

PRESS RELEASE 12/16

■ SPECIALISED INVESTMENT FUNDS: ENTRY INTO FORCE OF THE LAW OF 26 MARCH 2012 AND INFORMATION TO BE PROVIDED TO THE CSSF

The law of 26 March 2012 amending the law of 13 February 2007 relating to specialised investment funds (hereafter "SIFs") entered into force on 1 April 2012.

This law specifies that the modalities for the application of paragraphs (1) and (2) of Article 42a which is added to the text of the law of 13 February 2007 are laid down by way of CSSF regulation. These paragraphs concern the implementation of appropriate risk management systems and the risks linked to conflicts of interest, respectively.

In this context and pending additional specifications which will be included in this regulation, the CSSF would like to inform of certain elements that it requires from specialised investment funds. The following elements shall thus be communicated to the CSSF, either immediately with the submission of an application file relating to a specialised investment fund created after 1 April 2012 or at the latest on 30 June 2012 (through the email address opc@cssf.lu) for specialised investment funds created before 1 April 2012.

In this respect, the SIFs shall first communicate to the CSSF a concise description of the risk management systems implemented according to the proportionality principle in order to appropriately identify, measure, manage and control all the material risks to which the fund or its compartments are or might be exposed to.

This description shall cover, among others, elements (non-exhaustive list) like the risk management function (including the allocation of responsibilities), its independence or the specific protection measures implemented to avoid conflicts of interest and ultimately allowing an independent execution of the risk management activities or procedures, processes and methods to appropriately measure and manage the risks arising from the investment strategies and the risk profile of the fund (or compartments).

Furthermore, the SIFs shall provide the CSSF with a concise description of the adopted policy as well as the concrete measures taken in order to comply with the second paragraph of Article 42a of the law of 13 February 2007 dealing with the management of conflicts of interest.

Prior to transmitting the above information to the CSSF, it shall be validated by the SIF's managers.

Luxembourg, 20 April 2012

