uxembourg already possesses a range of structures, both regulated and unregulated, that are used for the establishment of alternative investment funds. However, the Reserved Alternative Investment Fund represents an important addition to the toolbox as a vehicle that offers the speed and flexibility of not requiring initial regulatory approval nor ongoing supervision but is nevertheless AIFMD-compliant.

This table shows at a glance the most important features of the RAIF by comparison with existing alternative fund structures in the grand duchy, including SIFs, SICARs and unregulated special limited partnerships, as well as ordinary Luxembourg companies. It covers aspects such as eligible investors and assets, AIFMD status, regulatory oversight, service provider requirements, sub-funds and taxation.

### COMPARISON TABLE OF RAIF TO OTHER LUXEMBOURG REGULATED AND UNREGULATED AIFs

<table>
<thead>
<tr>
<th>AIF Type</th>
<th>Eligible investors</th>
<th>Eligible assets</th>
<th>Qualification as an AIF</th>
<th>Exemption from AIFMD full regime under lighter regime (AIFMD registration)</th>
<th>External authorized AIFM requirement</th>
<th>CSSF approval/oversight</th>
<th>Risk spreading requirements</th>
<th>Administrative agent requirement</th>
<th>Depositary requirement</th>
<th>Annual accounts requirement</th>
<th>Audit requirement</th>
<th>Contractual form (FCP)</th>
<th>Umbrella structure</th>
<th>Income tax</th>
<th>Subscription tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAIF</td>
<td>Well-informed investors1</td>
<td>Unrestricted2</td>
<td>Always an AIF</td>
<td>No</td>
<td>Always required</td>
<td>Yes</td>
<td>Yes</td>
<td>CSSF-authorised</td>
<td>Yes3</td>
<td>Yes</td>
<td>Yes</td>
<td>Possible</td>
<td>Possible</td>
<td>Possible</td>
<td>Yes</td>
</tr>
<tr>
<td>SIP</td>
<td>Well-informed investors1</td>
<td>Unrestricted2</td>
<td>Yes, unless exempt1</td>
<td>Possible</td>
<td>Sometimes4</td>
<td>Yes</td>
<td>Yes</td>
<td>CSSF-authorised</td>
<td>Yes3</td>
<td>Yes</td>
<td>Yes</td>
<td>Possible</td>
<td>Possible</td>
<td>Possible</td>
<td>Yes</td>
</tr>
<tr>
<td>SICAR</td>
<td>Well-informed investors1</td>
<td>Investment in risk capital2</td>
<td>Yes, unless exempt1</td>
<td>Possible</td>
<td>Sometimes4</td>
<td>Yes</td>
<td>Yes</td>
<td>CSSF-authorised</td>
<td>Yes3</td>
<td>Yes</td>
<td>Yes</td>
<td>Possible</td>
<td>Possible</td>
<td>Possible</td>
<td>Yes</td>
</tr>
<tr>
<td>PART II UCI</td>
<td>Unrestricted</td>
<td>Unrestricted</td>
<td>Always an AIF</td>
<td>Possible</td>
<td>Sometimes4</td>
<td>Yes</td>
<td>Yes</td>
<td>CSSF-authorised</td>
<td>Yes3</td>
<td>Yes</td>
<td>Yes</td>
<td>Possible</td>
<td>Possible</td>
<td>Possible</td>
<td>Yes</td>
</tr>
<tr>
<td>UNREGULATED SCSp</td>
<td>Non-AIF, unless activities fall within scope of art 1 (39) of AIFM law7</td>
<td>Unrestricted</td>
<td>Always an AIF</td>
<td>Possible</td>
<td>Sometimes4</td>
<td>Yes</td>
<td>Yes</td>
<td>CSSF-authorised</td>
<td>Yes3</td>
<td>Yes</td>
<td>Yes</td>
<td>Possible</td>
<td>Possible</td>
<td>Possible</td>
<td>Yes</td>
</tr>
<tr>
<td>ORDINARY LUXEMBOURG COMPANY</td>
<td>Non-AIF, unless activities fall within scope of art 1 (39) of AIFM law7</td>
<td>Unrestricted</td>
<td>Always an AIF</td>
<td>Possible</td>
<td>Sometimes4</td>
<td>Yes</td>
<td>Yes</td>
<td>CSSF-authorised</td>
<td>Yes3</td>
<td>Yes</td>
<td>Yes</td>
<td>Possible</td>
<td>Possible</td>
<td>Possible</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### FOOTNOTES

1. Well-informed investors only: institutional investors, professional investors or any other investors (2) which elect to be treated as well-informed investors and (ii) invest at least EUR 125,000 or (ii) have a recommendation from a credit institution, investment firm or a management company.
2. Unless they opt for investments exclusively in risk capital and opt for the tax regime similar to SICARs.
3. Draft law of 18 January 2016: proposal to change the eligible investment rules for SIFs and restrict to professional/investors only the ability to invest in SIFs or compartments thereof that hold non-traditional assets, including wine, diamonds, insurance contracts, economic rights to sports individuals, art and animals.
4. See CSSF circular 06/241 regarding the concept of risk capital under the law of 15 June 2004 relating to the SICAR.
5. Unless subject to CSSF prior approval and application of risk spreading as set out in circular 91/75, as amended by circular 05/177.
6. Exempt if it does not cease capital from investors.
7. Article 1 (39) of the AIFM Law provides a definition of “Alternative Investment Funds”: collective investment undertakings, including investment compartments thereof, which: (a) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors, and (ii) do not require authorization pursuant to article 5 of Directive 2009/65/EC (i.e. UCITS).
8. If the entity is an AIF that is not self-managed and above AIFM asset threshold.
9. CSSF guidelines on risk spreading for SIFs should be followed (CSSF circular 07/309), unless exclusively risk capital investments.
10. CSSF circular 07/309 regarding risk spreading in the context of SIFs.
11. A Luxembourg depositary under article 19 of the AIFM Law is always required.
12. A Luxembourg depository under article 19 of the AIFM Law is required if managed by an external AIFM with AUM above threshold or if it is an internally managed AIF with AUM above the threshold. Otherwise it can appoint a Luxembourg depositary who meets the requirements under the applicable product law.
13. A Luxembourg depositary under article 19 of the AIFM Law is required if managed by an external AIFM with AUM above threshold or if it is an internally managed AIF with AUM above the threshold. Otherwise there is no obligation to appoint a depositary.
14. Required unless the company is not a non-AIF managed by AIFM with AUM above threshold and two of the following criteria are met (i) net turnover below EUR 8.8 million, (ii) balance sheet before EUR 4.4 million and (iv) average number of employees below 50.
15. Not subject to income tax, unless investing only in risk capital, then SICAR tax regime applicable.
16. Subject to income tax but income derived from transferable securities (i.e. dividends, capital gains) is exempt.
17. Unless the SCSp is considered as carrying out a business activity under circular LIR 14/4 of the Luxembourg tax authorities.
18. Can be exempted or reduced under certain limited circumstances.
19. Can be exempted or reduced under certain limited circumstances.
20. GLOSSARY OF TERMS

RAIF: Reserved alternative investment fund (fonds d’investissement alternatif réservé).
SICAR: Investment company in risk capital (société d’investissement en capital à risque).
SIF: Specialized investment fund (fonds d’investissement spécialisé).
SCSp: Special limited partnership (société en commandite simple).
AIFM Law: Luxembourg law of 12 July 2013 on alternative investment fund managers (transposing the AIFMD directive).

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