alfi association of the luxembourg fund industry

annual report | 2012 – 13

alfi
25 years of
global funds leadership

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letter from the chairman

Dear ALFI member,

This year ALFI celebrates its 25th anniversary. Our silver anniversary coincides with a historic performance for Luxembourg-domiciled funds in terms of assets under management which had risen to EUR 2,529 bn by the end of March 2013. With 3,854 investment funds or 13,525 fund units, Luxembourg remains the largest investment fund centre in Europe and the second largest investment fund centre in the world after the US. We should all be proud of this achievement.

But let none of us become complacent; the challenges ahead are significant and we need to continue to work hard and innovate. Specifically, if I could influence the next 25 years, I would ask for four things:

- To have a well-diversified fund centre based on the three pillars UCITS, alternative investment funds and responsible investing;
- To carry on evolving from a fund domicile only to a fully-fledged international fund servicing centre;
- To continue benefiting from the commitment of ALFI members, who have done a fabulous job supporting ALFI in its three main roles: lobbying, promoting and educating;
- To maintain the quality of the working relationships we have enjoyed with the government, in particular the Ministry of Finance and the CSSF.

Luxembourg being the prime domicile for UCITS funds, the fund vehicle of choice in Europe and increasingly in Asia and Latin America, we are keenly aware of ALFI's responsibility to maintain and enhance the UCITS brand. We have stepped up our promotional efforts and have continued to travel all around the world in order to promote UCITS and the Luxembourg fund centre to maintain access to existing distribution markets and explore new ones. But we also seek to help other investment funds – including alternatives and responsible investments – to prosper. We view the Alternative Investment Fund Managers Directive (AIFMD) positively, as we think it is likely to boost the alternative sector in general and the Luxembourg fund centre in particular.

Responsible investing is a critical area of focus for ALFI, too. The fallout of the financial crisis has encouraged investors to reconsider their strategies and interest in long-term or socially responsible savings products has increased. Recent EU Commission work, such as the consultations on pensions or social investment funds, also reflects the growth of responsible investment.
To respond to these new needs, ALFI has created a new technical committee focusing on long-term savings, pensions and sustainable finance.

Our role is not just to promote the growth of the Luxembourg fund centre but to protect it, too. We are supportive of constructive regulation and continue to research and advise on the most pressing ones, including AIFMD, UCITS V, EMIR and FATCA. However, one of our main challenges this year will be to highlight the dangers of the proposed Financial Transaction Tax (FTT). ALFI believes that investment funds, which neither caused nor exacerbated the financial crisis, should not be included within the scope of the FTT. The FTT risks damaging funds investing in shares and bonds, and this would have a devastating effect on the long-term financing of the European economy.

In everything we do in 2013 and beyond, ALFI will focus on supporting measures that build investor confidence and further develop the competitiveness of Luxembourg as a global centre of excellence in asset management.

It just remains for me to sincerely thank the ALFI members who work in our technical committees and working groups, as well as ALFI's Director General, Camille Thommes and his hard-working team. Thank you all.

Marc Saluzzi, Chairman

letter from the director general

Dear ALFI member,
Dear colleagues and friends,

It has been a year of great achievements and considerable challenges. As our Chairman notes, assets under management in Luxembourg have now reached historic highs. This is testament to the expertise and hard work of our members and all participants in the Luxembourg asset management and investment fund sector.

It is fair to say that our work continues to be dominated by regulatory issues. This is not likely to change in the coming year: European Parliament elections are scheduled for May 2014 and the Commission's term expires in Autumn 2014. So Autumn 2013 will be the Commission's deadline for presenting new proposals and the European Parliament will have to intensify its work in order to conclude all legislative processes.

Over the last year, ALFI has responded to requests for advice and information on legislation including FATCA, the FTT, AIFMD, UCITS V, EMIR, liquidity risks, the KIID, OTC derivatives changes and Solvency II. FATCA, which comes into force in 2014, was a particular area of focus and several ALFI working groups are preparing the implementation of FATCA from an operational point of view.

I would like to thank the Regulatory Advisory Board as well as the chairpersons and members of the many technical committees and working groups for their dedication and expertise in formulating responses to all these issues and more.

We maintain close relations with other fund management associations around the world, including EFAMA, with whom we are in close contact on all topics affecting our industry. ALFI collaborates actively with EFAMA to contribute to main consultation processes at the European and at an international level.

ALFI has continued to promote the Luxembourg fund industry throughout the world and in 2012/2013 we took delegations of members to 14 cities in 10 countries, meeting with more than 3,750 fund industry professionals to strengthen relationships between Luxembourg and other global jurisdictions. One of our priorities has always been the promotion of UCITS and this remains a key aim. But we are increasingly spreading the message that Luxembourg is also a centre of choice for regulated alternative funds in the wake of the AIFMD. Equally, ALFI's mission includes highlighting Luxembourg's expertise in responsible investment and the legal structures that support it.

These messages are embedded in our conference programmes, too. Each year, ALFI organises and takes part in an average of 30 conferences in Luxembourg and abroad, in order to promote the Luxembourg investment fund industry. There were record attendances for our three main conferences in 2012/2013.

As our membership increases and our worldwide presence expands, ALFI continues to regularly inform industry participants and their clients about latest developments. Over the last year, ALFI published numerous guidelines, surveys and brochures as highlighted in this report.

In addition, as part of our investor education activities, we launched a series of short films aimed at retail investors named "Basics of investing".

None of this would be possible without the full support of the entire ALFI membership. I would like to thank our Chairman, the Board of Directors, the Executive Committee, the entire ALFI staff and, above all, our members for their ongoing commitment and hard work throughout the year.

Camille Thommes, Director General

25 years of alfi


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1. happy birthday alfi!

How it all began

On 9 November 1988, eight SICAVs, promoted by banks which had long been established in Luxembourg, and one management company came together to create an association which the founders decided to name "ALFI", the Association of the Luxembourg Fund Industry.

The creation of ALFI was a strategic move on the part of the founders who believed that the international development of investment funds in Luxembourg could not be achieved without a powerful national association devoted to furthering the interests of those involved in this industry.

This year, ALFI is celebrating its silver, 25th anniversary! And what better gift could you wish for than to be able to announce historic record performances for Luxembourg-domiciled funds in terms of assets under management, which amounted to EUR 2,528 bn at the end of March 2013. Over the past year, assets under management have actually grown by almost EUR 300 bn, EUR 126 bn of which comes from an increase in net sales.

These achievements are the result of a well thought-out strategy which has been implemented over the years. For a quarter of a century, ALFI and its members have done their utmost to help the global fund management industry to understand the regulatory changes and have worked with the government and the regulator to provide its players with pragmatic solutions and tools. As of today, ALFI counts 1,300 active members and more than 180 technical committees, working groups and forums.

Along the way, the association has stepped up its communication efforts and has continued to travel around the globe to promote the UCITS product and the Luxembourg fund centre. Since its creation, ALFI has organised and attended conferences in more than 60 cities and 45 countries. Each year, ALFI organises and takes part in an average of 30 conferences in Luxembourg and abroad, in order to promote the Luxembourg investment fund industry.

A 25 years success story

Over the past 25 years, Luxembourg became the largest fund domicile in Europe and its investment fund industry is a world leader in cross-border fund distribution.

Luxembourg-domiciled investment structures are distributed in more than 70 countries around the globe, with a particular focus on Europe, Asia, Latin America and the Middle East.

Let's take a look at the milestones of the Luxembourg fund industry history going back to 1988 when ALFI was established.

1988: Creation of ALFI

- **30 March 1988:** Luxembourg became the first member state to transpose the European Directive for Collective Investments in Transferable Securities (UCITS Directive), which allowed Luxembourg to become a kingpin of global importance in the investment fund industry.
- **November 1988:** creation of ALFI with the aim of representing and promoting the Luxembourg investment fund industry.

1989: Growing success of "Umbrella funds"

- 63 new umbrella funds are created.
- ALFI joins FEFSI, now known as EFAMA, the representative association of the European investment management industry.

1992: First ALFI NICSA conference

- ALFI and NICSA partner for the first time to present the Annual Europe-US Investment Fund Forum, now known as Global Distribution Conference.

1996: First ALFI Spring Conference

- **March 1996:** First ALFI Spring Conference entitled "European Investment Funds on the Move: Opportunities and Risks".

1998: ALFI Code of Ethics

- A Code of Ethics is formally adopted and circulated to ALFI members to provide boards of directors with a framework of high-level principles and best practice recommendations for the governance of Luxembourg investment funds.

1999: Luxembourg ranks as the largest investment fund center in Europe

- **December 1999:** Luxembourg becomes, for the first time, the largest investment fund center in Europe, overtaking France.

2000: Broadening of ALFI membership

- **April 2000:** ALFI membership opens to non investment funds.

2001: ALFI membership on the rise

- **June 2001:** ALFI boasts a membership representing more than 70% of all net assets of Luxembourg funds.

2002: Focus on UCITS III

- Luxembourg becomes the first country to transpose the UCITS III Directive into its national law with the adoption of the Law of 20 December 2002.

2003: ALFI's mission statement

- **April 2003:** ALFI's Board of Directors validates ALFI's mission statement "Lead industry efforts to make Luxembourg the most attractive international centre for investment funds".

2004: Focus on SICAR

- Luxembourg takes a quantum leap by enacting the SICAR law, an innovative regulated onshore investment company regime, fully dedicated and customised to the needs of Private Equity.

2005: ALFI's first roadshows

- ALFI organises its first roadshows in London (29 June 2005), Frankfurt (4 October 2005) and in the US (24-28 October 2005) which marks the beginning of a series of conferences around the world.
- Luxembourg ranks, for the second time, as the largest investment fund center in Europe and is still holding that leadership so far.

2006: ALFI opens Brussels office

- **September 2006:** ALFI opens its representative office in Brussels to defend the Luxembourg fund industry's interests in the EU.

2007: Net assets reach EUR 2,000 bn

- **May 2007:** Industry volumes grow steadily reaching the magic milestone of EUR 2,000 bn.
- Adoption of the Law of 13 February 2007 on Specialised Investment Funds (SIFs).
- **End of 2007:** 75.4% of all UCITS registered in at least 3 countries (including home state) are Luxembourg-domiciled funds.
- The Markets in Financial Instruments Directive (MiFID) is transposed into national law.

2009: Focus on UCITS IV

- **January 2009:** The European Parliament adopts a new UCITS Directive, known as UCITS IV.

2010: UCITS Directive celebrates its 25th anniversary

- **19 December 2010:** the UCITS brand celebrates its 25th anniversary, as the first UCITS Directive was formally adopted on 20 December 1985.
- **November 2010:** ALFI opens its Asian representative office in Hong Kong acknowledging the fact that Asia has become the main non-European market for UCITS funds, attracting approximately 15% of total UCITS net sales in 2009.
- Luxembourg transposes the UCITS IV Directive into its national law with the adoption of the Law of 17 December 2010.

2011: Luxembourg ranks as second biggest domicile for non-UCITS in Europe

- According to EFAMA statistics, Luxembourg is the second largest domicile for non-UCITS funds in Europe. At the end of May 2011, 50% of the 3,749 Luxembourg domiciled funds are non-UCITS (1,266 SIFs; 619 Part II funds).

2012: Historic level for Luxembourg – domiciled funds in net assets

- Assets under management by Luxembourg-domiciled funds reach a historic high at EUR 2,383.8 bn under management, representing an increase of 13.7% since the end of 2011 and more than 26.7% of total assets under management for UCITS and non-UCITS in the European fund industry.
- With 3,841 investment funds or 13,420 fund units, Luxembourg maintains its title of the largest investment fund centre in Europe followed by France and Germany, and the second largest investment fund centre in the world after the US.

2. alfi chairmen testimonials

Marc Saluzzi
ALFI current Chairman
elected in 2011

How would you best describe the association's evolution?

I would describe it as a steep but well mastered evolution. Over the years, ALFI has managed to acquire the appropriate level of sophistication and impact to support the emergence of Luxembourg as one of, if not the most, vibrant fund centres in the world. From the composition of its Board of Directors, the competence and commitment of its staff to the incredible support from its membership, all the right building blocks have slowly, but surely, contributed to an impressive set of achievements. That being said, we cannot rest on our laurels. Representing the second fund centre in the world imposes a lot of obligations on the association. One of them is to constantly reinvent itself to prepare for the future.

ALFI is celebrating its 25th anniversary this year. What do you wish the association for the next 25 years?

If I could influence the future for the next 25 years, I would ask for four things. The first one would be to have a well-diversified fund centre: 70% in UCITS, 20% in alternative funds, on the back of the introduction of the AIFMD, and 10% in Responsible Investment funds, which is also a sector on which we are focusing our innovation efforts.

The second wish would be to carry on evolving from a fund domicile only to a fully-fledged international fund servicing centre.

The third wish would be to continue benefiting from the commitment of ALFI members, who have done a fabulous job supporting ALFI in its three main roles: lobbying, promoting and educating. If we can keep up this great team spirit in our association, there will be no limit to what ALFI can achieve.

The last wish would be to maintain the quality of the working relationships we have enjoyed with the government, in particular the Ministry of Finance, and the CSSF. This cooperation has been, and will remain, a key success factor for our fund centre.

2. alfi chairmen testimonials

Claude Kremer
ALFI Chairman from
2007 to 2011

If you had to choose main achievements of ALFI during your time as Chairman, which ones would it be?

Despite the crisis that started in 2008 – or maybe thanks to it! – ALFI was able to strengthen the commitment of its members and stakeholders. First, we helped develop a sense of solidarity and team spirit among the funds community in Luxembourg. Secondly, we worked very closely with the authorities, especially the Ministry of Finance and the CSSF. Thirdly, we opened our office in Hong Kong. And finally, we stepped up our communications with media and opinion leaders beyond the industry.

Building investor trust was one of ALFI's key priorities during your time as Chairman, with the creation of a dedicated website, the "ALFI Investor Centre". What was the rationale behind this focus on the investor?

The crisis had shaken investor confidence and our task was to restore it. And I must say it still is. The only way to achieve this is to place the investor at the centre of our concerns and to sharpen our focus on investor education. We must help investors realise that they can enjoy the benefits of safe, affordable and innovative products by taking responsibility for their investments. Today, investors have become the prime focus of all stakeholders in the global financial sector, including politicians, policy-makers, regulators as well as industry professionals.
I'm glad that ALFI is building on this commitment and contributing to EFAMA's strategy, called "Investor at Heart".

During your time as Chairman, ALFI opened its representative office in Hong Kong, acknowledging the fact that Asia has become the main non-European market for UCITS funds. Is there room for further development in the region?

The Asian market, unlike ours, is not governed by a common set of rules. In that context, UCITS, as a well-regulated vehicle backed by a solid regulatory framework, was regarded as suitable by both investors and regulators in Asia. Today, given that the share of UCITS funds among total mutual fund assets in Asia remains small, there is still tremendous room for growth in the region for the UCITS brand. For that we must continue to work closely with our counterparts in Asia at the highest levels. We are encouraged by the intention of the European Commission to support discussions with Asian policy-makers and regulators.

Thomas Seale
ALFI Chairman from
2003 to 2007

What is your best memory as ALFI Chairman?

We organised the first ALFI Roadshow to London in June 2005. I remember the ALFI delegation was nervous: Would anyone show up? Would the audience appreciate our message? We were all relieved when about 150 delegates attended that first event! Since then, ALFI Roadshows have become synonymous with the successful, cross-border positioning of our fund centre.

How do you see the association in the future?

Each year, ALFI has become stronger, better organised and more effective. I think we have a good chance of maintaining this positive trend. A key success factor is working together, from multiple companies and sectors, toward a common objective. The camaraderie and team spirit of ALFI is fantastic and will ensure our future success.

You are also the Chairman of the technical committee on Responsible Investing. It is a sector in which Luxembourg is trying to innovate and which will undergo significant evolution in the coming years. An example is the success of the annual ALFI Responsible Investing Conference organised in association with LuxFLAG. Could you please tell us more about Luxembourg's efforts in the field of Responsible Investing?

We are working hard to make Responsible Investing a solid third pillar of the fund centre, after UCITS and Alternative investments. This builds on our strong position within microfinance investment funds, where Luxembourg has a 50% market share. In addition to microfinance, we want to be the domicile of choice for environmental funds, forestry funds, water funds, ESG funds, impact funds, as well as Islamic Sharia compliant and ethical funds. We have high expectations of positioning our fund centre in the area of Social Entreneurship funds, EuSEFs. Finally, I should add that LuxFLAG, the Luxembourg Fund Labelling Agency, which I have the privilege to chair, is dedicated to supporting responsible investing by granting labels to funds which respect quality and transparency criteria.

2. alfi chairmen testimonials

Guy Legrand
ALFI Chairman from
2001 to 2003

During your chairmanship, ALFI defined its mission statement "Lead industry efforts to make Luxembourg the most attractive international centre for investment funds". Do you believe this mission has been achieved?

The mission statement was approved by the ALFI Board of Directors in April 2003, so just about 10 years ago. The figures have spoken for themselves ever since: irrespective of whether they are economic indicators like assets under management, the number of funds or the number of countries in which Luxembourg funds are distributed, all have more than doubled, indeed almost tripled. The same applies if we look at other indicators such as the number of employees working in the fund sector, the number of ALFI employees, the number of conference participants or the number of technical committee members, etc.

What was the most important achievement of ALFI during your mandate?

In addition to defining ALFI's role and breaking that down into an action plan, the other major project was to implement the UCITS III directive in law; many people worked extremely hard to enable Luxembourg to become the first European country to achieve this.

ALFI organises every year roadshows in more than 10 countries. Do you remember how this initiative started?

The plan to organise roadshows on a more regular basis had been discussed when ALFI's mission statement was drafted in 2003, but this was only implemented by my successor. Between 2001-2003, this "discipleship" was conducted in an opportunistic way by speakers at conferences and by participating in a number of missions abroad (State visits, economic missions, etc).

Rafik Fischer
ALFI Chairman from
1998 to 2001

What was your biggest challenge during your time as Chairman?

In 1998 ALFI was a fairly unknown entity, passing largely under the radar of the media, and, at best, perceived as a junior colleague of the ABBL. The big challenge was to give ALFI, on one hand, the public recognition it undoubtedly merited and, on the other hand, the structural, organisational and financial means to live up to the high expectations generated by this increased visibility. During these 3 years under my chairmanship, the association's permanent staff increased from 1 to 8 and the articles of association were reviewed to support this ambition and the dazzling development of our industry, fortune smiling, boosted by a comparatively favourable economic and political climate. ALFI entered the new millennium by transforming itself from a friendly "dining club" to a powerful association: a metamorphosis of which I am quite proud.

What is your best memory as ALFI Chairman?

Without hesitation the day when the Luxembourg investment fund industry took lastingly the lead position among its European peers, relegating France to the second position. This caused quite a stir and emotional reactions among our friends in the hexagon, but as they say, one man's pleasure is the other man's pain, and today this pre-eminence is a recognised fact that no longer generates hard feelings.

But there were so many very positive moments and a strong sense of belonging in the Luxembourg fund community that you could fill lots of pages with the enticing events of that pioneering period.

You were ALFI Chairman from 1998 to 2001. More than 10 years later, how would you describe ALFI's evolution?

Clearly the successive Chairmen all did a great job. ALFI stands stronger than ever, reinforced at the level of its staff, both in numbers as well as in quality, with a highly competent General Director on whom the Chair can rely. ALFI's recognition has become global and its very great involvement in international promotional activities has transformed a domestic lobbying association into a true ambassador of Luxembourg, reflecting an image of success and expertise to the entire world. Its voice is not only heard, but its advice is also sought. This absolutely stunning evolution took place in a changing world where economic, as well as political or regulatory, decision centres largely shifted abroad, where regulatory tsunamis are the order of the day and where the political as well as economic climates have been deteriorating for years, thereby further reinforcing the merit of our association and all its stakeholders.

Patrick Zurstrassen, ALFI Chairman from 1992 to 1995

You have been ALFI Chairman from 1992 to 1995. What was the key challenge during your time as Chairman?

Moving from a nomadic association to a permanent one with own management, staff and offices. Defending the emerging Luxembourg fund leadership industry from regulatory reform precipitation. Positioning ALFI specificly within the Luxembourg associative universe.

How do you see the evolution of the fund industry sector in Luxembourg?

For most of us, month after month, the ongoing dynamics of the Luxembourg fund industry are still today a subject of continuing amazement. All participants support and in turn benefit from it.

What are your wishes to the association for the future?

Assuming well the posture of the leading European fund place without any complacency.

Pierre Vansteenkiste
ALFI Chairman from
1988 to 1992

As the first ALFI Chairman, you participated in the creation of the association. What were the origins of ALFI?

In 1985, the Luxembourg banks awoke to an entirely unexpected European directive on UCITS. Although the IML *(Institut Monétaire Luxembourgeois)* had participated in discussions with the European authorities, sector professionals discussed it among themselves in FEFSI (now known as EFAMA) to which Luxembourg did not belong!

The level of UCITS growth anticipated in Luxembourg was too great to stand back and accept the situation.

A small number of bankers quickly set about finding a solution. It seemed obvious: joining FEFSI. But who? After various meetings with FEFSI, it became apparent that there was opposition from its members to the addition of ABBL, the Luxembourg banking association, a solution proposed by Luxembourg, as FEFSI was only willing to accept pure fund associations.

Faced with this rejection, a first attempt was made to unite the Luxembourg UCITS, but ultimately the banks involved declined.

I had played an active part in this project and I found its failure unacceptable. So I took advantage of a particular feature of FEFSI's Constitution which allows it to make any UCITS that makes a request a member, if the country where it is located has no association.

A UCITS that I represented would therefore be the only representative of Luxembourg in FEFSI between November 1987 and May 1989. However, this was only to be a temporary situation and in 1988 I resumed the association project, this time with success. I was to draw up the articles of association for ALFI. Its uniqueness and strength in relation to all the other European organisations would be its contribution to the technical committees of representatives of all professions involved in this sector: banks, custodians, lawyers, auditors and tax specialists.

