

RESERVED ALTERNATIVE INVESTMENT FUND (RAIF)

WHAT IS A RAIF?

- ▶ A Luxembourg alternative investment fund (AIF);
- ▶ Managed by an external authorised Alternative Investment Fund Manager (AIFM), able to benefit from the European passport;
- ▶ Subject (indirectly) to AIFMD requirements;
- ▶ However, not itself subject to CSSF supervision (unregulated).

WHY SHOULD A RAIF BE USED?

- ▶ Quick time to market;
- ▶ Only indirectly supervised by its AIFM;
- ▶ Benefits from investment funds' features which other unregulated AIFs do not have (multiple compartments, tax treatment, variable capital).

IS A SIF/SICAR STILL INTERESTING?

- ▶ YES;
- ▶ Depending on investor comfort and requirements;
- ▶ Direct CSSF supervision and control;
- ▶ SIF label / recognition;

KEY FEATURES

- ▶ FCP or SICAV/F (SA, Sàrl, SCA, SCS, SCSp)
- ▶ Umbrella form is possible;
- ▶ Capital calls, distributions and redemptions are possible if stipulated in the constitutive documents;
- ▶ Risk diversification required (no minimum spread but responsibility of management);
- ▶ If investment policy restricts the investments into risk capital, no risk spreading is required (like SICAR);
- ▶ For well-informed investors only;
- ▶ Minimum net assets of EUR 1.25 million after 12 months from launch required.

GOVERNANCE

- ▶ External authorised AIFM required;
- ▶ Luxembourg depositary required;
- ▶ Registered office and central administration should be located in Luxembourg;
- ▶ Independent approved Luxembourg auditor to be appointed;
- ▶ No reporting to the CSSF required.

TAX REGIME

- ▶ Not subject to tax except to an annual subscription tax of 0.01% on the RAIF's NAV (= SIF tax regime);
- ▶ If the RAIF invests in risk capital only, the SICAR tax regime can be chosen:
 - No subscription tax;
 - Subject to corporate income tax (so should generally give access to tax treaties);
 - Minimum EUR 3,210 NWT in 2016.

FOR FURTHER INFORMATION, FEEL FREE TO CONTACT OUR EXPERTS:



Livio Gambardella
Partner
+352 45 123 234
livio.gambardella@bdo.lu



Jean Brisbois
Partner
+352 45 123 777
jean.brisbois@cf-fs.lu



Daniel Hilbert
Partner
+352 45 123 480
daniel.hilbert@bdo.lu

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