# Fund Pre-Inception Readiness Review Annex to application file for approval of Choose an item.

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| Fund name: | |  |
| Fund CSSF ID number (if Fund already existing): | |  |
| Fund type: | | Please select |
| Additional Sub-fund(s) name(s) (if Fund already existing): | |  |
| This Fund Pre-Inception Readiness Review is to be filled out by the Investment Fund Manager contemplated to manage the new Fund/Sub-fund(s) in order to support the authorization process by providing status and feedback on completed readiness reviews as regards the setting up, authorization and functioning of new Fund/Additional Sub-fund(s) to be managed[[1]](#footnote-1). | | |
| Acronyms: | | |
| 2010 Law | Law of 17 December 2010 relating to undertakings for collective investment | |
| 2013 Law | Law of 12 July 2013 on alternative investment fund managers | |
| AIF | Alternative Investment Fund according to the 2013 Law | |
| AIFM | Alternative Investment Fund Manager according to the 2013 Law | |
| AIFM Delegated Regulation | Commission Delegated Regulation (EU) 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU | |
| AML/CFT | Anti-Money Laundering and Countering the Financing of Terrorism | |
| COI | Conflict Of Interest | |
| CSSF | Commission de Surveillance du Secteur Financier | |
| ESMA | European Securities and Markets Authority | |
| IFM | Investment Fund Manager (Management Company or AIFM) or the Fund itself where there is no external IFM | |
| KIID /KID | Key Investor Information Document/Key Information Document | |
| MEF | CSSF AML/CFT Investment Fund Market Entry Form | |
| RMP | Risk Management Process according to the applicable CSSF regulations and/or circulars | |
| UCI Part II | Undertaking for Collective Investment subject to Part II of the 2010 Law | |
| UCITS | Undertaking for Collective Investment in Transferable Securities subject to the 2010 Law | |
| SFDR | EU Regulation 2018/2088 on sustainability-related disclosures in the financial sector | |
| SICAR | Société d'Investissement en Capital à Risque subject to the Law of 15 June 2004 relating to the investment company in risk capital | |
| SIF | Specialised Investment Fund subject to the Law of 13 February 2007 on specialised investment funds | |
| STSSR | EU Regulation laying down a general framework for securitization and creating a specific framework for simple, transparent and standised securitisation | |

| Ref. | Description | Status[[2]](#footnote-2) | Completed by[[3]](#footnote-3) / Comments |
| --- | --- | --- | --- |
| 1 | Initiator | | |
| 1.1 | The initial due diligence performed on the initiator has been completed by the IFM and is available to the CSSF upon request. | Please select | [Name(s)] – [Comment(s)] |
| 1.2 | The initial due diligence on the initiator passed the IFM approval committee criteria to manage initiator’s Fund/Sub-fund(s). | Please select | [Name(s)] – [Comment(s)] |
| 1.3 | The development plan(s) of the Fund/Sub-fund(s) under approval lead(s) to the conclusion of a viable[[4]](#footnote-4) investment proposal for targeted investors. | Please select | [Name(s)] – [Comment(s)] |
| 2 | Conflicts of interest, risk management, liquidity management and valuation of assets | | |
| 2.1 | Risks of potential COI have been assessed, identified (if any), mitigated and covered by COI policy(ies) available to the CSSF upon request. | Please select  Please select | [Name(s)] – [Comment(s)] |
| 2.2 | Adequate IFM’s RMP in place to monitor and manage any risks to which the Fund/Sub-fund(s) may be exposed to, including integration of sustainability risks[[5]](#footnote-5). | Please select | [Name(s)] – [Comment(s)] |
| 2.3 | Adequacy of the liquidity profile of investments with redemption policy and/or distribution of capital policy as laid down in the management regulations or instruments of incorporation or the prospectus/issuing document is ensured. | Please select | [Name(s)] – [Comment(s)] |