Elsewhere, I would have to struggle with FEFSI, which only wanted funds! (This is why there are two member categories, the concession I eventually made for them).

This is also what enabled ALFI to assume the position it holds today in relation to the industry, FEFSI and the various UCITS supervisory authorities.

ALFI today counts more than 1,300 members, and the Luxembourg fund industry is n° 2 worldwide. How do you explain this success?

Luxembourg's success is the obvious result of the common sense and adaptability of all parties concerned on the Luxembourg financial scene but essentially from the Luxembourg financial authorities.

What do you wish for the association for the next 25 years?

The same success!

3. alfi 25th anniversary celebration on web 2.0

To celebrate ALFI's silver anniversary, a communication campaign was launched on the ALFI website as well as on ALFI's Twitter and LinkedIn accounts.

A "virtual time capsule" webpage was created (http://www.alfi.lu/about-alfi/25th-anniversary), where members and fund professionals can explore the past quarter century of Luxembourg-domiciled funds. The webpage is composed of the following sections:

- **Milestones** looks back at the key moments of the Luxembourg fund industry over the past 25 years;
- **ALFI Chairmen interviews** past and present ALFI Chairmen get the best memories of their time at the head of the association;
- **Faces of ALFI conferences** presents pictures of attendees of ALFI conferences from 1995 to 2013;
- **Focus on Global Distribution Conference** presents the conference as seen through the program brochures from 2000 to 2012. It also brings exclusive testimonials from Theresa Hamacher, Chairwoman of the National Investment Company Service Association (NICSA) and Lieven Debruyne, Chairman of the Hong Kong Investment Funds Association (HKIFA), both co-organisers of the conference;
- **Did you know?** enables readers to test their general knowledge about ALFI by reading general facts.

As the celebration of an anniversary is a truly social event, how can it be celebrated better than with followers of ALFI Twitter account @ALFIfunds?

For this occasion, we are taking a year-by-year journey through Luxembourg's fund management history using the hashtag **#ALFISilver**. Followers of the ALFI Twitter account can discover a quarter century of key facts, such as the year when Luxembourg clinched the title of largest investment fund centre or the date of the first ALFI roadshows.

Furthermore, to make this social celebration complete, followers are invited to share their experiences by using the #ALFISilver.

general background and activities

1. legal and regulatory initiatives at european level

Update on the Alternative Investment Fund Managers Directive

On 19 December 2012 the European Commission adopted the Delegated Regulation (level 2 measures), providing an extensive set of detailed implementing measures and technical rules on topics mentioned in the Alternative Investment Fund Managers Directive (AIFMD). The topics covered under the Regulation include, among others: calculation of assets under management, the method for calculating leverage, clarification of certain operating conditions for alternative investment fund managers (AIFMs), the delegation of AIFM functions, specific provisions related to risk and liquidity management, clarification of a depositary's duties and liability, transparency requirements, and rules relating to third countries.

The Regulation creates a single rulebook that ensures a level playing field among alternative investment fund managers in the European Union. It will be directly applicable in all Member States and does not require any transposition into national law.

On 27 March 2013 the European Commission began to use its website to publish useful questions and answers (Q&As) posed by industry practitioners regarding the interpretation of the AIFMD[1].

On 2 April 2013, the European Securities and Markets Authority (ESMA) published its final report, Draft Regulatory Technical Standards on Types of AIFM. In Annex IV, the final report sets out the draft regulatory technical standards (RTS) required by Article 4(4) of the AIFMD.

The draft RTS in Annex IV will have to be submitted to the European Commission for endorsement or rejection within three months of receipt. It will also be forwarded to the European Parliament and Council. If adopted, the RTS will take the form of a Commission Regulation. It will enter into force on the 20th day following its publication in the Official Journal of the European Union and shall apply from 22 July 2013.

The European Commission further adopted two regulations implementing the AIFMD on 15 May 2013[2].

ESMA guidelines on remuneration of alternative investment fund managers

After having consulted the financial sector, on 11 February 2013 ESMA published its final guidelines on remuneration of AIFMs.

AIFMs will be asked to introduce sound and prudent remuneration policies and organisation structures which avoid conflicts of interest that may lead to excessive risk taking.

The AIFMD establishes a set of rules for AIFMs to follow when establishing and applying a remuneration policy for certain categories of their staff. ESMA's guidelines further clarify the provisions of the Directive. In developing these guidelines, ESMA co-operated with the European Banking Authority in order to ensure consistent guidance on remuneration policies across financial sectors.

The key elements of the guidelines include the stipulation that the governing body of each AIFM has to ensure that sound and prudent remuneration policies/structures exist and are not circumvented. AIFMs should select the type of staff for which a remuneration policy is implemented and be able to

[1] *The Q&As can be found on http://ec.europa.eu/yqol/index.cfm?fuseaction=legislation.show&lexId=9*

[2] *Commission Implementing Regulation (EU) No 447/2013 establishing the procedure for AIFMDs which choose to opt in under Directive 2011/61/EU of the European Parliament and of the Council; and Commission Implementing Regulation (EU) No 448/2013 establishing a procedure for determining the Member State of reference of a non-EU AIFM pursuant to Directive 2011/61/EU of the European Parliament and of the Council. Both regulations published in the Official Journal, will enter into force on the twentieth day following the publication and shall apply from 22 July 2013.*

demonstrate which criteria were applied in the selection process.

ESMA's remuneration guidelines apply to identified staff whose professional activities might have a material impact on the AIF's risk profile. This includes senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as the aforementioned categories of staff.

For the purposes of the guidelines, remuneration consists of all forms of payments or benefits paid by the AIFM, of any amount paid by the AIF itself, including carried interest, and of any transfer of units or shares of the AIF, in exchange for professional services rendered by the identified staff. All remuneration should further be divided into either fixed or variable remuneration. Both components of remuneration may include monetary payments or benefits or non-monetary benefits.

The guidelines will be translated into the official languages of the EU. Within two months of the publication of the translations on ESMA's website, competent authorities should confirm to ESMA whether they already comply or intend to comply with the guidelines by incorporating them into their supervisory practices. They will apply from 22 July 2013, subject to the transitional provisions of the AIFMD.

PRIPs Key Information Documents for investment products

In early July 2012, the European Commission published a proposal for a regulation on Key Information Documents (KIDs) for investment products, also defined as Packaged Retail Investment Products (PRIPs). This legislative initiative aims at increasing the transparency and comparability of packaged products sold to retail investors. The products include investment funds, even though the latter may benefit from a transition period of at least five years, provided they disclose information in line with the UCITS Key Investor Information Document (KIID) or other comparable national rules.

The proposed regulation was subject to lively debate in the European Parliament. ALFI and EFAMA closely followed these discussions and submitted amendment proposals, for example seeking harmonisation with the UCITS KIID in terms of section headings and regarding the liability regime. In parallel, the Cyprus Presidency of the Council of the EU presented an initial compromise proposal outlining its ideas for a PRIPs regulation. Once both EU institutions have established their position independently, they will enter into negotiations to reach an agreement on the wording.

UCITS Key Investor Information Document

In May 2012, the Luxembourg supervisory authority, the *Commission de Surveillance du Secteur Financier* (CSSF), published a document with 15 frequently asked questions (FAQs) concerning the UCITS Key Investor Information Document (KIID). The FAQs clarified, among other things, which regulatory documents should be taken into consideration when drafting a KIID.

On 25 September 2012, ESMA also published Q&As on the UCITS KIID to promote common supervisory approaches and practices in the application of the UCITS Directive and its implementing measures.

The Q&As concerned:

- The preparation of KIIDs by UCITS that are no longer marketed to the public or by UCITS in liquidation;
- The communication of KIIDs to investors;
- The treatment of UCITS with share or unit classes;
- Past performance;
- Clear language;
- The identification of the UCITS.

ALFI's UCITS KIID working group analysed the Q&As and then published issue 14 of ALFI's KIID Q&A.

Investor Compensation Schemes Directive

ALFI's Investor Compensation Schemes Directive (ICSD) working group participated in a survey conducted upon request from the European Parliament's ECON Committee by one of Germany's leading think-tanks on EU affairs *(Centrum für Europäische Politik)*. The questionnaire on investor compensation schemes (ICS) was aimed at gathering feedback on the issue of whether coverage of clients of investment firms by ICS can be replaced by coverage through private insurance policies taken out by investment firms.

As a result, in December 2012 the European Parliament released a study dealing with whether private insurance undertakings could fully or partially take over the risks from existing ICS. With a full replacement, all damage suffered by investors from four events (fraud, administrative malpractice, operational error and bad advice) would be taken over. With a partial replacement, the insurance undertaking would only pay for damages up to a specific level (cap) or only damages related to a subset of these four risk events. The study came to the conclusion that:

- More clarity is necessary regarding the exact meaning of the four events and on the allocation of the burden of proof;
- Partial replacement of the ICS does not seem to be a viable option because it might impair the incentives of insurance undertakings, ICSs and investment firms;
- Full (and mandatory) replacement of the ICS may improve risk assessment and risk control and the incentives of investment firms, but is likely to increase the costs of investor compensation, especially because insurance undertakings need data for actuarial risk assessments.

UCITS IV

On 9 July 2012, ESMA published a Q&A on the notification of Undertakings for Collective Investment in Transferable Securities (UCITS) and the exchange of information between competent authorities. The purpose of this document is to promote common supervisory approaches and practices in the application of the UCITS Directive and its implementing measures by providing responses to questions posed by the general public and competent authorities in relation to the practical application of the UCITS framework.

Also on the subject of UCITS IV, on 20 November 2012 ESMA issued an opinion[3] on the "trash ratio" rule under Article 50(2)(a) of the Directive, which states that a UCITS shall not invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in Article 50(1).

According to this opinion, UCITS may only invest in units or shares of collective investment undertakings as defined in Article 50(1)(e) of the UCITS Directive. UCITS which currently hold shares or units that do not meet the required criteria should comply with ESMA's opinion – taking into account the investors' best interests – by the 31 December 2013.

The CSSF has since confirmed this interpretation of the Directive and has issued a press release specifying that new investments in non-eligible assets within the conditions of Article 50(2)(a) are no longer permitted. The ALFI eligible assets working group is currently analysing the impact of ESMA's opinion on the Luxembourg fund industry.

UCITS V

Although the dust has barely settled on the revised UCITS Directive[4], the financial crisis and concerns about the need to protect the retail investor base of these funds, together with the need to ensure the legislative framework keeps abreast of industry developments, led the European Commission to gear up for the draft UCITS V Directive (UCITS V) which was published on 3 July 2012.

The main priorities of UCITS V are remuneration, aligning depositary rules with those under the AIFMD[5] and harmonising the implementation of financial sanctions across European Union Member States with the clear intention of further enhancing investor protection.

After the publication in July of the draft proposal from the European Commission, work in the other two EU legislative institutions began in earnest: in the European Parliament Economic and Monetary Affairs Committee (ECON) with the publication of *rapporteur* Sven Giegold's report[6] and, in the European Council with several compromises during the Cypriot Presidency of the Council of the European Union. On 16 November 2012, the Cyprus Council of the EU Presidency published its latest compromise text on the Commission proposal, UCITS V[7].

In both institutions there are draft amendments containing new provisions:

- The reuse of financial instruments held in custody;
- The carrying out of depositary activities by a legal entity which is not an investment or credit firm;
- The obligation for Member States to lay down rules on administrative sanctions for non-compliance by firms with the implemented UCITS V Directive.

A new Annex is also included for the purposes of efficient transposition monitoring, stating that European Member States shall prepare transition tables clearly identifying which provisions of the UCITS V rules are implemented in which national laws.

The European Central Bank (ECB) has decided to participate in the debate

3 ESMA Opinion 2012/721 dated 20 November 2012
4 Directive 2009/65/EC of 13 July 2009
5 Directive 2011/51/EC of 8 June 2011
6 http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-500.449+01+DOC+PDF+V0//EN&language=EN
7 http://register.consilium.europa.eu/pdf/en/12/st16/st16362.en12.pdf

and published an opinion on the draft proposals in January 2013[8]. While the ECB broadly welcomes the proposals, it suggested some drafting changes and specifically commented on certain areas in relation to delegation, liability, eligibility to act as a UCITS custodian and the reuse of assets by a UCITS depositary.

On 21 March 2013 the European Parliament's ECON Committee voted in favour of the draft European Parliament legislative resolution on UCITS V[9].

ECON is proposing significant changes to the proposed remuneration regime, which would seek to limit bonuses to 100% of fixed income and to impose penalties on UCITS that do not meet their benchmark (in the so-called performance fees provisions). Specifically, ECON is proposing that the variable component of a fund manager's total salary should not exceed the fixed salary component, and 50% of variable remuneration should be paid in units of the UCITS concerned. They also specify that fund managers' pay should always be aligned with the investors' interests and the performance of the fund in question. Finally ECON also voted in favour of a proposal that will seek to impose "high penalties" on funds that charge performance fees and fail to outperform their benchmark.

ALFI and EFAMA contributed to discussions and the consultation process and submitted proposals for amendments to align UCITS V with AIFMD.

Next steps

The European Parliament plenary will vote on the ECON draft report in June 2013 to finalise its position and give a mandate for three-party negotiations with EU Member States and the Commission, which will start once the Council also reaches its own position. Once an agreement is reached between the institutions, the proposed Directive will be adopted formally by the Parliament and the Council. If the Council – and then the institutions – reach an agreement quickly, the text could be adopted by Q4 2013. Once the final text is agreed, Member States are likely to have a period of two years to transpose the Directive into national law.

UCITS VI

On 26 July 2012 the European Commission issued a new consultation on UCITS. This paper posed detailed questions on topics such as eligible assets and the use of efficient portfolio management techniques, OTC derivatives, and extraordinary liquidity management under the UCITS Directive. Other issues included the depositary passport, long term investments, and adaptations to the current UCITS IV Directive. Lastly, alignment with the AIFMD – in particular as regards delegation rules, risk and liquidity management and valuation – was also part of this document. This Consultation, which is independent from the UCITS V initiative focusing on depositary and remuneration rules, will serve as a basis to draft a future text to improve other areas of the Directive.

A dedicated taskforce composed of the Chairmen of all concerned ALFI working groups drafted the response to the consultation.

[8] *http://register.consilium.europa.eu/pdf/en/13/st05/st05943.en13.pdf*
[9] *ECON press release: http://www.europarl.europa.eu/pdfs/news/expert/infopress/20130318IPR06677/20130318IPR06677_en.pdf*

MiFID

Following earlier consultations in which ALFI participated, on 6 July 2012 ESMA published two sets of guidelines and recommendations on the suitability of investment advice under the Markets in Financial Instruments Directive[10] (MiFID) and on certain aspects of the compliance function requirements under MiFID[11]. The first document covers issues related, among other things, to the information given to clients about the suitability assessment, the arrangements necessary to understand clients and investments, staff qualifications, the extent of information to be collected from clients, and the updating of client information. The second paper covers areas such as the responsibilities of the compliance function, organisational requirements and the review of the compliance function by competent authorities.

Meanwhile, discussions continued on the draft proposal for a Directive (MiFID)[12] and for a regulation (MiFIR)[13] aimed at amending the Markets in Financial Instruments Directive (Directive 2004/39/EC). The proposals include the extension of the scope of MiFID to additional firm types, the creation of a new category of trading venue (Organised Trading Facilities or OTF), and the introduction of additional transparency requirements as regards certain instruments such as bonds, derivatives or structured products. Another important aspect of the draft package is the introduction of a harmonised European framework on the treatment of third-country firms. This draft Regulation also amends the Draft European Markets Infrastructure Regulation (EMIR) with regard to transaction reporting issues.

Among the numerous suggested amendments to the Markets in Financial Instruments Directive, the following could have a significant impact on the investment fund industry:

- Enlarged scope of activities covered in MiFID to more firms, including third-country firms;
- Definition of non-complex instruments to exclude "structured UCITS" as referred to in Article 36 paragraph 1 subparagraph 2 of Commission Regulation 583/2010;
- Ban on monetary inducements for portfolio managers and independent advisers;
- Establishment of several obligatory criteria for firms to be considered "independent advisers" and expanded information obligations towards clients;
- Detailed fit and proper requirements for the management body of investment firms;
- Extension of the scope of pre- and post-trade transparency requirements to further instruments, including exchange-traded funds;
- Amendments to the client classification rules;
- Power for national regulators to ban products on a permanent basis in coordination with ESMA, and for ESMA to ban products temporarily.

The European Parliament adopted a report on the proposals on 26 October 2012, and the file is now at the Council of the European Union. Once a position is reached at Council level, trilogue negotiations with the Parliament and the European Commission should begin. The final Directive is not expected to be adopted before the end of 2013.

[10] *ESMA 2012/387, Guidelines on certain aspects of suitability requirements*
[11] *ESMA 2012/388, Guidelines on certain aspects of the compliance function*
[12] *COM (2011)656final, http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm*
[13] *COM(2011)652final, http://ec.europa.eu/internal_market/securities/isd/mifid_en.htm*

Anti-money laundering

Further to the publication of a revised set of international standards in February 2012, the European Commission decided to rapidly update the EU legislative framework and address all identified shortcomings.
The existing anti-money laundering Directive dates back to 2005. The current proposal for a Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing is aimed at strengthening these provisions. The proposal takes the latest Recommendations of the Financial Task Force (FATF) published in 2012 into account, and provides for a more targeted, risk-based approach.

The text provides, among other things, for the following:

- A beneficial owner identification mechanism;
- Clarifications of the rules on customer due diligence in order to ensure that adequate procedures and controls are put in place;
- An expansion of the rules regarding the treatment of politically exposed persons to include domestic politically exposed persons and those in international organisations;
- A removal of the "white list" of equivalent countries;
- An explicit reference to tax crimes within the scope of the Directive;
- A strengthening of the cooperation between the different national Financial Intelligence Units.

The proposal provides for the expansion of the sanctioning powers of the competent authorities by introducing minimum principle-based rules to strengthen administrative sanctions, and a requirement for said authorities to coordinate actions when dealing with cross-border cases.

ESMA guidelines on ETFs and other UCITS issues

On 18 December 2012, ESMA published its consolidated guidelines on ETFs and other UCITS issues for competent authorities and UCITS management companies. The significance of this publication date was that it triggered the start of a two-month period, at the end of which the Guidelines would come into force. As such, the Guidelines were applicable from 18 February 2013. On 15 March 2013, ESMA published Questions and Answers on its guidelines regarding ETFs and other UCITS issues in order to promote common supervisory approaches and practices in the application of the UCITS Directive and its implementing measures, with a specific focus on the guidelines concerning ETFs and other UCITS issues (ESMA/2012/832).

ALFI and EFAMA actively participated in the consultation process and submitted their points of view. In a letter to ESMA, EFAMA addressed existing ambiguities in the wording of some of the provisions of the guidelines.

EuSEF and EuVECA

On 21 March 2013, the European Council adopted two regulations concerning European venture capital funds[14] (EuVECA) and European social entrepreneurship funds[15] (EuSEF) (together referred to as the Regulations).

The overall objective of the Regulations is to foster the growth of small and medium-sized enterprises (SMEs) by improving their access to finance through the establishment of an EU-wide passport for managers of venture capital funds and social entrepreneurship funds related to the marketing of their funds.

The Regulations introduce uniform requirements for the managers of collective investment undertakings that want to operate under the EU-wide passport. They introduce requirements concerning the investment portfolio, investment techniques and eligible undertakings that a qualifying fund may target. They also introduce uniform rules on which categories of investors a European fund may target and on the internal organisation implemented by managers that market such funds. Identical rules across the EU will help create a level playing field for all market participants.

The European Commission submitted separate proposals for EuVECA and EuSEF, as these two types of funds differ in nature. EuVECAs normally focus on providing equity finance for SMEs in the start-up phase of business, whereas EuSEFs often have a larger range of relevant investment tools available, such as combined public and private sector finance, debt instruments or small loans.

Venture capital funds mainly provide equity finance to very small companies in the initial stages of their corporate development. In the EU, venture capital funding has significant – but largely untapped – potential. SMEs backed by venture capital can create high-quality jobs, as venture capital supports the creation of innovative businesses.

The regulations are part of the Single Market Act, which aims to stimulate growth and job creation[16], and of the action plan to improve access to finance for SMEs[17].

According to Article 288 of the Treaty on the Functioning of the European Union, *a regulation shall have general application. It shall be binding in its entirety and directly applicable in all Member States.* Accordingly, the Regulations, both distinct from one another, shall enter into force on the 20th day following their publication in the Official Journal of the European Union. The Regulations shall apply as from 22 July 2013, with some exceptions.

Dedicated ALFI working groups have performed a final gap analysis of the Regulations and of how best to integrate these into the current legal framework in Luxembourg, with a view to guiding their legal implementation and keeping Luxembourg at the regulatory forefront compared with its European counterparts.

[14] *Regulation (EU)…/2013 of the European Parliament and of the Council – (PE-CONS 73/12)*
[15] *Regulation (EU)…/2013 of the European Parliament and of the Council – (PE-CONS 74/12)*
[16] *9283/11 – Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions: Single Market Act – Twelve levers to boost growth and strengthen confidence "Working together to create new growth".*
[17] *18619/11 – Communication from the Commission to the Council, the European Parliament, the Committee of the Regions, and the European Economic and Social Committee: An action plan to improve access to finance or SMEs.*

New EU Rules on Derivatives Trading – Introduction to EMIR technical standards Legal Entity Identifier

Regulation (EU) n° 648/2012 of the European Parliament and of the Council of 4 July 2012, concerning OTC derivatives, central counterparties and trade repositories (called the European Market Infrastructure Regulation or EMIR), which came into force on 16 August 2012, contains provisions regarding centrally cleared and non-centrally cleared transactions as well as reporting requirements.

On 19 December 2012, the European Commission adopted nine additional regulatory technical standards (RTS) and implementing technical standards (ITS), prepared by the European Securities and Markets Authority (ESMA), without amendment. The ITS were published on 21 December 2012 in the Official Journal of the European Union. Regarding the RTS, there is still an ongoing discussion at the European Parliament and Council. Pursuant to the European Commission press release made on 19 December 2012, the provisions under the ITS will only take effect once the associated RTS enter into force.

