a strong competitive position to develop our hedge, real estate and private equity activities even further.”

A key measure of the AIFMD involves the introduction of a European passport for alternative investment fund managers who wish to access the entire European market. With Luxembourg’s position as the European leader in the cross-border space, ALFI expects that implementation of the AIFMD will further enhance Luxembourg as a leading domicile for fund and management companies in the alternative sector.

ALFI actively contributed to the draft law on the implementation into Luxembourg law that was submitted to Parliament on 24 August 2012.

Two major features of the law are likely to be of particular interest to the Alternative Investment Fund community:

- First, the creation of a Limited Partnership structure, which adds a flexible and secure partnership structure to Luxembourg’s offering which will be particularly appealing to investors familiar with the Anglo-Saxon partnership regime;
- Secondly, the law provides for additional clarifications regarding the taxation of carried interest.

In parallel with the law entering into force in Luxembourg, ALFI worked with the industry to put in place the operational requirements needed to comply with the Directive and its Delegated Regulations. In

addition, on 18 June 2013, the Luxembourg regulator published “Frequently Asked Questions (FAQs)” to highlight some of the key aspects of the AIFMD regulation from a Luxembourg perspective, together with an application form for establishing a fully licensed alternative investment fund management company.

Mr Saluzzi concludes: “ALFI is confident that the new regulatory framework will provide the global alternatives industry with a solution which combines investor protection with well-established industry practices at a reasonable cost.”

The full text of the AIFM Act will be available on the website of the *Chambre des Députés of Luxembourg* via the following [link](#).

[CSSF Q&A](#)

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For further information:

Anna Příhodová
Communications Manager
Tel: +352 22 30 26 - 1
anna.prihodova@alfi.lu

Notes to editors:

The Association of the Luxembourg Fund Industry (ALFI) is the representative body of the Luxembourg investment fund community. Created in 1988, the Association today represents over one thousand Luxembourg domiciled investment funds, asset management companies and a wide range of service providers such as depository banks, fund administrators, transfer agents, distributors, legal firms, consultants, tax experts, auditors and accountants, specialist IT providers and communication companies. The Luxembourg Fund industry is the largest fund domicile in Europe and a worldwide leader in cross-border distribution of funds. Luxembourg-domiciled investment structures are distributed on a global basis in more than 70 countries with a particular focus on Europe, Asia, Latin America and the Middle East. For further information, do not hesitate to consult our website at www.alfi.lu.

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