| 2.4 | Valuations of assets (following a valuation policy consistent with Fund constitutive documents as well as the Fund/Sub-fund(s)' investment policy) and calculations of the net asset value per unit or share are made at a frequency both appropriate to the assets (to be) held by the Fund/Sub-fund(s) and to the issuance and redemption frequency of the Fund/Sub-fund(s). | Please select | [Name(s)] – [Comment(s)] |
| 3 | Costs and fees | | |
| 3.1 | Fees or commissions deducted from the assets of the Fund/Sub-fund(s) in remuneration or compensation of a service provided to the Fund/Sub-fund(s)/its (their) investors do not give rise to undue cost[[6]](#footnote-6). | Please select | [Name(s)] – [Comment(s)] |
| 3.2 | The costs/fees are consistent between the Fund’s articles of incorporation, partnership agreement or management regulations, prospectus/issuing document and KIID/KID. | Please select | [Name(s)] – [Comment(s)] |
| 3.3 | The existence, nature and the maximum amounts of charges and expenses which are directly or indirectly borne by investors are clearly disclosed to them in a manner that is comprehensive, accurate and understandable for the type(s) of investors targeted. | Please select | [Name(s)] – [Comment(s)] |
| 3.4 | Any fees related to the performance of the Fund/Sub-fund(s) have been reviewed and comply with ESMA’s final guidelines (5 principles) on performance fees in UCITS and certain types of AIFs. | Please select | [Name(s)] – [Comment(s)] |
| 3.5 | The performance fee model(s) applied is(are) consistent with the investment objectives, strategy and policy of the Fund/concerned Sub-fund(s) and incentive for the IFM is reasonable and aligned with investors’ interests. | Please select | [Name(s)] – [Comment(s)] |
| 3.6 | [AIFs only] Information required to be disclosed under the ESMA Guidelines on performance fees (ESMA34-39-992) as well as any material changes thereof, is disclosed by the AIFM to investors of the Fund/Sub-fund(s) in the disclosures referred to in in Article 21 of the 2013 Law (Article 23 of Directive 2011/61/EU) and are accurate, fair, clear, not misleading. | Please select | [Name(s)] – [Comment(s)] |
| 3.7 | [AIFs only] Specific methods and communication means by which any mandatory disclosures under the ESMA Guidelines on performance fees (ESMA34-39-992) are made by the AIFM (as well as any material changes of such methods/means) are duly communicated to investors in the prospectus/issuing document and, if relevant, any ex-ante information documents, marketing material as well as any PRIIPS KID, where applicable. | Please select | [Name(s)] – [Comment(s)] |
| 4 | Delegation of function(s) | | |
| 4.1 | Initial and where applicable ongoing due diligences performed with regard to the appointed delegate(s) have been finalized and accepted and are available to the CSSF upon request. | Please select | [Name(s)] – [Comment(s)] |
| 4.2 | Operational procedure(s) at Fund and/or IFM level covering the oversight arrangements with the delegate(s) have been finalised. | Please select | [Name(s)] – [Comment(s)] |
| 4.3 | The due diligence(s) on the delegate(s) fulfilled the IFM’s compliance criteria (including fit & proper controls) to render the service(s) to the Fund/Sub-fund(s). | Please select | [Name(s)] – [Comment(s)] |
| 4.4 | In case of sub-delegation by delegate(s), the rationale of the entire delegation chain has been assessed, does not create undue costs and does not prevent the IFM to ensure proper ongoing oversight of the entire sub-delegation chain.[[7]](#footnote-7) | Please select | [Name(s)] – [Comment(s)] |
| 4.5 | Additional risks of potential COI due to (sub-)delegation of function(s) have been assessed, identified (if any), mitigated and covered by COI policy(ies). | Please select  Please select | [Name(s)] – [Comment(s)] |
| 5 | Investment objective, policy, diversification and limits | | |
| 5.1 | Risk profile(s) of the Fund/Sub-fund(s), including a qualitative description and explanation regarding the risk appetite for all risks that may be significant for the Fund/Sub-fund(s) according to the investment policy, has (have) been validated by the IFM’s management body. | Please select | [Name(s)] – [Comment(s)] |