In general, EMIR provides requirements for OTC derivative contracts and distinguishes between centrally cleared and non-centrally cleared OTC transactions. Specifically, regarding the reporting obligation, all counterparties have to report the details of any derivative contract to a trade repository. The reporting will start with credit derivative and interest rate derivative contracts. These contracts should be reported from 1 July 2013. The reporting obligation also applies retroactively to derivative contracts concluded before 16 August 2012 and that remain outstanding on that date, as well as to derivative contracts concluded on or after 16 August 2012. Furthermore, the report to a trade repository shall use a legal entity identifier (LEI) to identify a beneficiary (which is a legal person), a broking entity, a CCP, a clearing member (which is a legal person), a counterparty (which is a legal entity) or a submitting entity. In this context, there is currently a debate on whether pooling structures should also be included and could receive their own LEI. In the event that pools do not receive a LEI, Luxembourg funds with pooling structures will face reporting – and potentially trading – issues when dealing with OTC derivative contracts.

Further regulations are still outstanding, in particular those regarding risk mitigation techniques for non-centrally cleared OTC derivative contracts.

On 23 January 2013, the *Commission de Surveillance du Secteur Financier* (CSSF) issued CSSF circular 13/557, which contains some information regarding the requirements of the EMIR regulation.

The ALFI working group on EMIR/OTC Derivatives has decided to issue a Q&A document, which will contain the working group's answers to questions about EMIR. The Q&A document will be made available on the ALFI website in the first half of 2013.

Shadow banking

On 19 March 2012, the European Commission published a green paper on shadow banking activities, which was in line with the financial services policies agreed by the G20 and the work of the Financial Stability Board (FSB). Indeed, the FSB released a report on 27 October 2011 on strengthening oversight and regulation of shadow banking. Building on this report and on the invitation of the G20 Cannes Summit, held in November 2011, to develop its report on shadow banking activities further, the FSB had also initiated five workstreams tasked with analysing the issues in more detail and developing effective policy recommendations. These workstreams produced reports that were presented at the G20 summit in November 2012. In the conclusions of the November 2012 G20 summit, the FSB was asked to produce a final report on shadow banking by the next G20 meeting on 4-5 September in Saint Petersburg, building on the work of the five different workstreams, as well as performing further consultations.

The main objective of the Commission in this 2012 green paper was to present its preliminary views on the different challenges linked to shadow banking, and the steps already taken in existing legislation.

The Commission defined shadow banking as "non-bank credit activity", which includes:

- Insurance and reinsurance undertakings which issue or guarantee credit products;
- Money market funds and other investment funds with deposit-like characteristics;
- Investment funds that provide credit or are leveraged, including hedge funds.

The Commission considers that, while such activities are often considered to be advantageous alternative sources of credit, there is also the risk that shadow banking may be exposed to risks similar to those of banks, but without being subject to the restrictions imposed by banking regulation and supervision.

At this stage, the European Commission was seeking clarification on the definition of shadow banking, aiming to check with stakeholders what steps have already been taken and what might still be necessary, and is performing a consultation on possible options for addressing the shadow banking system in the EU.

Building on these answers, as well as on the work carried out by the FSB and to which it is also contributing, the European Commission intends to clarify its definitions and objectives in a second green paper. In this paper, expected to be published in Summer 2013, it will also set out its strategy on shadow banking. However, it has already been announced that as part of this strategy the European Commission will publish a proposal for the regulation of Money Market Funds, together with the Strategic green paper. Furthermore, the Commission announced that it intended to build on the Securities Law Directive review, to deal with the identified issues of repo and securities lending, in a Securities Law Regulation currently expected for July 2013 at the earliest.

A dedicated ALFI working group was set up in November 2012 to produce a response to the Commission's 2012 green paper on shadow banking, as well as a response to the FSB consultative document Strengthening the Oversight and Regulation of Shadow Banking. The ALFI working group is preparing to analyse the upcoming European Commission proposals.

Long-Term Investment Funds

To quote the European Commission and to highlight the motivation behind its recent focus on long-term investing: *Europe's pressing challenge is to put the EU back on the path of smart, sustainable and inclusive growth, creating jobs, building on its areas of competitive advantage and, thereby, enhancing its competitiveness in the global market place.*[18]

For some time now the Commission has been emphasising the fact that Europe faces large-scale, long-term investment needs, in line with the priorities set in the Europe 2020 strategy[19], the 2012 industrial policy update[20], the Innovation Union initiative[21] and the Connecting Europe Facility[22].

On 26 July 2012, the Commission issued a new consultation on UCITS, which discusses among other topics detailed questions on long-term investments. ALFI responded to this public consultation, which is generally referred to as the UCITS VI consultation.

Furthermore, early this year the Directorate General Internal Market and Services issued an informal questionnaire on long-term investment funds, which ALFI responded to on 8 March 2013[23]. The questionnaire aimed to gather further information on the essential characteristics of so-called long-term investments. This supplemented the UCITS VI consultation in respect of the questions on long-term investment funds. The questionnaire aimed to clarify a series of issues that should aid the Commission's services in preparing further work on long-term investment funds.

ALFI strongly supports opening up long-term investments to a broader range of investors, as expressed in the response to the UCITS VI consultation. It considers that this can be beneficial to investors, as it allows them to diversify their portfolio with certain more illiquid, long-term assets, which typically are able to provide stable and potentially higher returns than transferable securities. In addition, it appears that opening up such long-term investments (such as infrastructure assets) to new investor groups could also be beneficial to the economy in a situation where government budgets are limited and public investments rare, and where banks are increasingly restricted in their financing abilities. If embedded a sound legal framework, the situation could benefit all parties concerned.

Finally, on 20 March 2013 the Commission adopted a green paper on the long-term financing of the European economy, which includes a public consultation. The purpose of the green paper is to broaden the previous debate on how to raise the supply of long-term financing and how to improve and diversify the system of financial intermediation for long-term investment in Europe.

In this regard, ALFI has set up a dedicated working group that will respond to the consultation, which will contribute to further assessment by the Commission to identify the barriers to long-term financing, with a view to helping identify possible policy actions. Further follow-up from the Commission is anticipated. ALFI will endeavour to share its industry knowledge in order to help the Commission reach its goal.

[18] *Introductory paragraph of the European Commission Green paper on long-term financing of the European economy – COM(2013) 150/2.*
[19] *http://ec.europa.eu/europe2020/index_en.htm* [20] *http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0582:FIN:EN:PDF*
[21] *http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0546:FIN:EN:PDF* [22] *http://ec.europa.eu/bepa/pdf/cef_brochure.pdf*
[23] *http://www.alfi.lu/sites/alfi.lu/files/files/Publications_Statements/Statements/ALFI%20response%20to%20informal%20questionnaire%20on%20long-term%20investment%20dated%208%20March%202013%20%282%29.pdf*

Bill n° 6471 transposing the AIFMD into national law

On 24 August 2012, the Luxembourg Finance Ministry submitted a bill transposing the AIFMD to the Luxembourg Parliament.

The bill transposes the AIFMD in its entirety, and also adds a number of features that are of particular interest to the alternative investment fund community. The bill also amends specific Luxembourg regulations, i.e. the law of 17 December 2010 relative to UCIs, the law of 13 February 2007 relative to SIFs and the law of 15 June 2004 relative to SICARs.

The bill introduces a new type of investment vehicle, the Special Limited Partnership (SLP). The SLP is a partnership formed by one or more general partners with unlimited and joint and several liability for all the SLP's obligations, with one or more limited partners (LPs) contributing only a specific amount pursuant to the provisions of the limited partnership agreement. It does not constitute a legal entity separate from that of its partners. The SLP may be used by regulated and non-regulated entities whether they qualify as alternative investment funds under the AIFMD or not. SIFs and SICARs may adopt the legal form of the SLP with the inherent structural and tax advantages offered by this new type of investment vehicle.

The SLP is tax transparent for Luxembourg income and net wealth tax purposes.

In addition, the bill introduces a new tax regime for the taxation of "carried interest" income from AIFs consisting in profit-sharing payments made to employees of management companies of AIFs or employees that carry out management functions as employee or managing director of an AIF or AIF manager. In fact, the income that the employees derive from their rights to share the profits of the AIF will be subject to a reduced rate under certain conditions.

The *Conseil d'Etat* (Council of State) provided their comments on the bill on 22 March 2013.

UCITS IV

On 24 October 2012, the CSSF published Circular 12/546 concerning the authorisation and organisation of Luxembourg management companies subject to Chapter 15 of the Law of 17 December 2010 on undertakings for collective investment, as well as investment companies which have not designated a management company within the meaning of Article 27 of the Law. This circular provides clarification as to the conditions for the authorisation of UCITS management companies and self-managed investment companies, and as to their organisation. Other issues addressed in the Circular include the use of own funds, management bodies, central administration arrangements and delegation rules.

On the same day, the CSSF issued a press release indicating that it no longer considers the concept of a promoter to be necessary for UCITS which are either set up as a self-managed investment company or which have appointed a management company, when these investment companies or management companies comply with the requirements of the abovementioned Circular 12/546.

Anti-money laundering

CSSF Regulation n° 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing was published on 9 January 2013 in the Luxembourg Official Gazette *(Mémorial)*.

The Regulation applies to all professionals who are subject to Article 2 of the anti-money laundering law of 12 November 2004, as amended, and who are regulated by the CSSF. The text gives clarifications as to the risk-based approach to be adopted by such professionals with a view to identifying and mitigating relevant risks related to money-laundering and the financing of terrorism. It also addresses customer due diligence obligations, internal organisation requirements, obligations relating to cooperation with authorities, and external audit requirements. Articles 3 and 29 of the Regulation are of particular relevance to investment funds.

The ALFI Anti-money laundering working group has analysed the Regulation and is working on an appropriately adapted version of the association's guidelines.

On 26 February 2012, the CSSF issued Circular 13/561, drawing the attention of financial sector professionals to the most recent statement made by the Financial Action Task Force (FATF) concerning jurisdictions whose regimes for combatting money laundering and the financing of terrorism have substantial and strategic deficiencies.

The Circular also refers to the update of the list of jurisdictions whose progress in combatting money laundering and the financing of terrorism is not considered sufficient by the FATF, as well as of the list of jurisdictions whose anti-money laundering and combating the financing of terrorism regime is currently considered unsatisfactory by the FATF.

Sub-funds

On 9 July 2012, the CSSF published Circular 12/540 on un-launched sub-funds, sub-funds waiting to be reactivated and sub-funds in liquidation.

This Circular applies to UCIs subject to the law of 17 December 2010 and specialised investment funds subject to the law of 13 February 2007.

Securitisation

In July 2012, the CSSF published a Q&A on securitisation, which replaces the guidelines contained in the 2007 Annual Report and provides details on the supervision of regulated securitisation vehicles.

Financial Transaction Tax

The 27 EU Member States did not reach an agreement on the proposed Council Directive on a common system of the Financial Transaction Tax (FTT) that was described in more detail in ALFI's 2011/2012 Annual Report, as well as the concerns raised by the fund industry. Instead, eleven jurisdictions (Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia, Slovakia) supported the introduction of an FTT in their countries via enhanced cooperation, a special procedure provided for by EU treaties and linked to certain conditions. Having respected all formal requirements, on 14 February 2013 the European Commission published a new proposal for a Council Directive implementing enhanced cooperation in the area of FTT.

The text mirrors the scope and objectives of the original FTT proposal. However, certain changes were made to take account of the fact that the tax would be implemented on a smaller geographical scale. In particular, the "issuance principle" has been added. This means that financial instruments issued in the eleven Member States would be taxed when traded, even if those trading them are not established within the FTT-zone.

ALFI analysed the impact of this on Luxembourg investment funds, and raised already serious concerns regarding possible relocations and the fact that the tax would ultimately be paid by investors in investment funds. Although the issuance of shares/units in investment funds would be exempt from the tax, the FTT would apply to the redemptions of shares/units as well as to transactions at portfolio level. Fund products launched within or investing in the FTT-zone with the aim of achieving a money market yield in particular may no longer be viable. The tax would have an extremely negative impact on the long-term savings of European Union nationals, including pension funds. Therefore, investment funds, which neither caused nor exacerbated the crisis, should not be included within the scope of the legislative proposal.

Foreign Account Tax Compliance Act

On 17 January 2013, the US Department of the Treasury and the Internal Revenue Service (IRS) issued final regulations implementing the information reporting and withholding tax provisions commonly known as the Foreign Account Tax Compliance Act (FATCA). These regulations provide additional guidance for financial institutions and government counterparts by finalising the step-by-step process for US account identification, information reporting and withholding requirements for foreign financial institutions (FFIs), other foreign entities, and US withholding agents. In particular, the final regulations are aimed at:

- Phasing in the timelines for due diligence, reporting and withholding and aligning them with intergovernmental agreements;
- Expanding and clarifying the scope of payments not subject to withholding;
- Refining and clarifying the treatment of investment entities;
- Clarifying the compliance and verification obligations of FFIs.

In parallel, the Treasury Department has collaborated with foreign governments to develop and sign intergovernmental agreements that facilitate the effective and efficient implementation of FATCA by eliminating legal barriers to participation, reducing administrative burdens, and ensuring the participation of all non-exempt financial institutions in a partner jurisdiction. In order to reduce administrative burdens for financial institutions with operations in multiple jurisdictions, the final regulations coordinate the obligations for financial institutions under regulations and intergovernmental agreements.

On 16 December 2012, the Luxembourg Ministry of Finance issued a press release in which Finance Minister Luc Frieden stated that he had decided to enter into negotiations to reach an intergovernmental agreement (IGA) between Luxembourg and the US, in order to pave the way for the implementation of FATCA. It was confirmed that on 19 November 2012 the first discussions were started in preparation for the negotiations which should be concluded in the course of 2013. The intergovernmental agreement would allow financial institutions to adapt, with complete legal certainty, to the legislation in question, and would guarantee the competitiveness of the Luxembourg financial sector. After a second round of negotiations in May 2013, Luxembourg's Finance Minister Luc Frieden announced that the government had decided to negotiate an agreement corresponding to IGA Model 1. As a consequence information would be exchanged between national tax authorities.

ALFI created several working groups to prepare for the implementation of FATCA from an operational point of view.

Value Added Tax: treatment of investment advisory services provided by a third party

On 7 March 2013, the Court of Justice of the European Union (CJEU) ruled on the Value Added Tax (VAT) treatment of investment advisory services provided by a third party (case C-275/11, GfBk). The Court came to the conclusion that Article 13B(d)(6) of the Sixth Council Directive 77/388/EEC must be interpreted as meaning that advisory services concerning investment in transferable securities, provided by a third party to an investment management company managing a special investment fund, fall within the concept of "management of special investment funds" for the purposes of the exemption laid down in that provision. This is the case even if the third party has not acted on the basis of a mandate within the meaning of Article 5(g) of Directive 85/611, as amended by Directive 2001/107. In other words, the CJEU has confirmed that investment advisory services provided by a third party are VAT exempt. ALFI welcomed this decision as it is in line with the current interpretation in Luxembourg.

In July 2012, the Court decided that discretionary portfolio management services are to be seen as one single supply, which is subject to VAT and not exempt (case C-44/11, Deutsche Bank AG).

Minimum taxation of SOPARFIs and other corporate taxpayers

On 21 December 2012, the Luxembourg tax authorities issued further guidance on the calculation of the minimum tax rate applicable to corporate taxpayers, as provided for by the 2013 tax package approved by the Luxembourg Parliament on 13 December 2012.

As from 2013, the minimum flat tax of EUR 1,500 per year for SOPARFIs (i.e. corporations that have their statutory seat or effective place of management in Luxembourg and that have aggregate financial assets, securities and bank deposits exceeding 90% of their balance sheet total) has been doubled to EUR 3,000. Interests in partnerships are considered to be included in the 90% threshold.

Corporate taxpayers other than SOPARFIs that have their statutory seat or effective place of management in Luxembourg are subject to a minimum tax rate determined on the basis of the balance sheet total of the fiscal year concerned. The minimum rate ranges from EUR 500 for a balance sheet total lower than EUR 350,000, to EUR 20,000 for a balance sheet total exceeding EUR 20,000,000.

The newsletter issued by the Luxembourg tax authorities confirms that if a country with which Luxembourg has a double tax treaty has exclusive taxing rights over the net book value of assets, then this value shall be excluded from the calculation of the total balance sheet when calculating the minimum tax both of SOPARFIs and of other corporate taxpayers. As a result, where a Luxembourg company holds real estate assets in a tax treaty country which has exclusive taxing rights over these assets, the net book value of such properties is excluded from the total balance sheet used to determine the applicable minimum tax. Similarly, assets held through a permanent establishment in a treaty country are excluded from the total balance sheet used to determine the applicable minimum tax.

Performance Fee deduction for German Tax purposes

In the past, the German Federal Central Tax Office (BZSt) questioned the deductibility of performance fees according to Article 3, paragraph 1, sentence 2, number 3 of the Investment Tax Act (InvTA). In a letter dated 3 April 2013, the German Ministry of Finance (BMF) expressed its opinion, which had been requested by ALFI, concerning the tax treatment of performance fees. Accordingly, based on contractual arrangement, performance fees should be either fully allocated to extraordinary income, fully allocated to ordinary income or in parts to extraordinary and the ordinary income.

Furthermore, the letter states that as the Federal and State tax authorities have not yet taken an explicit position regarding the allocation of performance fees, the tax authorities will not challenge if a self-responsible adjustment of a tax certificate by a foreign management company is not carried out before 1 July 2013.

ALFI still considers that performance fees should be fully deductible. A test case has been initiated in Germany to clarify the situation.

New taxation regulations for free floating dividends for corporate investors

The German legislator has been forced by ECJ-Ruling C-284/09 to introduce amendments to German dividend taxation of corporate investors for free floating dividends *(Streubesitzdividenden)*. These amendments cover dividends for holdings of less than 10%, regardless of the domicile of the shareholder. As a result, earnings from shareholdings of less than 10% will be fully taxable for corporate investors as of 1 March 2013.
Tax treatment for business investors subject to income tax does not change, these investors continue to be subject to the partial income method *(Teileinkünfteverfahren)*.

ALFI is actively participating in the debates and advocates, among other things, the grandfathering of the application of this law.

German AIFM Tax Implementation

On 30 January 2013, the German federal government introduced a bill for Amending the German Investment Tax Act and Other Acts (AIFM Tax Amendment Act) in order to adapt German tax laws to the new regulatory regimes which implement the AIFMD into German law, thereby commencing the legislative enactment process, which requires the approval of the upper house of the German Parliament and the Bundestag.

ALFI is actively contributing to the legislative process and participated in an expert hearing of the Bundestag's financial committee, which took place on 17 April 2013.

UCITS Liquidity Risk Management

The liquidity issue has been a key concern in the current process of global regulatory reform, due to the liquidity shortfalls that became apparent during the financial crisis (some funds were forced to suspend the redemption of fund units, including UCITS).

The financial crisis and other events have shown the increased need to monitor the liquidity of funds, particularly in times of stress. In response, regulatory measures were introduced at a European level. Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS IV) contains, for the first time, a requirement to monitor the liquidity of funds. The forthcoming AIFM Directive introduces the obligation to monitor the liquidity not only of UCITS funds, but also of all investment funds, even those that do fall within the scope of the UCITS Directive (Article 16 Liquidity management, AIFM Directive).

For this reason, liquidity risk is a particularly relevant topic for the investment fund industry and has become a high priority. However, it should be noted that European investment fund managers are already subject to high standards as regards liquidity risk management. UCITS managers in particular are required to employ an appropriate liquidity risk management process in order to ensure that the funds they manage are able to meet redemption requests from investors. This liquidity risk management process is part of the permanent risk management function that UCITS management companies must establish and which must be functionally and hierarchically independent from other departments within the management company. Managers are required to measure and manage the risks to which a fund is or may be exposed at all times, including the risk of massive and unexpected redemptions. It should therefore be emphasised that risk management in UCITS is already a state-of-the art process, which was further enhanced by the entry into force of the UCITS IV Directive in July 2011, which introduced even more detailed provisions on internal control mechanisms for a UCITS management company.

According to Article 3 (9) of CSSF Regulation 10-4[24], “liquidity risk” refers to the risk that a position in the UCITS portfolio cannot be sold, liquidated or closed at limited cost in an adequately short timeframe and that the ability of the UCITS to comply at any time with Article 11 paragraph (2) and Article 28 paragraph (1) point b) of the Law of 17 December 2010[25] concerning undertakings in collective investments is thereby compromised.

Depending on how this broad definition is interpreted, a UCITS might not be exposed to any liquidity risk. Obviously, this does not seem to be the intention of the regulator. Therefore, investment funds need to interpret and apply the new definition in the best interests of their investors and based on the regulatory intention.

The management of liquidity risk must be approached from two angles: (i) the assets and (ii) the liabilities/funding of the UCITS. The liability aspect is particularly complicated due to the often interlaced and very complex distribution structure, making a full assessment of the investor base nearly impossible.

ALFI’s Liquidity guidelines provides guidance on the exact meaning of

[24] Luxembourg transposition of Article 3 (8) of the Directive 2010/43 EC
[25] Luxembourg transposition of Article 84 (1) of Directive 2009/65/EC

liquidity risk for UCITS and how it could be managed in a reasonable manner. The paper describes the challenges in capturing and managing liquidity risk in an appropriate manner and provides some insights into current trends and highlights their benefits and drawbacks.

In addition, liquidity risk for UCITS should be regarded holistically, as it often interacts with other types of risk, which have regulatory requirements as well as procedures and control activities. As understanding liquidity risk and its complexity is paramount, the different aspects of liquidity risk are explained in the guidelines and a framework to manage liquidity risk is provided. The framework is intended to provide cornerstones for consideration in respect of a particular fund's own liquidity risk management. The framework generally comprises funding risk, market liquidity risk, reconciliation to other risk types and regulatory requirements, operational issues, and integration into current global risk management frameworks. However, as is the case with any framework, it should be tailored and customised to meet specific needs and circumstances.

