



**The Association of the Luxembourg Fund Industry (ALFI)**, the representative body for the Luxembourg investment fund community, was founded in 1988. Today it represents over a thousand Luxembourg-domiciled investment funds, asset management companies and a wide variety of service providers including depository banks, fund administrators, transfer agents, distributors, law firms, consultants, tax advisers, auditors and accountants, specialist IT providers and communications agencies.

Luxembourg is the largest fund domicile in Europe and its investment fund industry is a worldwide leader in cross-border fund distribution. Luxembourg-domiciled investment structures are distributed in more than 50 countries around the globe, with a particular focus on Europe, Asia, Latin America and the Middle East.

ALFI defines its mission as to **“Lead industry efforts to make Luxembourg the most attractive international centre”**.

Its main objectives are to:

■ **Help members capitalise on industry trends**

ALFI’s many technical committees and working groups constantly review and analyse developments worldwide, as well as legal and regulatory changes in Luxembourg, the EU and beyond, to identify threats and opportunities for the Luxembourg fund industry.

■ **Shape regulation**

An up-to-date, innovative legal and fiscal environment is critical to defend and improve Luxembourg’s competitive position

as a centre for the domiciliation, administration and distribution of investment funds. Strong relationships with regulatory authorities, the government and the legislative body enable ALFI to make an effective contribution to decision-making through relevant input for changes to the regulatory framework, implementation of European directives and regulation of new products or services.

■ **Foster dedication to professional standards, integrity and quality**

Investor trust is essential for success in collective investment services and ALFI thus does all it can to promote high professional standards, quality products and services, and integrity. Action in this area includes organising training at all levels, defining codes of conduct, transparency and good corporate governance, and supporting initiatives to combat money laundering.

■ **Promote the Luxembourg investment fund industry**

ALFI actively promotes the Luxembourg investment fund industry, its products and its services. It represents the sector in financial and in economic missions organised by the Luxembourg government around the world and takes an active part in meetings of the global fund industry.

ALFI is an active member of the European Fund and Asset Management Association, of the European Federation for Retirement and of the International Investment Funds Association.

For more information, visit our website at [www.alfi.lu](http://www.alfi.lu)



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**Luxembourg is Europe’s number 1 investment fund centre and the world’s leading hub for global fund distribution.**

UCITS<sup>1</sup> are now recognized as the only truly globally distributed investment funds. Luxembourg has successfully positioned itself as the global leader for cross-border distribution of investment funds, and today more than 75% of UCITS funds distributed internationally are based in Luxembourg.

A Luxembourg UCITS set up as a common fund (‘FCP’) must be managed by a ManCo. A UCITS investment company (e.g. SICAV) must also appoint a ManCo, unless it has designated itself as a self-managed investment company. UCITS ManCos are in charge of the investment management, administration and marketing of UCITS.

Under the current law of 17 December 2010 on undertakings for collective investment,

as amended, a UCITS, its ManCo and its custodian bank must be located in the same EU Member State and all three are subject to the legislation and supervision of that Member State.

However, since July 2011, under the management company passport portion of the new UCITS IV legislation, UCITS may be managed by a ManCo authorised and supervised in another EU Member State. This offers very specific opportunities for existing ManCos in the EU as well as for ManCos still to be created.

Given Luxembourg’s expertise, experience and its leading position in global fund distribution there are many good arguments in favour of Luxembourg as **the** location ... for a ManCo.

<sup>1</sup> UCITS is the acronym for “Undertaking for Collective Investment in Transferable Securities”. It refers to European Directive 85/611/EEC dated 20 December 1985 as amended, which set up a single regulatory regime across the European Union for open-ended funds investing in transferable securities such as shares and bonds, with a view to defining high levels of investor protection. This Directive was first implemented into Luxembourg law by the law of 30 March 1988 which was amended successively by the law of 20 December 2002 and 17 December 2010.

## 10 reasons for a Luxembourg management company "ManCo"