| 5.2 | Compliance of investment objective and investment policy with any investment diversification rules or limits (if any) and sustainability risks-related considerations set by applicable law(s), regulation(s) and/or CSSF circular(s) has been reviewed and confirmed. | Please select | [Name(s)] – [Comment(s)] |
| 5.3 | Performance at IFM level of the initial due diligence required according to Articles 51 to 53 of the AIFM Delegated Regulation respectively Articles 5.1 and 5.3 of STSSR. | Please select | [Name(s)] – [Comment(s)] |
| 5.4 | Existence at IFM level of a detailed written procedure to monitor on an ongoing basis 1) compliance with Articles 51 and 53 of the AIFM Delegated Regulation, resp. Articles 5.1 and 5.3 of STSSR and 2) the performance of the securitization positions and of their underlying exposures according to Article 53.2 of the AIFM Delegated Regulation respectively Article 5.4 (a) of STSSR. | Please select | [Name(s)] – [Comment(s)] |
| 5.5 | Existence at IFM level of a stress testing program for the underlying exposures of securitization investments according to Article 53.2 of the AIFM Delegated Regulation respectively Article 5.4 (b) of STSSR. | Please select | [Name(s)] – [Comment(s)] |
| 5.6 | Existence of internal reporting to the management body of IFM for sake of identification and management of risks arising from securitization positions according to Article 53.4 of the AIFM Delegated Regulation respectively Article 5.4 (d) of STSSR. | Please select | [Name(s)] – [Comment(s)] |
| 5.7 | [UCITS only] The due diligence performed with regard to the compliance of the markets on which the financial instruments trade with [Article 41 of the 2010 Law](https://int-wiki.cssf.lu/confluence/display/MO/Loi+OPC+2010+-+Toolbox#LoiOPC2010-Toolbox-41) has been performed and is available to the CSSF upon request. Provide under Comment(s) box, date, names and functions of signatory persons or validators of the due diligence. | Please select | [Name(s)] – [Comment(s)] |
| 5.8 | [UCITS only] Provide status of specific financial index eligibility table(s)[[8]](#footnote-8) for any Sub-fund(s) contemplated to make use of financial indices. | Please select | [Name(s)] – [Comment(s)] |
| 5.9 | [UCITS only] Provide status on leverage questionnaire[[9]](#footnote-9) for any Sub-fund(s) contemplated to make use of leverage above 600%. | Please select | [Name(s)] – [Comment(s)] |
| 6 | Investors’ information | | |
| 6.1 | Compliance of the articles of incorporation/ partnership agreement /management regulations with applicable law(s) and regulation(s) has been reviewed and is confirmed. | Please select | [Name(s)] – [Comment(s)] |
| 6.2 | Compliance and transparency of the prospectus/issuing document with applicable law(s) and regulation(s) has been reviewed and is confirmed. | Please select | [Name(s)] – [Comment(s)] |
| 6.3 | Compliance with regulation on transparency with regard to the integration of sustainability risks, consideration of adverse sustainability impacts in investment process and provision of sustainability‐related information with respect to Fund/Sub-fund(s) has been reviewed and is confirmed. | Please select | [Name(s)] – [Comment(s)] |
| 6.4 | Compliance and transparency of the KIID/KID with applicable law(s) and regulation(s) has been reviewed and is confirmed. | Please select | [Name(s)] – [Comment(s)] |
| 6.5 | Consistency between the articles of incorporation/partnership agreement/management regulations; prospectus/issuing document and KIID/KID where relevant, has been reviewed and is confirmed. | Please select | [Name(s)] – [Comment(s)] |
| 6.6 | The UCITS prospectus or AIFM disclosure to investors specify the securities financing transactions (SFT) and total return swaps (TRS) which the IFM is authorized to use, include a clear statement that those transactions and instruments are used and include the data provided for in Section B of the Annex of the REGULATION (EU) 2015/2365. | Please select | [Name(s)] – [Comment(s)] |
| 6.7 | Consistency between disclosures inserted in prospectus/issuing document, marketing communication as well as any KIID or PRIIPS KID, where applicable, has been reviewed and is confirmed. | Please select | [Name(s)] – [Comment(s)] |