The ALFI guidelines for UCITS Liquidity Risk Management can be found on the ALFI website: www.alfi.lu

5. international representation

PensionsEurope

In 2010, the European Commission issued a green paper on pensions, which was followed in 2011 by a white paper. As ALFI believes this topic will become increasingly important in coming years, the association has teamed up with ALFP (*Association Luxembourgeoise des Fonds de Pension*) to respond to current and future EU consultations. It has also joined PensionsEurope (formally known as the European Federation for Retirement Provision – EFRP) and is represented on its Board of Directors.

While acknowledging the diversity of European pension systems, PensionsEurope promotes the development of occupational pensions, defined as workplace-based, supplementary and privately-managed plans or schemes. As a federation, it represents national pension fund associations and similar institutions for workplace pension provision, counting 23 member associations plus affiliates in 16 EU Member States and 5 other European countries. PensionsEurope members cover the occupational pension plans of about 80 million EU citizens and represent EUR 3,5 trillion of assets managed for future pension payments (as at April 2012).

Established in 1981, PensionsEurope has grown from an informal circle of pension fund managers into a fully-fledged professional association, consulted by European institutions on initiatives in supplementary pension provision and recognised in Brussels as the leading voice on workplace pensions.

For more information:
www.pensionseurope.eu

EFAMA

With Luxembourg the leading fund domicile in Europe, it is hardly surprising that ALFI is also the largest single contributor to the European Fund and Asset Management Association (EFAMA). EFAMA is the representative association for the European investment management industry. Its member base comprises 27 national associations, 58 corporate members and 22 associate members. It represents about EUR 14 trillion in assets under management of which EUR 8.9 trillion managed by 54,000 investment funds at end December 2012. Just over 35,000 of these funds were UCITS funds.

EFAMA's mission is to:

- Support investor protection by promoting high ethical standards, integrity and professionalism throughout the industry;
- Promote the emergence of a true single market for investment management and create a level playing field for competing saving and investment products;
- Increase the industry's competitiveness in terms of both cost and quality by seeking and obtaining improvements in the legal, fiscal and regulatory environment.

In 2011, Claude Kremer was elected President of EFAMA for a two-year term, and he has worked since then with Vice-President Massimo Tossato and Christian Dargnat, as well as Director General Peter de Proft to lead industry efforts and represent EFAMA's members with European authorities. ALFI is represented both on the EFAMA Board of Directors and on the Management Committee, and is actively involved in numerous working groups.

For more information: www.efama.org

5. international representation

IIFA

While EFAMA is the uncontested voice of the European fund industry in its dealings with European authorities, the International Investment Funds Association (IIFA) represents the interests of the global industry.

More generally, IIFA is dedicated to:

- Advancing the interests of fund investors;
- Facilitating the continued growth of the investment fund sector internationally;
- Promoting public understanding of investment funds around the world;
- Encouraging adherence to sound practices and high ethical standards by all participants in the industry.

IIFA has 41 international member associations grouped into five regions: North America (2 members), South & Central America (7 members), Europe (20 members), Asia & Pacific (11 members) and Africa (1 member). ALFI is actively involved in IIFA through the various working groups.

For more information: www.iifa.ca

GIIN

In January 2013, ALFI joined the Global Impact Investing Network (GIIN). The GIIN is the leading nonprofit organisation dedicated to increasing the scale and effectiveness of impact investing. Impact investments are made into companies, organisations, and funds with the intention to generate measureable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. ALFI's membership signifies a commitment to deepening our engagement in the impact investing industry.

For more information: www.thegiin.org

The ABBL/ALFI EU Representative Office Brussels

In 2012 and in the first half of 2013, both the EU and the ALFI representative office had particularly busy agendas. Indeed, five years after the beginning of the financial crisis, its effects are at the forefront of the thoughts of EU legislators. The legislation written in Brussels is still very much drafted as a reaction to the crisis. Along with the banks, the securities market, investment fund and asset management sectors have been identified as potential risks for the stability of the system. Legislative action is further driven by reinforced consumer protection and financial contributions by the industry.

On the AIFMD front, 2012 has seen stricter than expected level 2 measures. In particular the definitions of letter box entities and cash monitoring for depositaries have gone further than those expected by the industry or recommended by ESMA.

Furthermore, the Commission has put a proposal for a revision of the UCITS directive on the table. The main element of the text involves stricter responsibilities for depositaries that are in line with and even go beyond AIFMD provisions for consumer protection purposes.

The Commission is also looking into a further revision of the UCITS directive – informally called UCITS VI – where, among other things, the issues of eligible assets and a potential depositary passport are reflected upon. A concrete proposal is yet to be made and the Commission is considering its options carefully.

The industry has also been impacted by the MiFID directive and regulation. Particularly topical are the distinction between complex and non-complex UCITS and the ban on inducements. In this context the packaged retail investment products regulation (PRIPs) currently being negotiated introduces a KID for all in-scope products. Some of the investment fund industry is also considered to be part of the so-called shadow banking sector. In May, the Commission presented a legislative proposal on money market funds as well as a strategy paper on shadow banking as a whole. The overall objective is to protect the stability of the financial system from what are considered to be insufficiently regulated activities.

A final – and symbolic – measure aimed at making the financial sector contribute to financing the costs of the financial crisis is the financial transaction tax. Although only 11 out of 27 Member States decided to join the enhanced cooperation procedure, the impact of the tax is likely to be felt throughout the EU and the world via the establishment and issuer principles and the extraterritorial effects the Commission's proposal would have.

Several items on the Commission's agenda aim to directly stimulate the economy. Worthy of mention are the European Entrepreneurship Funds regulation (EuSEF), the European Venture Capital Funds regulation (EuVECA) and the as yet embryonic long term investment funds project.

In addition, the European Parliament and Commission will soon be faced with political renewal, with elections scheduled for May next year and the Commission's term expiring in autumn 2014. As MEPs will be officially on the campaign trail from March to May next year and the legislative process for all proposed legislation has to be concluded by then, the Commission will have a deadline of summer/early autumn 2013 to present new proposals. The European Parliament will also have to intensify its work in order to conclude all legislative processes.

2013 is promising to be a very intense year, and the financial sector – including investment funds – will be ever-present in the minds of legislators.

亞洲區代表處主管
ALFI Asia Representative Office

In its second year of existence, the ALFI representative office in Asia has maintained its momentum. The important milestones can be summarised as follows:

- Regular contact with fund, securities and asset management associations in Asia to ensure that thorough and up-to-date exchanges of information are maintained. Moreover, a constant dialogue with regulatory authorities is in place;

- The Asia roadshow, organised from 24 to 27 September 2012 in Tokyo, Hong Kong and Singapore, presented the most recent developments on the Luxembourg scene to a total of 800 industry players. In January 2013, ALFI joined the financial mission to Asia organised by Luxembourg for Finance. Meanwhile, ALFI collaborated with AMAC (Asset Management Association of China) on a seminar in Beijing on 16 January 2013 which gathered more than 150 Chinese experts from the industry. Finally, ALFI participated in the Asia Fund Forum held in April 2013 and exchanged views on future fund trends between Asia and Luxembourg. These events proved valuable and are expected to be increased in 2014;

- Updates on the Asian regulatory environment have been reported through the ALFI Newsflash and newsletters;

- The Chinese version of the brochure “Luxembourg: your bridge between China and Europe” has been updated with the latest trends and industrial terms. A section in Chinese was also added to the ALFI website, providing a user-friendly overview for Chinese investors, asset management companies and related associations. The section contains important basic information about the Luxembourg investment fund sector and regulation, and how Luxembourg can support Chinese asset managers’ global development;

- The Asian representative office is also closely monitoring the development of fund business opportunities in mainland China. The country is gradually lifting restrictions and adapting to international trends by implementing a number of policies encouraging more institutions to participate in fund industry development;

- Finally, ALFI has been committed to leveraging the rapid growth trend in China and Asia, setting up closer relationships with local authorities, associations and asset management fund arms for more win-win opportunities.

Luxembourg for Finance

The business environment in 2012 was challenging. Poor economic growth in the developed countries, combined with a slowdown in the emerging markets, notably China, eroded the attraction of Europe as an investment destination. Meanwhile the financial sector was subjected to a continuing hailstorm of bad press, some of which (in the tax transparency sphere) targeted Luxembourg.

One positive outcome was the creation of the European Financial Centres Roundtable, bringing together the financial centres of Luxembourg (represented by LFF), Paris, London, Frankfurt, Munich, Madrid, Scotland and Amsterdam (the last as an observer) in order to promote European financial services to the rest of the world. In September, the association organised its first conference in Brussels under the presidency of Michel Barnier, European Commissioner, Internal markets and services. LFF also held three bilateral seminars, in Berlin, featuring a debate between the respective Ministers of Finance Dr Wolfgang Schäuble and Luc Frieden; with the City of London, where Minister Frieden spoke of the importance of sustainable finance; and with Paris Europlace, where the focus was on a return to growth and funding the European economy. In November, LFF was the only non-UK association with a promotional stand at the Financial Times Global Summit on International Financial Centres, where Minister Frieden gave the opening speech.

During 2012 the partners in LFF decided to focus on three geographical areas where existing business links offer the opportunity for expansion: Asia, Latin America and the Middle East.

In Asia, attention focused on China. With BoC and ICBC already present in Luxembourg, and an announcement of similar plans by CCB, Luxembourg is well positioned to take a share of the emerging renminbi market. In January 2013, for the third year running, LFF took a stand at the Asian Financial forum in Hong Kong.

In 2012, the focus in the Middle East was on Dubai and Qatar. A cooperation agreement with the Dubai International Financial Centre (DIFC) exists since 2010 and a joint seminar was held by LFF and the DIFC in 2012. A joint financial seminar was also held in Qatar, where an MoU exists since 2011.

In Latin America, the financial centre has strong ties with Chile but is relatively unknown in Brazil and Mexico. The unwinding of foreign investment restrictions and strong economic growth, driving the creation of private fortunes, make these two markets a priority for Luxembourg – and its competitors. In 2012, the agency organised a series of financial seminars with ProMexico in Mexico City and with Brazil Investment and business (BRAiN) in Sao Paulo and Rio de Janeiro.

In recent years, the agency has also signed cooperation agreements with the Financial Agency of the City of Moscow (2010) and Qatar Financial Centre Authority (2011). During the year under review, two further MoUs were signed with the Central bank of Kazakhstan and the Moroccan Financial Board at Casablanca. A financial delegation from Morocco visited Luxembourg in November.

Closer to home, LFF continued to organise financial seminars in European financial centres in cooperation with local professional associations, providing delegates with an update on products and services and an opportunity for networking.

At the product level, LFF took part in the first ACG European Capital Tour organised by the US Association for Corporate Growth, to promote Luxembourg venture capital vehicles. LFF likewise took part in Expo Real in Munich (Real Estate Investment Vehicles), the GAIM conference in Monaco (Alternative Investment Funds), the European Captive Forum in Luxembourg (captive reinsurance) and the London "City Week" forum.

Islamic finance continued to be a particular focus. Financial seminars in Doha and Dubai were followed by meetings with key banks. LFF took a stand at the IFN Asia Forum in Kuala Lumpur and, for the third year, at the World Islamic Banking Conference in Bahrain. Opportunities to write articles, speak at conference and meet business prospects cropped up throughout the year. Meanwhile, the backlog of projects began to unwind, with several innovative product launches. 2012 saw the founding of the Islamic Finance Professionals' Association (IFPA) and continued participation in Islamic finance diploma courses run by the banking training institute, IFBL, and the Luxembourg School of Finance.

A major project in 2012 was the redesign of the LFF website, reflecting a more client-focused logic and a new corporate look. Technical changes include online registration for LFF events, podcasts and a new URL – www.luxembourgforfinance.lu (formerly "lff") – to assist search engines and increase awareness. The new design facilitates the use of social media (LinkedIn, Facebook, Xing, Viadeo and Twitter), enabling LFF to increase its social network and engage with a wide circle of correspondents of all ages.

At the same time, LFF redesigned and updated all its publications, issuing the general brochure in seven languages. New technical brochures were produced on Luxembourg Life Assurance and the SOPARFI and the technical guides entitled "How to set up …" extended to include Professionals of the Financial Sector (PSF status). In addition to the quarterly LFF newsletter, three special edition newsletters (Asia, Latin America and Islamic Finance) were produced to accompany promotional events.

LFF actively supported LuxFLAG, the responsible investment fund labelling agency, and the ALFI Responsible Investing working group.

Looking back over its first five years of activity, LFF has succeeded in positioning Luxembourg as an innovative and professional financial centre and itself as a privileged and energetic partner in the development of new business. The agency is widely recognised as an authentic voice of the financial centre.

Much work lies ahead, including the need to position Luxembourg to make the most of the AIF passport, renminbi trading, portable personal pensions, responsible investment (impact investing, microfinance and social investment companies) and widening activity in the Islamic finance sphere. Challenges will include the need to manage expectations and concerns as upcoming legislation drives changes that may not be visible to us now.

For more information:
www.luxembourgforfinance.lu

7. luxflag

Luxembourg Fund Labelling Agency

The Luxembourg Fund Labelling Agency (LuxFLAG) is an independent, not-for-profit association created in Luxembourg in July 2006. LuxFLAG supports the financing of sustainable development by providing clarity for investors through awarding its labels to investment funds in Responsible Investing sectors. Currently LuxFLAG offers two labels: the LuxFLAG Microfinance Label and the LuxFLAG Environment Label. The objective of the label is to reassure investors that the labelled investment fund invests most of its assets, directly or indirectly, in the microfinance or environment sectors in a responsible manner.

LuxFLAG Microfinance Label

MICROFINANCE
LUXFLAG

Launched in July 2006, the LuxFLAG Microfinance Label is granted to investment funds which meet the published eligibility criteria, irrespective of their domicile of registration. The eligibility criteria for the LuxFLAG Microfinance Label requires applicant investment funds to have a portfolio of investments in the Microfinance sector corresponding to at least 50% of their total assets.

The number of MIVs labelled by LuxFLAG has grown substantially from 8 MIVs at the beginning of 2010 to 25 MIVs in March 2013, representing approximately USD 3.72 bn in assets under management. The list of labelled MIVs includes a first non-Luxembourg domiciled MIV, admitted in April 2012. This confirms the continuing interest in the LuxFLAG Microfinance Label and reinforces its importance in terms of providing greater transparency to investors. LuxFLAG expects further MIVs to apply for the LuxFLAG Microfinance Label in 2013.

LuxFLAG Environment Label

ENVIRONMENT
LUXFLAG

The LuxFLAG Environment Label was launched in June 2011. It is granted to investment funds investing in environment-related sectors, irrespective of their domicile of registration. It is designed to reassure investors that labelled investment funds actually invest the majority of their assets in environment-related sectors in a responsible manner. The eligibility criteria for the Environment Label require eligible investment funds to have a portfolio of investments in environment-related sectors corresponding to at least 75% of their total assets. The Environment Label is granted by LuxFLAG's Board of Directors on the basis of an application by the investment fund, including information reviewed by an auditor, and a recommendation by LuxFLAG's Eligibility Committee of specialists in environmental investment.

By March 2013, the LuxFLAG Environment Label had been granted to 7 investment vehicles representing USD 550 million in assets under management. The list of labelled EIVs includes a first non-Luxembourg domiciled EIV, admitted in October 2012.

For more information:
www.luxflag.org

Introduction

The IFBL *(Institut de Formation Bancaire Luxembourg)* is a foundation set up by the ABBL in 1990 to provide training to the banking sector. Its name was subsequently changed to "IFBL: L'Institut" to reflect the wider range of training programmes that it now offers. Its capabilities have grown well beyond just technical skills and now encompass career development and soft skills in order to better respond to the needs of its members and customers.

The Institute is proud of its strong partnership and the comprehensive fund industry training programme that it offers in collaboration with ALFI – some 50 modules in all, leading to certification for a range of career paths. Courses cover fund industry basics, junior and senior fund accountancy, transfer agency, depository banking, fund law, real estate, private equity, hedge funds and fund regulation.

2012 in Focus

Following a peak in 2011, where the two new Real Estate and Private Equity programmes together contributed to a strong surge in new demand, in 2012 the overall level of subscriptions into its IFBL/ALFI investment fund training programme fell from 1,229 to exactly 1 000 subscriptions. This was approximately the level obtained in both 2009 (1,004) and 2010 (1,011). All course types (M1 to M2) were impacted generally but in particular the alternative investment fund courses, where significant numbers have now been trained, did not sustain the level of interest displayed in 2011. Courses relating to fund industry basics, junior accountancy and legal matters however continued to draw a steady stream of participants.

Despite the fall in the headline number of subscriptions above, the underlying demand for and quality of the IFBL/ALFI investment fund training range remained solid. A constant dialogue with ALFI members confirmed a strong desire to provide quality training to staff in Luxembourg. Internal reorganisations locally generated training needs and the increased knowledge requirements for jobs on offer today forced individuals and companies to develop competences in areas that they may not have had previous hands-on experience. Regulatory changes ("Promoter" requirements and SIF law in 2012 and a long list of others to follow in 2013 and beyond) continue to present opportunities for the IFBL to create new modules to satisfy market demand for understanding.

The IFBL has aimed to attract increasingly senior staff to its courses, putting at their disposition Luxembourg's prominent experts and by introducing more innovative delivery formats, using co-animation, "panel" or seminar approaches where differing perspectives assist learning. Finally, in 2012 the IFBL took important steps to respond to customer demand to provide training with contexts and specific business needs, which was reflected in its project work and with the launch of a new "Career and Personal Development" offer.

Strategic Projects and Training within Contexts

Within its strategic project work the IFBL, in collaboration with a key client, set out to support and develop staff through assessment and targeted technical training in order to respond to the rising demands for lean operations, quality and efficiency. This innovative project evaluated the technical knowledge of each staff member (ca. 180 people) using a specially designed technical diagnostic for fund industry knowledge. The assessment provided the basis for creating individual training plans involving IFBL/ALFI investment fund training and permitted the focus upon defined priorities and courses for which staff displayed a genuine training need. In order to recognise achievement and to motivate staff, internal and external certification paths were also put in place.

Course Maintenances, Quality & Improvements

Despite constant regulatory change, the existing range of trainings was kept meticulously up to date in 2012. Feedback confirmed a continued high level of satisfaction with trainers and any deficiencies identified in 2011 with regard to course materials formed an ongoing improvement plan in 2012. The increased involvement of both Quality Circles and trainers, combined with the rigourous follow up of course evaluations, resulted in the review and refresh of a number of modules and the generation of new ideas that will enrich the offer further in 2013. In order to concentrate demand around increasingly specific topics and to permit the necessary investment in course content, some courses may be offered going forward in English language only.

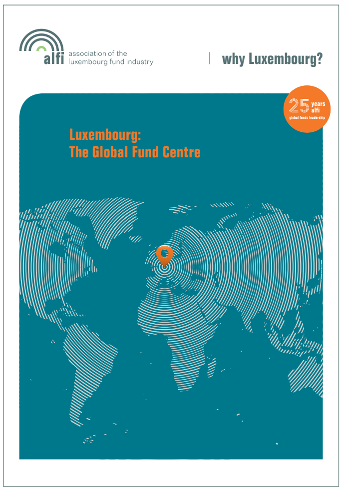
Regulatory Change

IFBL training regarding regulation is positioned not to conflict or compete with the information disseminated by ALFI in its regular conferences. The IFBL focuses upon those who are required to implement the regulation, to provide a higher level of detail than that provided at the conferences and to concentrate upon the formal implementation measures. The transition to UCITS IV in 2011 permitted the IFBL to update and promote its courses concerning the new directive. In 2012, development work started with regard to the creation of new regulatory courses targeting management companies, conducting officers, risk managers and depository banks. New modules created in this context will start to be made available in 2013, commencing with AIFMD.

Collaboration and Marketing

In the year ahead, alongside ALFI, the IFBL intends to continue the active maintenance of popular modules whilst increasing the number of modules targeting senior management and depositary banks. The IFBL will work actively with ALFI's technical committees to design and promote its courses, notably using guideline documents and innovating the way that information is delivered. The IFBL is a regular exhibitor and at ALFI's conferences and will continue to be represented at its "Roadshows" and "Leading Edge" conferences.

Brochures and publications



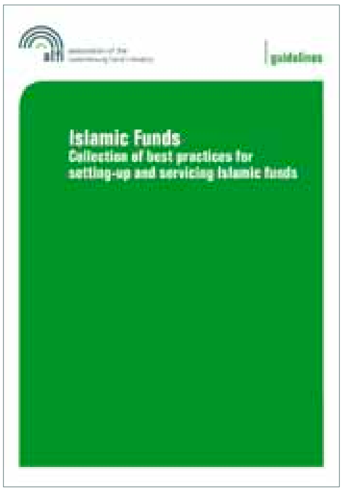
Luxembourg: Europe's global fund centre
A must-have brochure when it comes to the promotion of Luxembourg as the leading European global fund centre. The brochure highlights key facts about Luxembourg's fund industry, its importance, main advantages and expertise. The document summarises the scale of available investment fund products and details the latest figures telling the story of Luxembourg's success.

10 reasons to choose Luxembourg as a hub for AIFs or AIFMs
The 10 reasons flyer for Luxembourg to be a unique hub for Alternative Investment Funds (AIF) and Alternative Investment Fund Managers (AIFM) sets out, in a short and comprehensive way, the obvious reasons why Luxembourg is the perfect hub to set up AIF and AIFM.

Luxembourg: Your bridge between China and Europe
Expanding overseas is one of Chinese asset managers' highest short to medium term priorities. This publication aims to provide some key information for Chinese asset managers who are considering to establish their international presence in Luxembourg. It provides brief background information on the Qualified Domestic Institutional Investors (QDII) and the Qualified Foreign Institutional Investors (QFII) regimes. It sets out the reasons for choosing Luxembourg as the "hub" from which funds may be distributed to European and international investors. In addition it provides some information on the different fund structures available in Luxembourg. Some examples of typical fund structures are provided in this brochure as well as detailed information on the use of Hong Kong as the gateway between Luxembourg and China.

Islamic funds guidelines
In January 2013, ALFI published its Collection of Best Practices for Setting Up and Servicing Islamic Funds to provide a greater level of consistency and understanding of the requirements and expectations in this growing market sector.
These guidelines provide in-depth information and guidance on the legal framework, the fund set-up process, administration, custody and depository bank services for Islamic funds in Luxembourg. It also gives a high level indication of whether Islamic finance instruments are compatible with Luxembourg UCITS laws and should enable service providers who are already active in this field to align themselves with greater consistency and provide guidance to new entrants as to all the areas that need to be considered.
ALFI's work with Islamic funds dates back to 2008, when it launched a working group focusing on two trends: the rapidly increasing number of investment funds originating from or investing in the MENA region and the creation of Islamic investment funds in Luxembourg. This set of guidelines is one of the outcomes of this working group. In 2009 ALFI launched its first working group outside of Luxembourg in Dubai. This group gathers monthly and comprises Luxembourg expats as well as local players working with the country.

Real Estate Investment Fund Survey 2012
The survey illustrates the evolution of the REIF market for direct real estate funds (Direct REIFs) and Investment Companies in Risk Capital (SICARs) investing in real estate, as well as for Funds of Real Estate Funds (FoREFs), as at the end of 2011. 2011 has been another strong year for Luxembourg domiciled REIFs.



26 Direct REIFs were launched in 2011, twice the number launched in 2010, bringing the total of Direct REIFs, surveyed by ALFI, to a total of 170 funds. This translates into an average annual compounded growth rate of 27% (since 2006). In respect of direct investment in real estate, the survey also covers 15 Investment Companies in Risk Capital (SICARs). In addition, indirect investment in real estate is covered by the survey, which looks at a total of 34 FoREFs.

Risk Management guidelines available also in Chinese
The updated Risk Management guidelines, including the best practice proposals for the organisation of the risk function of a UCITS Management Company or UCITS Investment Company, are now also available in Chinese.

UCITS Liquidity Risk Management guidelines
ALFI's Liquidity Guidelines provides guidance on what exactly liquidity risk means for UCITS and how it could be managed in a reasonable manner. The paper describes the challenges in capturing and managing liquidity risk in an appropriate manner and provides some insights into current trends and highlights their benefits and drawbacks.

Principles for sound stress testing practices
Stress testing seeks to define the impact of extreme, but plausible scenario. They aim to provide an early warning signal so that the risk management procedures can operate accordingly and informed management decisions can be made. As such stress testing has become an important risk management tool that is required by supervisory authorities and is used by UCITS as part of their risk management process. The ALFI new Principles for sound stress testing practices guidelines provides insights into current market practices and how a management company could translate different regulatory rules into sound stress testing practice for UCITS.

Your career in investment funds
By tracking the life of an investment fund, this brochure, available in both English and French, explains how this investment vehicle works and provides an overview of the different careers available in this sector.

ALFI goes social!

Social media is becoming an increasingly important communication tool for fund industry professionals. More and more companies are using social media to connect, share and discuss news and insights, and to forge relationships.

In order to enhance its communications efforts in social media, ALFI launched a Twitter account, @ALFIfunds, to provide its followers with regular news, views and debates on the fund industry both in Luxembourg and globally. As of May 2013, @ALFIfunds counted more than 560 followers, including local and international journalists, and asset management companies' representatives as well as other fund industry professionals. Twitter allows ALFI to provide followers with rolling coverage of events and to interact directly with the attendees. Additionally, if someone is unable to attend an event in person, this online platform enables them to follow the topics that are being discussed live.

ALFI's communications team also continues to engage with ALFI's LinkedIn group members by posting interesting articles and discussions on the latest news, trends and hot topics related to the fund industry. Already more than 3,800 members have joined this community since its launch in October 2009.

During conferences hosted in Luxembourg, ALFI runs a blog www.alfievents.com, and posts interesting discussions live. Over 700 people visited the blog during the latest events.

As videos are one of the most popular communication means, ALFI regularly posts its videos on the ALFI Youtube channel. The high number of views confirms this increasing trend: there have been more than 5,500 views for the 50+ videos produced by the association.

Connect with ALFI on social; there's much more exclusive content to come!

The basics of investing – new ALFI educational podcast

The ALFI Investor Forum launched new educational podcasts about the basics of investing explaining investment related topics in a plain language with the use of animations and dynamic icons. This series of short films aims at helping consumers understand what investing means.

Investment funds are a key part of long term savings. Investors should make informed decisions with regards to their financial future. ALFI has produced the films as part of its investor education activity with the aim to help consumers in their investment needs.

The films take viewers through the basics of investing, covering topics such as:

- Saving and investing
- What are equity, bond and real estate assets?
- What is an investment fund?
- What is a UCITS fund?
- How does a UCITS fund work?
- How can UCITS funds protect investors?

In 2014, ALFI will produce additional series of podcasts focusing on what investors should consider before investing including the following topics:

- Financial planning and life phases
- What kind of investor are you?
- Making your investment choices
- How to obtain financial advice?

The films are available at the Investor Centre website: www.alfi.lu/investor-centre

What Chinese asset managers should know about the Luxembourg fund centre

In April 2013 ALFI launched a new microsite in Chinese: Why Luxembourg? 为什么选择卢森堡.

Expanding overseas is one of Chinese asset managers' highest short to medium term priorities. The microsite in Chinese aims to provide some key information for Chinese asset managers who are considering to establish their international presence in Luxembourg.

It sets out the key reasons for choosing Luxembourg as the "hub" from which funds may be distributed to European and international investors.

Furthermore, the website provides key figures on the Luxembourg fund industry and lists the leading fund manager groups who choose Luxembourg as their domicile.

Visitors can also learn additional information about ALFI's mission and priorities or download the following brochures in Chinese:

- Setting up a fund in Luxembourg;
- Re-domicile your fund onshore: Take the road to Luxembourg;
- Luxembourg: Your bridge between China and Europe;
- ALFI Risk Management guidelines.

The Chinese microsite is available on the following link: www.alfi.lu/setting-luxembourg/information-chinese

10. press relations

Press relations

Through the years, press relations have become the pillar of ALFI's communication strategy with articles published in prestigious international publications such as The Financial Times, The Wall Street Journal, Ignites Europe and Börsen-Zeitung.

ALFI collaborates closely with press relations agencies in order to raise its profile in the foreign media and establish long-term relations with key specialised journalists in the UK, Germany, France and the United States.

These communication efforts have definitely paid off. ALFI representatives are regularly contacted to share their expertise and comment on the latest regulatory updates in the industry.

To keep journalists informed on its activities and views, ALFI regularly organises press conferences in Luxembourg and abroad. Since June 2012, ALFI has held five press conferences in Luxembourg, two press events in London and one in Paris. In addition, ALFI representatives have met with journalists in New York, Boston, Hong Kong, Frankfurt, Brussels and Monaco.

During this period, 12 press releases were sent to the local and international press.

As a result of this successful collaboration, ALFI has been quoted in more than 420 articles in paper and online publications, in Luxembourg, UK, Germany, France, the United States, Spain, Quatar and Asia.

The most significant topics covered

ALFI Global Distribution Conference in association with NICSA and HKIFA (33 articles), ALFI Spring Conference (28 articles), ALFI Annual Review press conference (24 articles), ALFI European Alternative Investment Funds Conference (21 articles).

11. alfi event calendar 2012/2013

■ ALFI Activities ■ ALFI participation in other events ■ Members only

17/09/2012

18-19/09/2012

24-27/09/2012

20-21/11/2012

21/06/2012	CII's Mutual Fund Summit 2012	Mumbai
25/06/2012	Fund Forum International	Monaco
03/07/2012	ALFI Leading Edge Conference: Impact of the AIFMD on the Hedge Funds	Luxembourg
03/07/2012	ALFI MEP Dinner Strasbourg	Strasbourg
17/09/2012	ALFI Golf Tournament	Luxembourg
18-19/09/2012	ALFI Global Distribution Conference	Luxembourg
18/09/2012	ALFI meets national & international press: Trends in cross-border distribution	Luxembourg
24-27/09/2012	ALFI Roadshow to Asia	Tokyo Hong Kong Singapore
24/09/2012	SuperReturn Asia	Hong Kong
25/09/2012	ALFI meets Hong Kong based press	Hong Kong
25/09/2012	UCITS London	London
04-05/10/2012	ALFI Roadshow to Switzerland	Zurich Geneva
08-10/10/2012	Real Estate Conference at ExpoReal (LFF)	Munich
10/10/2012	FundForum USA	Boston
15/10/2012	Financial Mission to Latin America (LFF)	Mexico
19/10/2012	ALFI Roadshow to Chile	Santiago de Chile
28/10/2012	HKIFA Annual Conference	Hong Kong
06/11/2012	ITAS ASIA	Hong Kong
06/11/2012	SuperInvestor Paris	Paris
11/11/2012	MENA Investment Management Forum	Doha
12/11/2012	ALFI Roadshow to Frankfurt	Frankfurt
14/11/2012	ALFI TA & Distribution Forum	Luxembourg
14/11/2012	Financial Seminar in Paris (LFF)	Paris
16/11/2012	ALFI Roadshow to New York	New York
16/11/2012	ALFI meets New York based press	New York
20-21/11/2012	ALFI European Alternative Investment Funds Conference	Luxembourg
20/11/2012	ALFI meets national & international press: Real Estate Investment Funds Survey 2012	Luxembourg
27/11/2012	FundForum Latin America	São Paulo
04/12/2012	Global Custody Forum	London
04/12/2012	Hedge Fund Operations	London
05/12/2012	Financial Seminar in Milan (LFF)	Milan
09/12/2012	ALFI Breakfast Seminar in Dubai	Dubai
11/12/2012	Fund Marketing and Distribution Conference	London
18/12/2012	ALFI meets Paris based press: Responsible Investing	Paris

11. alfi event calendar 2012/2013

■ ALFI Activities ■ ALFI participation in other events ■ Members only

19-20/03/2013

19-20/03/2013

19/03/2013

09/04/2013

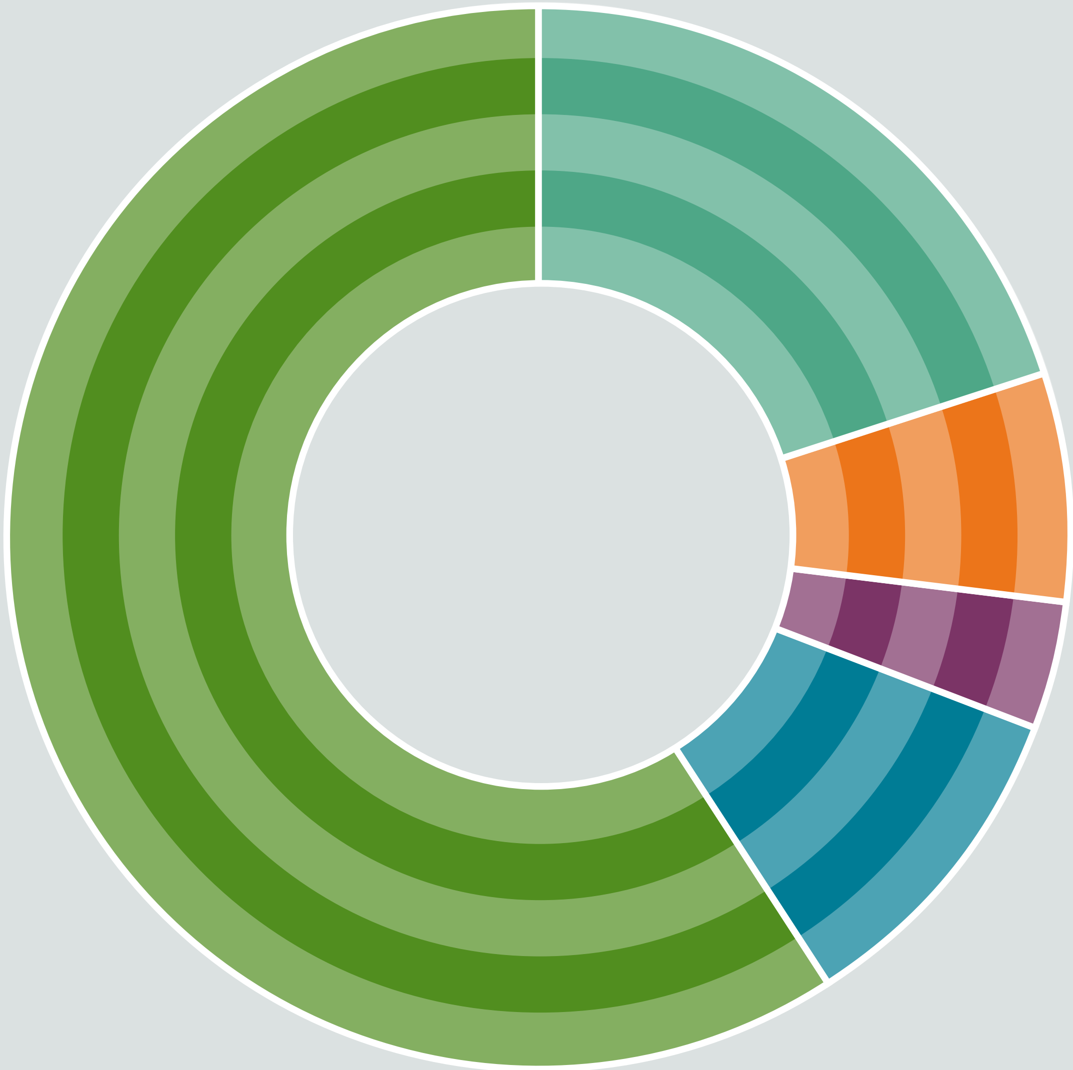
14/01/2013	Asian Financial Forum	Hong Kong
14-18/01/2013	Financial Mission to Asia (LFF)	Hong Kong Beijing Shanghai
24/01/2013	Nobelux Sustainable Conference	Luxembourg
29/01/2013	ALFI meets London based press: 2012 annual review	London
31/01/2013	ALFI Leading Edge Conference – AIFM Directive level 2 – Implementation measures	Luxembourg
06/02/2013	ALFI meets Luxembourg based press: 2012 annual review	Luxembourg
10/02/2013	NICSA Conference Miami	Miami
11/02/2013	SuperInvestor US	San Francisco
25/02/2013	SuperReturn International	Berlin
26/02/2013	ITAS Luxembourg	Luxembourg
26/02/2013	UCITS Risk Management	London
27/02/2013	UCITS US	New York
28/02/2013	EMIR Reporting	London
01-06/03/2013	ALFI Roadshow to the US	San Francisco Boston New York
04-06/03/2013	ALFI meets Boston and New York based press	Boston New York
04/03/2013	SuperReturn Latin America	Rio De Janeiro
11/03/2013	ALFI meets Frankfurt based press	Frankfurt
11/03/2013	ALFI Member Seminar: how GIPS® standards can contribute to your success	Luxembourg
12/03/2013	ALFI Prime Broker / Depositary Breakfast London	London
12/03/2013	MIPIM Cannes	Cannes
13/03/2013	ALFI Breakfast Seminar on Collection of best practices for setting-up and servicing Islamic funds	Luxembourg
17/03/2013	ICI Mutual Funds & Investment Management Conference	Palm Desert
19-20/03/2013	ALFI Spring Conference	Luxembourg
19/03/2013	ALFI Gala Dinner	Luxembourg
19/03/2013	ALFI meets national & international press: ALFI Investor Center podcasts	Luxembourg
08/04/2013	SuperReturn China	Beijing
09/04/2013	ALFI Conference London	London
09/04/2013	ALFI meets London based press	London
10/04/2013	ALFI Roadshow to Edinburgh	Edinburgh
10/04/2013	ALFI meets Edinburgh based press	Edinburgh

17/04/2013

15/05/2013

15/04/2013	FundForum Asia	Hong Kong
17/04/2013	ALFI & ALRiM Risk Management Conference	Luxembourg
21/04/2013	Exhibition booth at Intergrowth Fair (LFF)	Orlando
23/04/2013	ALFI & ABBL Walking Dinner	Brussels
23/04/2013	ALFI meets Brussels based press	Brussels
23/04/2013	Hedge Fund Managed Accounts	London
24/04/2013	Hedge Fund Start up	London
24/04/2013	Regulation of Alternative Investment Fund Managers	London
30/04/2013	Washington Reception 2013	Washinghton
14-15/05/2013	ANBIMA Fund Forum	São Paulo
14-15/05/2013	ALFI meets with São Paulo based press	São Paulo
15/05/2013	ALFI Responsible Investing Conference	Luxembourg
21/05/2013	AIFM Directive Level 2 Implementation Conference	London
22-23/05/2013	Eurohedge Summit 2013	Paris
28/05/2013	Regulation of ETFs & Complex UCITS	London
03-06/06/2013	SuperReturn US	Boston
09-11/06/2013	IBA	Boston
17-19/06/2013	19th GAIM International	Monaco
18-20/06/213	NeMa (Network Management) 2013	Warsaw
25-27/06/2013	FundForum International	Monaco
26/06/2013	9th Mutual Fund Summit	Mumbai

statistics



Assets under management in the European investment fund industry

Notice: The data may not always be consistent with data published in the last year's ALFI annual report, due to adjustments made by EFAMA.

2011 proved a difficult year, a year of contrasts coloured by an economic slowdown, in which net assets under management in the European investment fund industry slipped back 2.3% to EUR 7,960 billion at 31 December.

Whilst in 2012 economic indicators continued to send out negative signals (a slowdown in worldwide growth, the threat of recession or entry into recession for a number of European countries, ever tighter austerity policies, reduced investment by businesses, etc.), the financial environment, paradoxically, improved.
Net assets under management grew 12.4% to 31 December 2012, and ended the year at EUR 8,943.9 billion. The EUR 983.9 billion surge in volume completely effaced the EUR 218 billion drop posted at the end of 2011 leaving far behind the 2008 crisis in which net assets had plummeted to EUR 6,174 billion. At the end of 2012, net assets hit a new historic record, flirting with the EUR 9,000 billion threshold thanks to strong annual growth since 2009 averaging 9.6%.

In the first quarter of 2012, the ECB's announcement of very long term repositioning operations (VLTRO), intended to improve bank liquidity, breathed new life into the financial markets by reducing tensions and paving the way for a return to investor confidence.

The impact was immediate. Net sales into UCITS soared to reach their highest level for the year at EUR 91.3 billion, over all asset classes. Bond funds, with EUR 49.38 billion, attracted 54% of net sales followed by money market funds which for the second consecutive quarter recorded net inflows of EUR 21.85 billion.

Unfortunately, the measures taken by the ECB seem not to have provided a satisfactory long-term response and the upturn was only short lived. In the second quarter of 2012, net assets under management in Europe posted growth of a timid 0.89%, reaching EUR 8,437.60 billion thanks to non-UCITS which, with +3.52%, continue to grow at a sustained pace. UCITS slipped 0.17% to EUR 5,951.95 billion, dragged down by negative net sales in most asset classes following on from a drop in confidence with the exception of bond funds which continued to slate a remarkable EUR 41.83 billion.

The ECB measures were ramped up in the second half year, by dint of a more robust communication strategy (in particular Mario Draghi's speech on 26 July 2012) which cut short the negative rumours which were putting pressure on the eurozone.

The 10 largest investment fund domiciles in Europe at 31 December 2012

Total assets/UCIs

Country	Total assets under management (in millions of euros)	Market share in %
Luxembourg	2 383 826	26.7
France	1 505 731	16.8
Germany	1 285 527	14.4
Ireland	1 227 425	13.7
United Kingdom	969 636	10.8
Switzerland	297 270	3.3
Italy	190 492	2.1
Sweden	172 471	1.9
Denmark	164 434	1.8
Spain	150 366	1.7
Others	596 722	6.7
Total	**8 943 900**	**100.0**

UCITS

Country	Total assets under management (in millions of euros)	Market share in %
Luxembourg	2 002 398	31.8
France	1 116 481	17.7
Ireland	967 562	15.4
United Kingdom	758 663	12.1
Germany	248 325	3.9
Switzerland	235 476	3.7
Sweden	168 300	2.7
Spain	144 978	2.3
Italy	137 729	2.2
Belgium	80 339	1.3
Others	435 057	6.9
Total	**6 295 307**	**100.0**

Source: EFAMA

At the end of September 2012 net sales into UCITS returned to an upward trend rising EUR +19.98 billion, driven by a dramatic inflow of more than EUR 50 billion of fresh money into bond funds, notwithstanding investors' withdrawal en masse from money market funds to the tune of more than EUR 30 billion. UCITS net assets then climbed to EUR 6,173.52 billion (that is to say, +3.73%).

UCITS continued to soar over the fourth quarter, again attracting net inflows of EUR 77.6 billion whilst outflows from money market funds continued, falling EUR -28 billion.