| 6.8 | Publication of information on a website about policies on the integration of sustainability risks in the investment decision‐process according to Article 3 of SFDR is ensured and up to date. | Please select | [Name(s)] – [Comment(s)] |
| 6.9 | Publication of information on a website about adverse sustainability impacts according to Article 4 of SFDR is ensured and up to date. | Please select | [Name(s)] – [Comment(s)] |
| 6.10 | Publication of information on a website how remuneration policy is consistent with the integration of sustainability risks is ensured and up to date. | Please select | [Name(s)] – [Comment(s)] |
| 6.11 | [AIF managed by an authorized AIFM only] Information described in Article 21 of the 2013 Law (Article 23 of Directive 2011/61/EU) is made available by the AIFM to the Fund/Sub-fund(s)’ investors before they invest in the Fund/Sub-fund(s). | Please select | [Name(s)] – [Comment(s)] |
| 6.12 | [AIF managed by an authorized AIFM only] Any material changes to the information described in Article 21 of the 2013 Law (Article 23 of Directive 2011/61/EU) is made available by the AIFM to the Fund/Sub-fund(s)’ investors. | Please select | [Name(s)] – [Comment(s)] |
| 6.13 | [AIF managed by an authorized AIFM only] Consistency between any disclosures to investors, including information described in Article 21 of the 2013 Law (Article 23 of Directive 2011/61/EU) and disclosures inserted in prospectus/issuing document, marketing communication as well as any PRIIPS KID, where applicable, has been reviewed and is confirmed. | Please select | [Name(s)] – [Comment(s)] |
| 7 | AML/CFT | | |
| 7.1 | Status of AML/CFT Investment Fund Market Entry Form (mandatory in case of Fund initial application, in case of Sub-fund(s) application new version required if latest AML/CFT Investment Fund Market Entry Form version provided to the CSSF is no longer up to date). | Please select | [Name(s)] – [Comment(s)] |

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| The status and information gathered through this Fund Pre-Inception Readiness has been signed off and released on | First Name, Last Name, Name of IFM, Position Title | Signature(s) |
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Note:

For applications in scope of eDesk, this document must be uploaded in PDF text format via the relevant pad in eDesk. For all applications outside of eDesk, the transmission is required in PDF text format via email to respective generic email address.

1. Applicable according to regulation to IFM having their registered office in LU and by virtue of Article 122 (2) a) of Law of 17 December 2010 to IFM pursuing activity under the freedom to provide services [↑](#footnote-ref-1)
2. In case of a No or N/A (not applicable) selection, please provide a comment under Comment(s) where relevant [↑](#footnote-ref-2)
3. Always provide name(s) of IFM individual responsible signatory(ies) or (a) responsible signatory(ies) of IFM internal committee(s) [↑](#footnote-ref-3)
4. In the sense that interests of the Fund are safeguarded and associated costs do not have an excessive impact on the Fund/Sub-fund(s)’ performance [↑](#footnote-ref-4)
5. In case of a major or minor update, inform under Comment(s) on the reference number (if any) and issue date of the last RMP version lodged with NCA of IFM (specify section(s) of update where relevant) [↑](#footnote-ref-5)
6. The notion of undue cost should be primarily assessed against what should be considered the best interest of the Fund or its investors (i.e. consistent with the investment objective of the Fund/Sub-fund(s), do not prevent the latter to achieve such objective, is consistent with the characteristics of the Fund/Sub-fund(s), ensure investors’ equal treatment (unless otherwise disclosed), all charged costs are based on reliable documentation) [↑](#footnote-ref-6)
7. If relevant, inform on rationale under Comment(s) [↑](#footnote-ref-7)
8. If applicable, eligibility tables must be available at first file submission for all Sub-funds [↑](#footnote-ref-8)
9. If applicable, leverage questionnaire must be available at first file submission for all Sub-funds [↑](#footnote-ref-9)