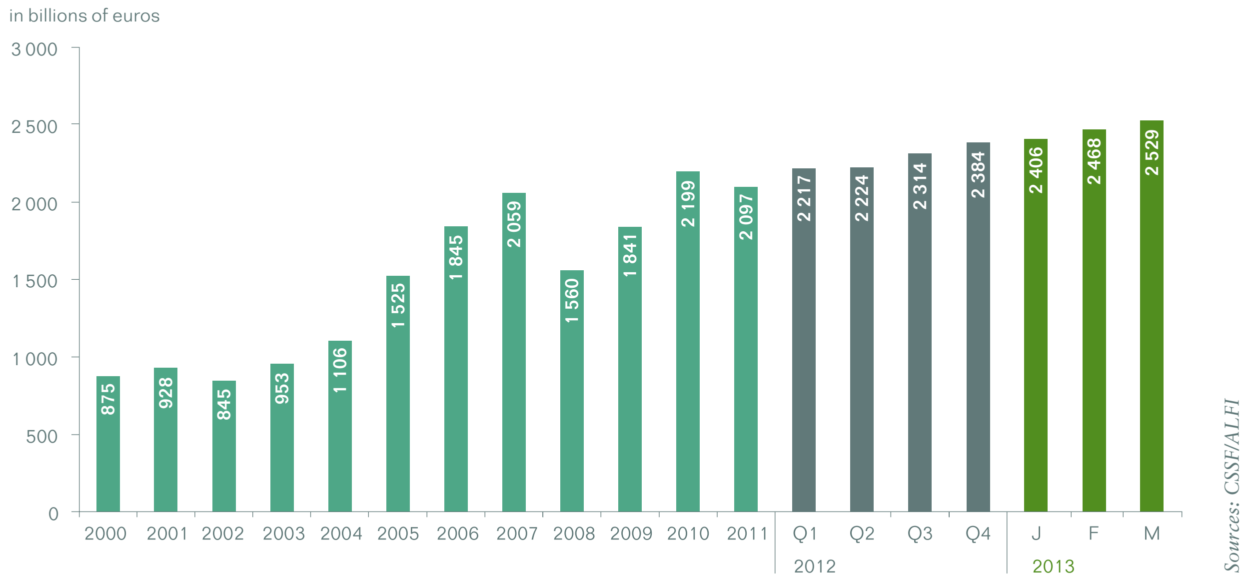
At the end of 2012, net sales into UCITS recorded EUR 200.68 billion compared with EUR -88.38 billion at the end of 2011, which would have included EUR 202 billion for bond funds alone had there not been severe losses from money market funds in the last six months (EUR -58.5 billion).

Non-UCITS saw steady growth throughout the year with a growth rate fluctuating from quarter to quarter between 3.17% and 3.52%, boosted by the funds reserved for institutional investors which recorded very strong demand with net sales of nearly EUR 112 billion at the end of 2012. The market share of non-UCITS in the sector rose half a percentage point to 29.6% and the share of UCITS stayed above 70% at 70.4%.

In terms of individual countries, growth in net assets under management was positive in 2012 for most European countries in line with the overall trend in the European investment fund industry with the exception of three countries – namely Liechtenstein (-7.7%), Italy (-5%) and Spain (-3.9%) – which saw their growth rates slip back. 52% of countries recorded double-digit growth rates, often higher than the European growth rate of 12.3%, led by Poland (+38%), Norway (+21%), Finland (+19.8%) and Ireland (+16.3%).

The leading trio in the European investment fund industry, that is to say, Luxembourg, France and Germany, remained unchanged in 2012 with growth rates for UCI net assets of +13.7%, +8.5% and +13.4% respectively.

net assets under management in luxembourg funds



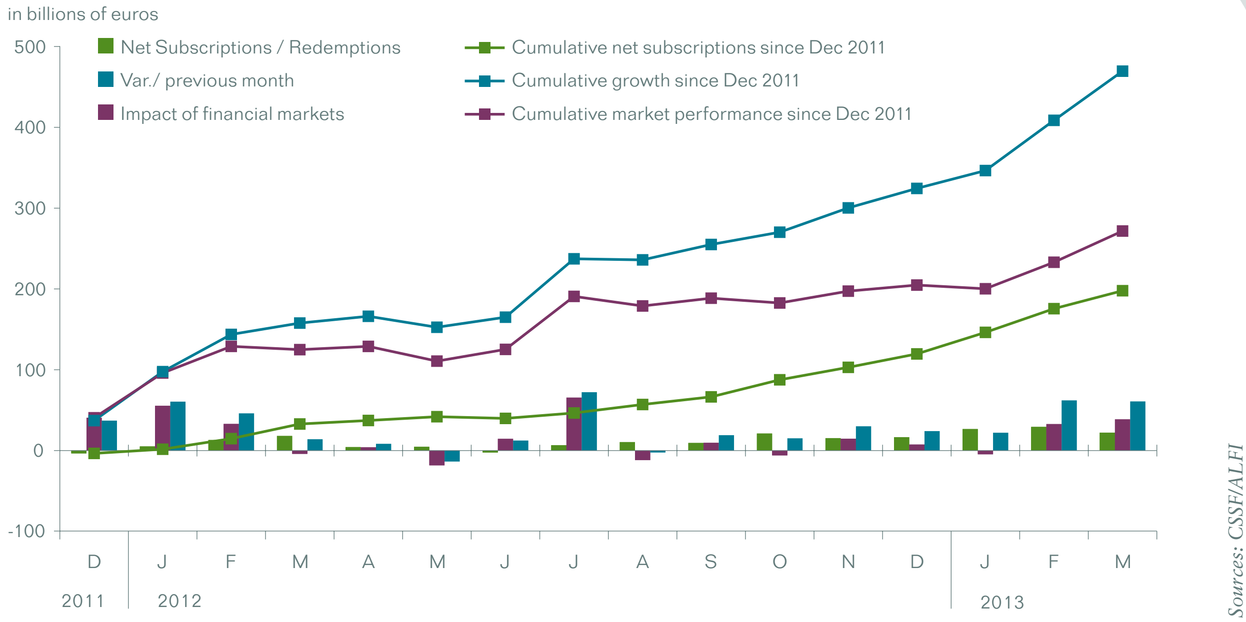
On 31 December 2012, total net assets of Luxembourg UCIs closed the year up EUR 287.314 billion, putting them at EUR 2,383.826 billion, and thereby fully offsetting the EUR 102.482 billion slide posted at the end of 2011. It was the second best result for assets under management since the 2008 financial crisis, after the excellent year in 2010 which saw net assets grow by EUR 358 billion.

2012 was a year of records. Thanks to an excellent first quarter boosted simultaneously by a return to positive net sales and by financial markets already totalling 42% of annual growth, April 2012, with net assets under management of EUR 2,225.600 billion, beat the historical record of EUR 2,219.208 billion reached in May 2011.

Despite an uncertain economic climate (sluggish growth, rising unemployment, a deterioration in the various economic indicators, etc.) the decisions taken at a global level by the various central banks – including the headline measures announced by the ECB for the eurozone – seemed to have given investors some of their confidence back. Since July 2012, net assets, once more on an upward trend, hit a new record at EUR 2,296.717 billion. That momentum would last until the end of the year. Indeed, net assets would record almost uninterrupted growth of EUR 159.347 billion (with the exception of August which registered slight slippage of EUR 1.318 billion).

After negative growth in 2011, 2012 returned to form and posted annual growth of 13.70%.

2013 has continued this trend and has seen net assets continue to rise and cross a new symbolic threshold of EUR 2,500 billion in March, six years after the 2,000 billion threshold reached in 2007 (namely, a figure of 2,528.920 billion on 31 March 2013).



Throughout 2012 net assets under management grew at a regular and sustained pace (+13.80%), with the exception of slight dips in May (-0.61%) and in August (-0.06%). In contrast to 2011 which was dominated by highly volatile stock markets, in 2012 most indices rose significantly (the DAX, +29%; the CAC, +15%; the Nikkei, +23%, for example), a sign that investors had set aside their risk aversion. With a positive annual impact of EUR 164.224 billion, the financial markets contributed 57.2% to the annual growth in net assets under management, whilst the other 42.8% was directly attributable to net sales (+ EUR 123.090 billion).

At the end of the first quarter of 2012, with a total of EUR 84.325 billion, the bulk of the annual impact of the financial markets (that is to say over 50%) had been consolidated in one quarter alone. The very positive reaction in the markets in that period was due to the ECB easing its monetary policy at the end of 2011 and the beginning of 2012, with the implementation of, amongst others, measures to reduce bank liquidity risk and facilitating a restructuring of Greek debt. All those factors apparently restored the confidence of investors who without hesitation brought in EUR 36.369 billion of fresh money during the quarter. That level had not been reached since the fourth quarter of 2010.

The second quarter will perhaps be the only disappointing note in 2012, with a collapse in the first quarter's surge of optimism on the back of worsening economic signals (a slowdown in world growth, new tensions in the eurozone affecting simultaneously not only Spain, Italy and Greece but also France, political uncertainties and election periods, etc.). This would have an immediate impact on Luxembourg UCIs with a slowing of net asset growth which would be only 0.33% (that is to say, EUR +7.273 billion) in the second quarter, compared with the 5.76% recorded in the first quarter. That growth was due almost in its entirety to net sales in so far as they contributed 95.5%.

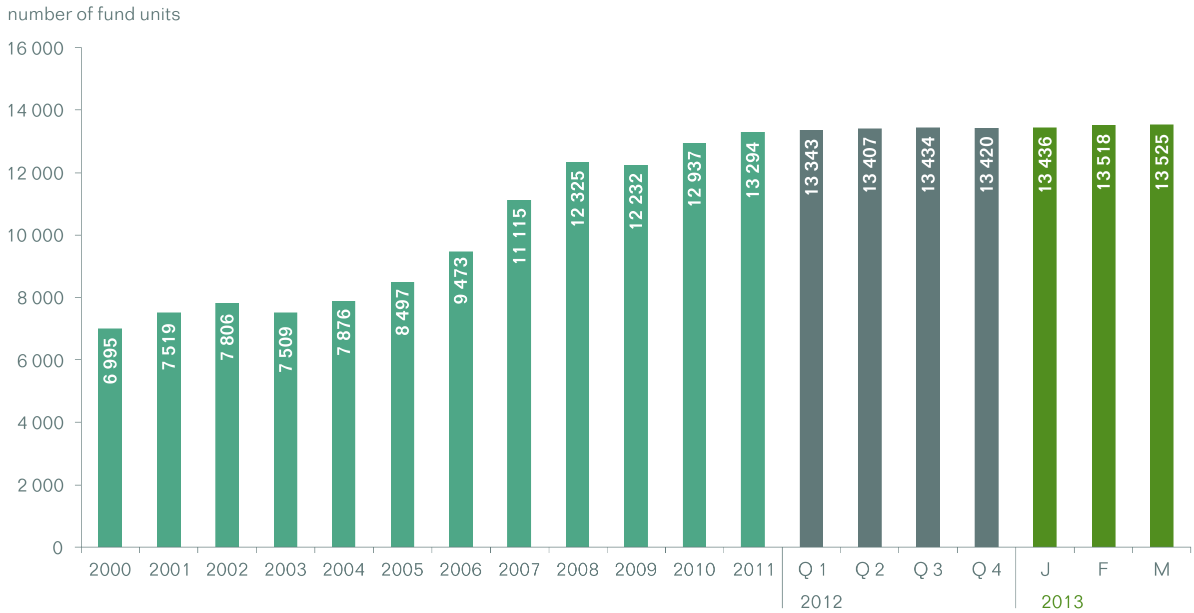
In the second half year, the central banks – whether the ECB, the FED or even the BoE – were to send a strong message to the markets in the form of a coordinated easing of monetary policies. At European level, Mario Draghi's speech in July indicating that the euro was irreversible would put an end to all the speculation which had been feeding the possibility of Greece exiting the eurozone. As a result of all those positive signs, the financial markets settled into a calmer pace and net sales were positive throughout the period, signalling a recovery in investor confidence. The financial markets and net subscriptions contributed equally to the growth in net assets in the second half of the year with EUR +79.576 billion and EUR +79.771 billion respectively.

At the beginning of 2013, the financial markets were still displaying low volatility and 2013 got off to a truly propitious start. At the end of March 2013, net assets were still rising and beating records. Nine months of positive net sales had already generated a total of EUR 78.213 billion at the beginning of the first quarter alone. With volume almost equivalent to that recorded in the second half of 2012, net sales contributed 54% to growth in the first quarter of 2013 (that is to say, +6,09%).

number of luxembourg investment funds (legal entities)

Number of funds registered on or withdrawn from the CSSF list since 2000

number of luxembourg fund units



Sources: CSSF/ALFI

fund unit = the number of stand-alone funds plus the number of sub-funds in umbrella structures

At the end of 2012, there were 3,841 legal fund entities domiciled in Luxembourg. Over the course of the year, 381 new funds were launched and 385 withdrawn from the market. This resulted in a net variation of -4 funds over 12 months, representing an overall net drop of 0.10% (compared to +4.85% in 2011).

In a context in which the economic crisis is not fading away easily, fund promoters have quite clearly repositioned and adjusted their product range in the light of demand whilst aiming for better control of costs. This was reflected, on the one hand, in a significant 18.7% drop in the number of funds created in 2012, with 381 funds created (compared with 469 funds in 2011) and, on the other, in a +32.3% increase in the number of funds wound up. Nearly 50% of the funds wound up were less than five years old. Ultimately, 2012 proved neutral.

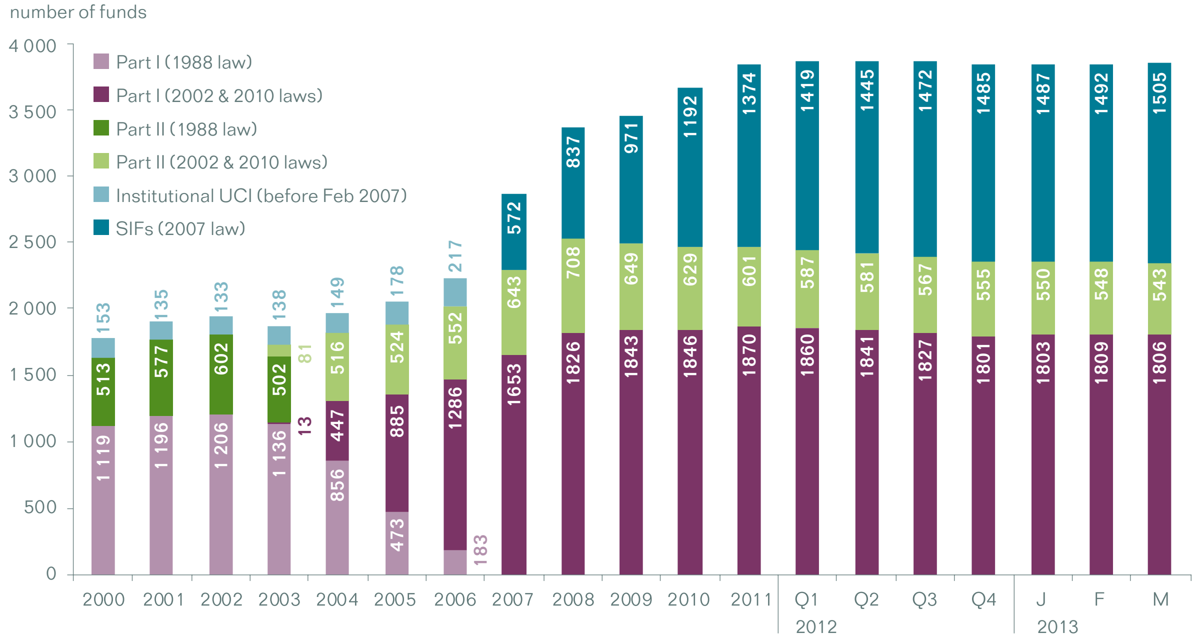
The number of fund units rose slightly over the year (with the exception of January, June, September and December) increasing from 13,294 fund units at the end of December 2011 to 13,420 units (or a total increase of 0.95%). The resulting net variation of +126 units corresponds to the difference between new units launched during the year and those wound up in the same period and recorded a fall of 65% in 2012 compared with 2011.

In actual fact, 2,097 new units were approved by the CSSF (*Commission de Surveillance du Secteur Financier*) in 2012.

In the first quarter of 2013, growth was still the order of the day with a 0.78% increase in the number of units, bringing the total to 13,525 at the end of March. With +105 fund units for a single quarter (that is to say, 83% of the net number of fund units created in 2012), 2013 therefore looks promising and is comparable to the best years so far.

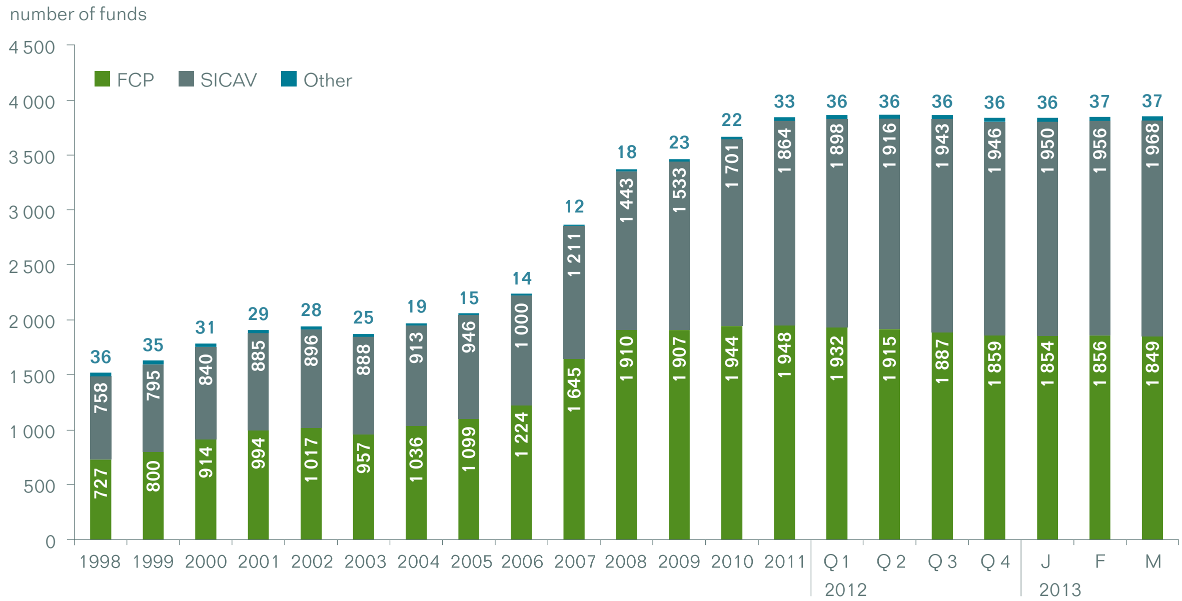
Alongside this, 79 new legal entities have been launched on the market since January, less than the 114 legal entities newly launched in the same period in 2012. However, by the end of March 2013 only 66 funds have been recorded as wound up, compared with 93 funds withdrawn from the market by the end of March 2012, that is to say, 30% less.

legal status and legal form of luxembourg domiciled investment funds



Sources: CSSF/ALFI

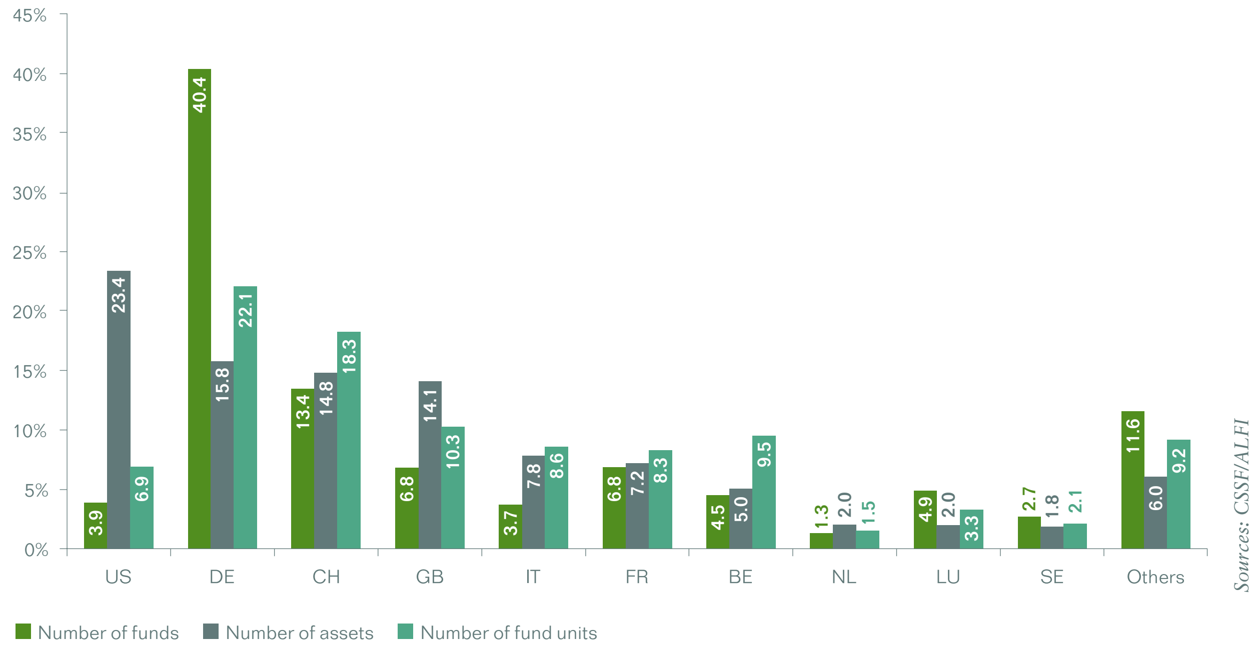
In 2012, with 245 new funds, specialised investment funds (SIFs) represented the legal status most popular with promoters. Since the SIF law came into force in 2007, this new product has been a resounding and undiminished success to the point that its market share has doubled in five years. At the end of March 2013, SIFs represented nearly 40% of the total market.



Sources: CSSF/ALFI

Since 2000, the legal vehicle of choice for promoters was primarily the common funds (*fonds commun de placement*, FCP), which dominated the Luxembourg market with a share of more than 50%. 2012 witnessed a complete reversal with a steady fall in the number of FCPs throughout the year (-219 funds) not offset by the creation of new funds, creations which propelled investment companies with variable capital (*sociétés d'investissement à capital variable*, SICAV) into being the dominant legal vehicle with 50.66% at the end of 2012 (compared with 48.48% at the end of 2011), as against 48.40% for FCPs at the end of 2012. At the end of March 2013 that reversal was further confirmed by an increase in the number of SICAVs (+22) and a further decline in the number of FCPs (-10).

market shares of promoters by country of origin at 31 december 2012



The composition of the top 10 countries of origin in terms of promoters of Luxembourg UCIs remained stable in 2012. The top three, which have for many years consisted of American, German and Swiss initiators, still account for more than 50% of the overall market, with 54%.

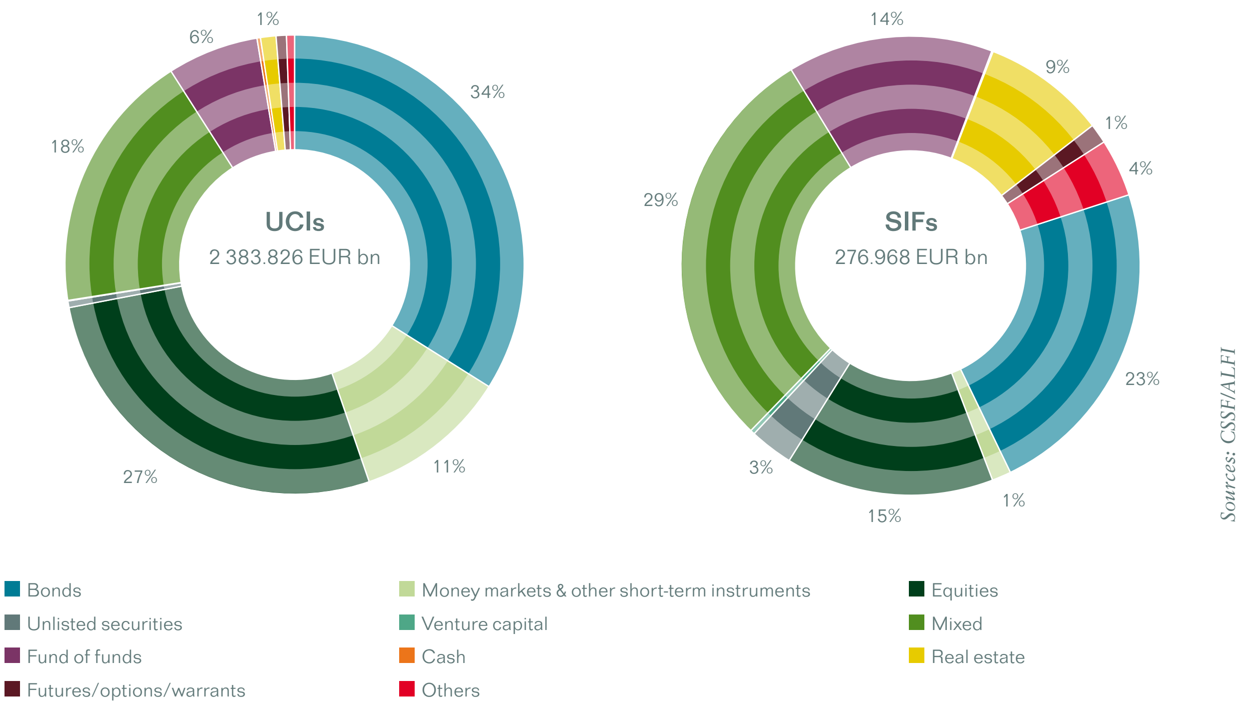
In 2012, in terms of net assets, American promoters stayed in the leading position where they had been since September 2009, despite a 0.7 of a percentage point loss of market share. At 31 December 2012 they represented 23.4% of the Luxembourg fund industry with EUR 557.650 billion, followed by promoters of German origin with EUR 376.349 billion (or 15.8%) which, likewise, saw their market share slip back 0.8 of a percentage point for the fourth year running. Swiss promoters, for their part, stayed in third place with EUR 352.764 billion and a market share of 14.8%, slightly down by 0.4 of a percentage point.

In terms of absolute value, of the top 10 promoter countries, all saw their net assets increase in 2012. It was UK promoters who slated the sharpest variation compared with 2011, with EUR 335.833 billion (equivalent to +25.79% of net assets or an increase of EUR +68.850 billion), whilst the number of fund units remained stable over the year (that is to say, up a net total of only three fund units). Those promoters thereby contributed – to the tune of 23.96% – to the annual growth in Luxembourg UCIs. Although the net assets of American promoters increased by only 10.30% with EUR +52.079 billion, they came out in second place in terms of their contribution to annual growth which was 18.13%.

Alongside this, although the number of net fund units created in 2012 was only +126, three promoters reduced their number of fund units perceptibly, namely promoters in Belgium (-79 net fund units), France (-49 net fund units) and Germany (-36 net fund units). Conversely, Italian and Luxembourg promoters recorded more sustained business with +98 net fund units and +51 net fund units respectively.

Since September 2007, German promoters have held first place in terms of market share both as regards number of funds (40.4%, or 1,550 funds) and number of fund units (22.1%, or 2,967 fund units), followed by Swiss promoters with 18.3% (or 2,452 fund units) and UK promoters with 10.3% (or 1,378 fund units).

investment policy of luxembourg investment funds at 31 december 2012



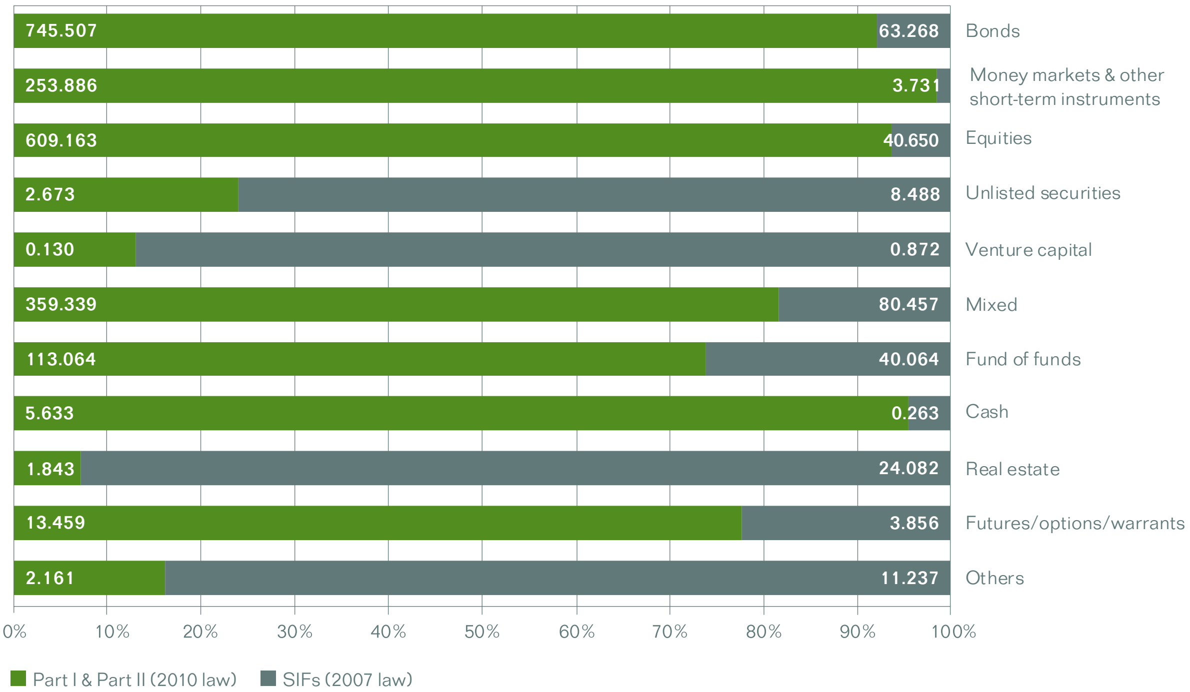
Although the financial environment showed some signs of downturn in 2012, the year was mainly characterised by a clear recovery in investor confidence and the fact that the equity and bond markets (private borrowing and convertible bonds in particular) performed well.

Investors focused essentially on the bonds category in 2012. This was the asset class which recorded the highest annual growth with an increase of nearly 30%, that is to say an additional EUR 186.293 billion of net assets for the year, bringing the total amount for bonds to EUR 808.775 billion as at 31 December.
It would be the only asset class to see its market share increase significantly with +4.24 percentage points compared with 2011, to the detriment of money market funds which for their part slid 3.31 percentage points, whilst the other asset classes remained fairly stable.
One can see that in terms of the specialised investment funds known as “SIFs”, net assets for bonds here too grew in the same proportions as in the UCI sector overall recording a rise of 30.61% compared with 2011 (or EUR +14.826 billion). Nevertheless, despite that hike, bond funds stayed behind mixed funds, irrespective of the fact that the gap between bond SIFs and mixed SIFs narrowed by almost 4 percentage points over the year.

To summarise, bonds, the leading asset class in the market, were the driver of the pattern of growth prevailing for Luxembourg UCIs in 2012 in so far as they contributed 64.84% to annual growth in net assets which totalled EUR 287.314 billion, and 93.65% (or 118 net fund units) to the increase in the total number of net fund units, of 126 net fund units.

By 31 December 2012, net assets in equity funds had climbed to EUR 649.813 billion representing an overall rise of 14.21% (or EUR +80.825 billion), undoubtedly driven by the excellent stock market performance over the year. Indeed, the number of units in equity funds was down 18 units overall (with the exception of equity SIFs).

in billions of euros



Sources: CSSF/ALFI

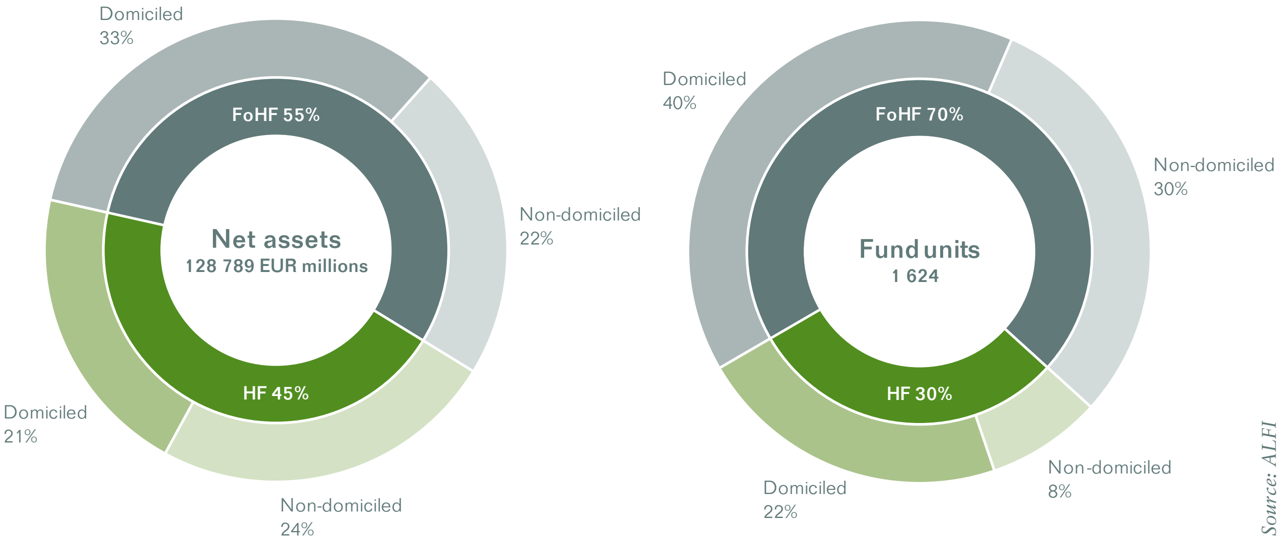
With net assets of EUR 439.796 billion at the end of December, the mixed category came in third. At the end of 2012, the three pillars combined – bond, equity and mixed funds – witnessed their market share rise to reach 79.64% of the UCI sector making a 111% contribution to annual growth. In relation to SIFs, those three pillars continued to dominate and nevertheless represented 66.57% of the SIF sector. It needs pointing out, however, that the other asset classes were also more notable, such as funds of funds which represented 14.47% of SIFs, and real estate funds, comprising 8.69% of SIFs.

Also noteworthy was the sharp drop of EUR -40.772 billion in money market funds and the cash category, which also saw a decline in the number of fund units in the year by -33 net fund units. The monetary policy implemented by the ECB – with key interest rates lowered and kept at record lows – was clearly unfavourable to making this asset class attractive to investors, who preferred to look to higher yields and/or higher risk investments. By the end of 2012, net assets had stabilised at EUR 263.513 billion and now accounted for only 11% of Luxembourg UCIs.

Lastly, real estate funds deserve special attention. Net assets and the number of fund units have been rising steadily since 2002 (with the exception of net assets in 2009). Their progress was, quite clearly, given a boost by the entry into force of the SIF law. 2012 was no exception to that rule. At 31 December, the number of fund units in real estate funds was still a very healthy +16.19% (or +34 net fund units compared with +31 net fund units in 2011). All those units were created in the form of SIFs, bringing their total to 244 fund units of which 218 were SIFs. Net assets in fact also surged 7.73% to reach a volume of EUR 25.925 billion.

In conclusion, all asset classes with the exception of money market & cash categories and futures/options/warrants to a greater or lesser extent saw their net assets rise.

Global overview of hedge funds & funds of hedge funds at 31 December 2012



fund unit = the number of stand-alone funds plus the number of sub-funds in umbrella structures

In 2012, whereas the Luxembourg investment fund industry hit unparalleled records in terms of assets under management and saw net assets rise 13.70%, the Luxembourg-domiciled hedge funds and funds of hedge funds sector continued to shrink, by -6.44% (compared with -4.94% in 2011), down to EUR 68.808 billion as at 31 December 2012.

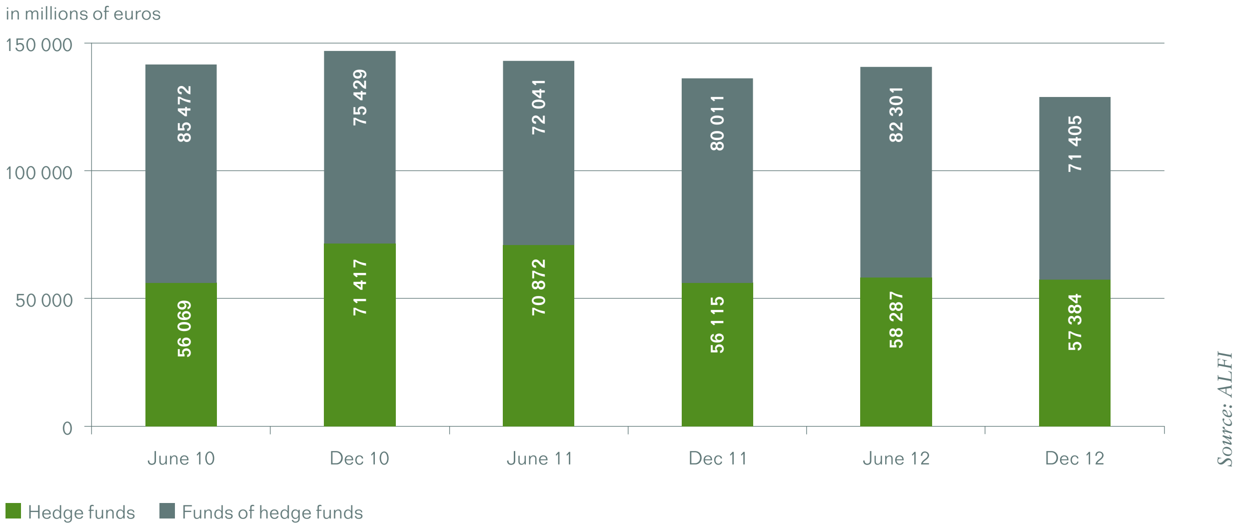
At the end of 2012, the domiciled hedge funds sector picked up slightly to 4.78% after plummeting in 2011 to -18.96%. It ended the year at EUR 26.321 billion. However, 2012 was a more mixed year than it appeared for domiciled hedge funds. Indeed, in the first half of 2012, net assets rose 14.20% offsetting 62% of the drop recorded in 2011 by virtue particularly of the arrival of new fund units (+8.8% or 31 net fund units). That surge was short-lived in so far as in the second half year the number of fund units plummeted again by 36, bringing with it an 8.25% drop in net assets, and stabilised at 347 fund units below the 2011 number of fund units (352 fund units).

The non-domiciled hedge fund sector, for its part, stagnated in 2012, posting growth in net assets of a timid 0.22% (that is to say, EUR 31.063 billion at 31 December), despite a wider choice in terms of the number of fund units being offered to investors (+8.80%).

The domiciled fund of hedge funds sector followed the same course throughout the year. On the one hand, it recorded a fall in net assets which decreased from EUR 48.428 billion at the end of 2011 to EUR 42.487 billion at the end of 2012 (that is, a fall of 12.27%) as a result in particular of redemptions by investors. On the other hand, the number of active fund units on the market fell, reflected in a drop over the year of 7.68% (or 649 fund units at the end of 2012 compared with 703 fund units at the end of 2011).

Alongside this, the non-domiciled fund of hedge funds sector followed approximately the same script with a significant reduction in the number of fund units offered which fell from 546 fund units at the end of

Net assets in hedge funds and funds of hedge funds under administration in Luxembourg at 31 December 2012



2011 to 492 fund units at the end of 2012 (or -9.89%). Despite encouraging +11% growth in net assets over the first half year, due probably to the financial markets performing well, net assets plunged by 17.53% in the second half year, in which the highly satisfactory performance of the financial markets failed to offset the number of fund units wound up. Lastly, funds of hedge funds were to post a contraction over the year of 8.44% making their volume EUR 28.917 billion on 31 December 2012 compared with EUR 31.584 billion at the end of 2011.

Overall, with EUR 57.384 billion at the end of 2012, hedge funds (both domiciled and non-domiciled) recovered a few percentage points of market share against funds of hedge funds (both domiciled and non-domiciled), rising from 41% at the end of 2011 to 45% at the end of 2012 although without regaining their 2010 level when Luxembourg-administered hedge funds and funds of hedge funds shared the market almost equally.

Administered funds of hedge funds ended the year at EUR 71.405 billion, that is to say, an overall drop of 10.76% over 2011 and, therefore, a shrinkage of 4 percentage points in terms of market share to 55% instead of 59% at the end of 2011.

governing bodies of alfi

1. board of directors

Marc Saluzzi	Chairman	PricewaterhouseCoopers, Société Coopérative
Gilbert Schintgen	Vice Chairman, National Affairs	UBS Fund Management (Luxembourg) S.A.
Denise Voss	Vice Chairman, International Affairs	Franklin Templeton Investments
Julien Zimmer	Treasurer	DZ PRIVATBANK S.A.

Jean-Christoph Arntz	Allianz Global Investors Luxembourg S.A.
Georges Bock	KPMG Luxembourg S.à r.l.
Freddy Brausch	Linklaters LLP
Stéphane Brunet	BNP Paribas Investment Partners Luxembourg S.A.
Pascal Chauvaux	Pictet & Cie (Europe) S.A.
Jacques Elvinger	Elvinger, Hoss & Prussen
Michael Ferguson	Ernst & Young S.A.
Noel Fessey	Schroder Investment Management (Luxembourg) S.A.
Rafik Fischer	KBL European Private Bankers S.A.
Jonathan P. Griffin	JPMorgan Asset Management (Europe) S.à r.l.
Ewald Hamlescher	Swiss & Global Asset Management (Luxembourg) S.A.
Claude Hellers	FIL (Luxembourg) S.A.
Holger Hildebrandt	Deka International S.A.
Rudolf Kessel	Union Investment Luxembourg S.A.
Lou Kiesch	Deloitte Luxembourg
Jean-Michel Loehr	RBC Dexia Investor Services Bank S.A.
Claude Niedner	Arendt & Medernach
Thomas Seale	European Fund Administration S.A.
Robert Scharfe	Société de la Bourse de Luxembourg S.A.
Germain Trichies	Credit Suisse Fund Management S.A.

Camille Thommes	Director General	Association of the Luxembourg Fund Industry
Anouk Agnes	Deputy Director General	Association of the Luxembourg Fund Industry
Evelyne Christiaens	Secretary of the Board of Directors	Association of the Luxembourg Fund Industry

2. executive committee

Marc Saluzzi	Chairman	PricewaterhouseCoopers, Société Coopérative
Gilbert Schintgen	Vice Chairman, National Affairs	UBS Fund Management (Luxembourg) S.A.
Denise Voss	Vice Chairman, International Affairs	Franklin Templeton Investments
Julien Zimmer	Treasurer	DZ PRIVATBANK S.A.
Camille Thommes	Director General	Association of the Luxembourg Fund Industry
Anouk Agnes	Deputy Director General	Association of the Luxembourg Fund Industry
Pierre Oberlé	Secretary of the Executive Committee	Association of the Luxembourg Fund Industry

3. technical committees chairpersons group

Marc Saluzzi	Chairman	PricewaterhouseCoopers, Société Coopérative
Gilbert Schintgen	Vice Chairman, National Affairs	UBS Fund Management (Luxembourg) S.A.
Denise Voss	Vice Chairman, International Affairs	Franklin Templeton Investments
Julien Zimmer	Treasurer	DZ PRIVATBANK S.A.
Christoph Adamy	Chairman Risk Management Committee	Allianz Global Investors Luxembourg S.A.
Silke Bernard	Chairwoman Pensions & Long Term Savings Committee	Linklaters LLP
Georges Bock	Chairman Tax Committee	KPMG Luxembourg S.à r.l.
Freddy Brausch	Chairman Legal & Regulatory Committee (International Affairs)	Linklaters LLP
Olivier Carré	Chairman Risk Management Committee	PricewaterhouseCoopers, Société Coopérative
Josée-Lynda Denis	Chairwoman TA & Distribution Forum	Kurt Salmon Luxembourg S.A.
Martin Dobbins	Chairman ABBL/ALFI Depositary Bank Forum	State Street Bank Luxembourg S.A.
Jacques Elvinger	Chairman Legal & Regulatory Committee (National Affairs)	Elvinger, Hoss & Prussen
Lucien Euler	Chairman Human Resources & Training Committee	Luxcellence Management Company S.A.
Michael Ferguson	Chairman Promotion Committee	Ernst & Young S.A.
Noel Fessey	Chairman Fund Distribution Committee	Schroder Investment Management (Luxembourg) S.A.
Thierry Flamand	Chairman Pensions & Long Term Savings Committee	Deloitte Luxembourg
Henry Kelly	Chairman Fund Governance Forum	KellyConsult S.à r.l.
Rudolf Kessel	Chairman Investor Forum	Union Investment Luxembourg S.A.
Bob Kneip	Co-Chairman Conferences & Communication Committee	Kneip Communication S.A.
José-Benjamin Longrée	Co-Chairman Conferences & Communication Committee	PricewaterhouseCoopers, Société Coopérative
Claude Niedner	Chairman Alternative Investments Committee	Arendt & Medernach
Thomas Nummer	Chairman Risk Management Committee	Carne Global Financial Services, Luxembourg S.à r.l.
Fréderic Pérard	Chairman Operational Techniques Committee	BNP Paribas Securities Services, succursale de Luxembourg

Julian Presber	Chairman Statistics & Financial Research Committee	Luxembourg School of Finance
Thomas Seale	Chairman Responsible Investing Committee	European Fund Administration S.A.

Camille Thommes	Director General	Association of the Luxembourg Fund Industry
Anouk Agnes	Deputy Director General	Association of the Luxembourg Fund Industry
Evelyne Christiaens	Secretary of the Board of Directors	Association of the Luxembourg Fund Industry
Susanne Weismüller	Secretary of the Technical Committees Chairpersons Group	Association of the Luxembourg Fund Industry

4. strategic advisory board

Marc Saluzzi	Chairman	PricewaterhouseCoopers, Société Coopérative
Denise Voss	Vice Chairman, International Affairs	Franklin Templeton Investments

Pierre Cimino	CACEIS Bank Luxembourg
Noel Fessey	Schroder Investment Management (Luxembourg) S.A.
Rafik Fischer	KBL European Private Bankers S.A.
Diana Mackay	MackayWilliams LLP
Julian Presber	Luxembourg School of Finance
Jean-Nicolas Schaus	
Thomas Seale	European Fund Administration S.A.
Klaus Michael Vogel	DWS Investment S.A.

Camille Thommes	Director General	Association of the Luxembourg Fund Industry
Anouk Agnes	Deputy Director General	Association of the Luxembourg Fund Industry
Pierre Oberlé	Secretary of the Strategic Advisory Board	Association of the Luxembourg Fund Industry

5. regulatory advisory board

Gilbert Schintgen	Vice Chairman, National Affairs	UBS Fund Management (Luxembourg) S.A.
Julien Zimmer	Treasurer	DZ PRIVATBANK S.A.

Freddy Brausch	Linklaters LLP
Stéphane Brunet	BNP Paribas Investment Partners Luxembourg S.A.
Jacques Elvinger	Elvinger, Hoss & Prussen
Jonathan P. Griffin	JPMorgan Asset Management (Europe) S.à r.l.
Holger Hildebrandt	Deka International S.A.
Lou Kiesch	Deloitte Luxembourg
Jean-Michel Loehr	RBC Investor Services Bank S.A.
Claude Niedner	Arendt & Medernach

Susanne Weismüller	Secretary	Association of the Luxembourg Fund Industry

6. alfi head office

Directory	Camille Thommes, Director General, camille.thommes@alfi.lu Anouk Agnes, Deputy Director General, anouk.agnes@alfi.lu

Administration

The Administration department is in charge of:

- Organisation and administration of ALFI's Technical Committees & Working Groups (meetings, membership applications, documents): **committees@alfi.lu**
- Registrations for non-paying meetings and seminars: **registrations@alfi.lu**
- Accounting
- Database
- IT and website

Team members are:

Head of Administration:	François Drazdik, francois.drazdik@alfi.lu
Support:	Françoise Boettcher, francoise.boettcher@alfi.lu
	Filipe de Lemos, filipe.delemos@alfi.lu
	Claude Leuschen, claude.leuschen@alfi.lu
	Adina Lupu, adina.lupu@alfi.lu
	Ihsane Silistre, ihsane.silistre@alfi.lu
Accounting:	Murielle Albessard, murielle.albessard@alfi.lu
	Lydia Galla-Ruscitti, lydia.galla@alfi.lu
	Catherine Levanti, catherine.levanti@alfi.lu
IT:	Laurent Molitor, laurent.molitor@alfi.lu

Industry Affairs & Statistics

This department tracks all issues relating to fund operation and administration, from the accounting, TA, depositary, IT, technical, statistical and reporting angle. It also produces market statistics and handles membership relations.

Team members are:

François Drazdik, francois.drazdik@alfi.lu
Alexander Fischer, alexander.fischer@alfi.lu
Régine Rugani, regine.rugani@alfi.lu

Business Development

This unit supervises and coordinates ALFI's promotion, development, research and communication efforts. It organises conferences, roadshows, member seminars and press events, publishes promotional material and handles website content.

Team members are:

Head of Communication & Business development:
Anouk Agnes, anouk.agnes@alfi.lu
Communication & Business development:
Ophélie Binet, ophelie.binet@alfi.lu
Pierre Oberlé, pierre.oberle@alfi.lu
Anna Příhodová, anna.prihodova@alfi.lu

Events:
Andreea Bran, andreea.bran@alfi.lu
Eleftheria Kollia, eleftheria.kollia@alfi.lu
Siobhán Roche, siobhan.roche@alfi.lu
Irene Schultz-Gerstein, irene.schultz@alfi.lu
Virginie Tripet, virginie.tripet@alfi.lu
Karen Tsang, karen.tsang@alfi.lu

Legal & Tax Affairs

The Legal and tax affairs team tracks regulatory developments at international and national level. It prepares and coordinates responses to regulatory consultations, and analyses and addresses legal issues.

Team members are:

Evelyne Christiaens, evelyne.christiaens@alfi.lu
Isabel Hog-Jensen, isabel.hog-jensen@alfi.lu
Susanne Weismüller, susanne.weismueller@alfi.lu
David Zackenfels, david.zackenfels@alfi.lu

Asia Representative Office

The office promotes the Luxembourg fund industry, maintains a dialogue with stakeholders, monitors regulatory and legal developments, ensures contact with local sister associations and regulatory authorities, provides support for ALFI events in the region and handles follow-up for visits and roadshows in Asia.

Head of Asia Representative Office:
Ching Yng Choi, chingyng.choi@alfi.lu

ABBL/ALFI EU Representative Office, Brussels

The Brussels office represents both ALFI and ABBL to the EU institutions. It maintains and enhances networking, monitors and gathers information and presents the associations' views to European policy makers.

Head of ABBL/ALFI EU Representative Office Brussels:
Antoine Kremer, antoine.kremer@abbl-alfi.lu

Aurélie Cassou, aurelie.cassou@abbl-alfi.lu

Luxembourg for Finance:

ALFI is one of the main contributors to Luxembourg for Finance and has assigned two of its staff members to the activities of LFF.

Jean-Jacques Picard, jean-jacques.picard@lff.lu
Eleanor de Rosmorduc, eleanor.derosmorduc@lff.lu

7. structure of alfi committees 2012/2013

■ Committee ■ Sub-Committee ■ Working Group ■ Sub-Working Group

B Promotion Committee

Chairman: **Michael Ferguson**
(Ernst & Young S.A.)
ALFI Coordinator: **Pierre Oberlé**

B **Promotion Steering Committee**
Michael Ferguson (Ernst & Young S.A.)

B1 **Europe**
Mark Evans (Pricewaterhouse-Coopers, Société Coopérative)

B2 **Asia Pacific**
Gast Juncker
(Elvinger, Hoss & Prussen)

B3 **Middle East**
Germain Birgen
(RBC Investor Services Bank S.A.)

B3.1 **Dubai**
Valérie Mantot (Loyens & Loeff)

B4 **America**
Joe Hendry (Brown Brothers Harriman (Luxembourg) S.C.A.)

C Alternative Investments Committee

Chairman: **Claude Niedner**
(Arendt & Medernach)
ALFI Coordinator: **Isabel Hog-Jensen**

C1 **Hedge Funds**
Jerôme Wigny
(Elvinger, Hoss & Prussen)
Michael Ferguson (Ernst & Young S.A.)

C1.1 **Hedge Funds – Promotion of Luxembourg**
Alain Guérard
(ManagementPlus (Luxembourg))
Jerôme Wigny
(Elvinger, Hoss & Prussen)

C1.2 **Hedge Funds – Service Provider Forum**
Luc de Vet (Citco Fund Services (Luxembourg) S.A.)

C2 **Real Estate Investment Funds (REIF)**
Keith Burman
(State Street Global Services)
Michael Hornsby (Ernst & Young S.A.)

C2.1 **REIF Best Practices**
Amaury Evrard (Pricewaterhouse-Coopers, Société Coopérative)

C2.1.1 **REIF Fin. Framework, Valuation of Properties, NAV, Fin. Reporting**
Benjamin Lam (Deloitte Luxembourg)
Alison Macleod
(KPMG Luxembourg S.à r.l.)

C2.2 **REIF Marketing**
Catherine Martougin
(Arendt & Medernach)
Stéphane Haot
(KPMG Luxembourg S.à r.l.)

C2.2.1 **REIF Publications**
Jeannette Vaude-Perin
(Arendt & Medernach)
Johan Terblanche (Loyens & Loeff)

C2.2.2 **REIF Events**
René Paulussen (Pricewaterhouse-Coopers, Société Coopérative)
Lize Griffiths (Deloitte Luxembourg)

C2.2.3 **REIF Industry Associations & Distribution Channels**
Catherine Baudhuin
(Alter Domus Luxembourg S.à r.l.)
Sven Rein (BNP Paribas Real Estate Investment Management)

C2.4 **REIF Training**
Frauke Carola Oddone
(KPMG Luxembourg S.à r.l.)
Conor Cleere (Citco Bank Nederland N.V. Luxembourg Branch)

C2.5 **REIF Strategy**
Joëlle Hauser-Thannen
(Clifford Chance)
Alan Dundon
(Alter Domus Luxembourg S.à r.l.)

C2.5.1 **REIF Distressed Asset Experience**
Pierre Kreemer
(KPMG Luxembourg S.à r.l.)

C3 **Private Equity & Venture Capital**
Gilles Dusemon (Arendt & Medernach)
Alain Kinsch (Ernst & Young S.A.)

C3.1 **PE & VC Best Practices**
Alain Kinsch (Ernst & Young S.A.)
Gilles Dusemon (Arendt & Medernach)

C3.1.1 **PE & VC Tax and Legal**
Raymond Krawczykowski
(Deloitte Luxembourg)
Frédérique Lifrange
(Elvinger, Hoss & Prussen)

C3.2 **PE & VC Publications**
Joachim Kuske (VP Fund Solutions)
Arne Bolch
(Allen & Overy Luxembourg)

C3.3 **PE & VC Events**
Carmen Von Nell Breuning
(Ernst & Young S.A.)
Alexandre Prost-Gargoz
(Deloitte Luxembourg)

C3.4 **PE & VC Trainings**
Axelle Ferey (Ernst & Young S.A.)
Daniela Bergmans (European Fund Administration S.A.)

C3.5 **PE & VC Strategy and Hot Topic**
Alain Kinsch (Ernst & Young S.A.)
Gilles Dusemon (Arendt & Medernach)

C3.5.1 **PE & VC Société en Commandite Simple**
Laurent Schummer
(Arendt & Medernach)
Patrick Mischo
(Allen & Overy Luxembourg)

C4 **Central Administration Best Practices for AIFs**
Johan Blaise (Pricewaterhouse-Coopers, Société Coopérative.)
Robert Brimeyer
(Alter Domus Luxembourg S.à r.l.)

C5 **Infrastructure Funds**
Amaury Evrard (Pricewaterhouse-Coopers, Société Coopérative)
Jean-Christian Six
(Allen & Overy Luxembourg)
ALFI Coordinator: **François Drazdik**

D Fund Distribution Committee

Chairman: **Noel Fessey** (Schroder Investment Management (Luxembourg) S.A.)
ALFI Coordinators:
Susanne Weismüller, Evelyne Christiaens

D1 **Dematerialised Mutual Fund Sales Agreement**
Noel Fessey (Schroder Investment Management (Luxembourg) S.A.)

D3 **UCITS KIID**
Noel Fessey (Schroder Investment Management (Luxembourg) S.A.)

D4 **UCITS IV – Simplified Notification Procedure**
Michael Flynn (Deloitte Luxembourg)

D5 **International Distribution**
Lou Kiesch (Deloitte Luxembourg)

D5.1 **Distribution Focus**
Vincent Heymans
(KPMG Luxembourg S.à r.l.)

D5.1.1 **Distribution Focus Steering Committee**
Vincent Heymans
(KPMG Luxembourg S.à r.l.)
Daren Judge
(KPMG Luxembourg S.à r.l.)

D5.1.2 **Distribution Focus Asia**
Daren Judge
(KPMG Luxembourg S.à r.l.)

D5.1.3 **Distribution Focus Europe and Rest of the World**
François-Kim Hugé
(Deloitte Luxembourg)

D5.1.4 **Distribution Focus Latin America**
Pierre Bouchoms (Pricewaterhouse-Coopers, Société Coopérative)

D5.1.5 **Distribution Focus Distribution Initiative**
Rafael Aguilera (Ernst & Young S.A.)

D5.2 **Trade Agreements**
David Capocci (Deloitte Luxembourg)

E Human Resources & Training Committee

Chairman: **Lucien Euler**
(Luxcellence Management Company S.A.)
ALFI Coordinator: **Pierre Oberlé**

F Legal and Regulatory Committee

Chairman International Affairs:
Freddy Brausch (Linklaters LLP)
Chairman National Affairs:
Jacques Elvinger (Elvinger, Hoss & Prussen)
ALFI Coordinators:
Evelyne Christiaens, Susanne Weismüller

F1 **International Affairs and Developments**
Freddy Brausch (Linklaters LLP)

■ Committee ■ Sub-Committee ■ Working Group ■ Sub-Working Group

F1.1 **UCITS Developments**
Freddy Brausch (Linklaters LLP)

F1.2 **European Selling Rules**
Hermann Beythan (Linklaters LLP)

F1.2.1 MiFID
Alastair Woodward
(Aberdeen Global Services S.A.)
Graham Goodhew (JPMorgan Asset Management (Europe) S.à r.l.)

F1.2.2 Private Placement
Frédérique Lifrange
(Elvinger, Hoss & Prussen)

F1.2.3 PRIPs KID
Heimo Plössnig (Assenagon Asset Management S.A.)

F1.2.4 Investor Compensation Schemes Directive (ICSD)
John Li (The Director's Office S.A.)

F2 **National Affairs and Implementation**
Jacques Elvinger
(Elvinger, Hoss & Prussen)

F2.1 **UCITS Implementation**
Jacques Elvinger
(Elvinger, Hoss & Prussen)

F2.2 **UCITS Eligible Assets**
Emmanuel Frédéric Henrion
(Linklaters LLP)
Michèle Eisenhuth
(Arendt & Medernach)
Nathalie Dogniez
(KPMG Luxembourg S.à r.l.)

F2.3 **Securities Lending**
Jacques Elvinger
(Elvinger, Hoss & Prussen)

F2.4 **Anti-Money Laundering (AML)**
Marco Zwick (Schroder Investment Management (Luxembourg) S.A.)

F2.5 **Cross Sub-Fund Investment**
Michel Mengal
(Elvinger, Hoss & Prussen)
ALFI Coordinator: **Isabel Hog-Jensen**

F2.6 **Changes to Luxembourg Company Law**
Frédérique Lifrange
(Elvinger, Hoss & Prussen)

F2.7 **Liquidity Funds**
John Parkhouse (Pricewaterhouse-Coopers, Société Coopérative)
ALFI Coordinator: **Alexander Fischer**

F2.8 **Shadow Banking**
John Parkhouse (Pricewaterhouse-Coopers, Société Coopérative)
ALFI Coordinator: **François Drazdik**

F2.9 **Remuneration Policies in the Financial Sector**
Charles Hutchinson
(FIL (Luxembourg) S.A.)
ALFI Coordinator: **Isabel Hog-Jensen**

G Operational Techniques Committee

Chairman: **Fréderic Pérard**
(BNP Paribas Securities Services, succursale de Luxembourg)
ALFI coordinators: **Alexander Fischer, François Drazdik**

G **Operational Techniques Steering Committee**
Fréderic Pérard (BNP Paribas Securities Services, succursale de Luxembourg)

G1 **Fund-Related Tax Requirements**
Renato Moreschi (RBC Investor Services Bank S.A.)

G1.1 **Swiss Tax**
Yvonne Billerbeck (UBS Fund Services (Luxembourg) S.A.)
Mathias Wasemann (Pricewater-houseCoopers, Société Coopérative)

G2 **Total Expense Ratio (TER)**
Daniela Klasen-Martin
(Dominion Corporate Group S.A.)

G2.1 **Disclosure of Transaction Costs**
Nadia Faber (Ernst & Young S.A.)

G2.2 **Total Expense Ratio (TER) Survey**
Daniela Klasen-Martin
(Dominion Corporate Group S.A.)

G3 **German tax**
Jens Uwe Pätsch
(European Fund Administration S.A.)

G4 **UK Tax**
Birgitt Schitthoff-Hönninger
(RBC Investor Services Bank S.A.)

G5 **Austrian Tax**
Johannes Höring (Universal-Investment-Luxembourg S.A.)

G6 **CSSF Regulation 10-4**
Henning Schwabe (Arendt & Medernach)
Eduard Koster (RBC Investor Services Bank S.A.)

G6.1 **Organisational requirements**
Silke Bernard (Linklaters LLP)
Eduard Koster (RBC Investor Services Bank S.A.)

G6.2 **Conflicts of interest**

G6.3 **Rule of Conduct**
Henning Schwabe (Arendt & Medernach)

G7 **Global Investment Performance Standards (GIPS)**
Fanny Sergent (Pricewaterhouse-Coopers, Société Coopérative)

G8 **Swing Pricing**
Gary Janaway (Schroder Investment Management (Luxembourg) S.A.)

G10 **Solvency II**
Thierry Flamand (Deloitte Luxembourg)

G10.1 **Solvency II Q&A**
Chrystelle Veeckmans (KPMG Luxembourg S.à r.l.)

G11 **EMIR / OTC Derivatives**
Henning Schwabe (Arendt & Medernach)
Sven Muehlenbrock (KPMG Luxembourg S.à r.l.)

G11.1 **Legal Questions & Contractual Arragements**
Henning Schwabe (Arendt & Medernach)
Emmanuel Frédéric Henrion (Linklaters LLP)

G11.2 **Executions & Clearing with CCP**
Vitali Schetle (UBS Fund Services (Luxembourg) S.A.)
Henning Schwabe (Arendt & Medernach)

G11.3 **Collateral Requirements**
Clifford Bullock (JPMorgan Asset Management (Europe) S.à r.l.)

G11.4 **Valuation and Trade Repositories**
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Qi Chen (Commerz Funds Solutions S.A.)

G11.5 **EMIR / OTC Derivatives FAQ**
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Sven Muehlenbrock (KPMG Luxembourg S.à r.l.)

G11.6 **EMIR Impact on Pooling Structures**
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G12 **Fund Accounting and Reporting Requirements**
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G13 **International Financial Reporting Standards** (IFRS)
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G14 **Exchange Traded Funds (ETF)**
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G15 **Target 2 Securities / Central Securities Depositaries**
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G15.1 **Target 2 Securities – Pricing**
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J6.1 **FATCA Lobbying and Interpretations**
Gérard Laures (KPMG Luxembourg S.à r.l.)

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Gudrun Goebel (Société Générale Securities Services Luxembourg)

J6.2.1 **FATCA Identification and KYC process**
Thierry Detz (BNP Paribas Securities Services, succursale de Luxembourg)

J6.2.1.1 **FATCA Impact on responsibilities and duties in the identification process**
Omar Idmansour (Citibank International plc)

J6.2.1.2 **FATCA KYC process implementation for Individual and Entity**
Laura Secreti (HSBC Securities Services (Luxembourg) S.A.)

J6.2.1.3 **FATCA Specific points with regard to the identification process**
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J6.2.2 **FATCA Fund & Entities Scoping**
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J6.2.3 **FATCA Distribution Channel**
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J6.2.4 **FATCA Reporting**
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J6.2.5 **FATCA Tax Calculation**
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L4.3 Risk Management Conference
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L4.4 Alternative Investment Funds Conference
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L4.5 ALFI Golf Event
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L4.8 TA & Distribution Forum
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L4.9 Leading Edge Conference
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4.2.4 **Industry Associations: Building Bridges**
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5 ABBL / ALFI Depositary Bank Forum

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Julie Krentz (Svenska Handelsbanken Ab (publ), Luxembourg Branch)

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5.3 External Relations
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5.4 New Regulations Forum
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Hermann Beythan (Linklaters LLP)

glossary

ABBL	Association des Banques et Banquiers Luxembourg
AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Manager
AIFMD	Alternative Investment Fund Managers Directive
ALFI	Association of the Luxembourg Fund Industry
ALFP	Association Luxembourgeoise des Fonds de Pension
AMAC	Asset Management Association of China
CCP	Central Counterparty
CJEU	Court of Justice of the European Union
CSSF	Commission de Surveillance du Secteur Financier
ECB	European Central Bank
ECON	European Parliament Economic and Monetary Affairs Committee
EFAMA	European Fund and Asset Management Association
EFRP	European Federation for Retirement Provision
EIV	Environmental Investment Vehicle
EMIR	European Market Infrastructure Regulation
ESG	Environment, Social and Governance funds
ESMA	European Securities and Markets Authority
ETF	Exchange-traded Fund
EU	European Union
EuSEF	European Social Entrepreneurship Fund
EuVECA	European Venture Capital Fund
FAQs	Frequently Asked Questions
FATCA	Foreign Account Tax Compliant Act
FATF	Financial Action Task Force
FFI	Foreign Financial Institution
FEFSI	Fédération Européenne des Fonds et Sociétés d'Investissement
FSB	Financial Stability Board
FTT	Financial Transactions Tax
FCP	Fonds Commun de Placement
GIIN	Global Impact Investing Network
HKIFA	Hong Kong Investment Funds Association
ICSD	Investor Compensation Scheme Directive
IFBL	Institut de Formation Bancaire Luxembourg
IIFA	International Investment Funds Association
IML	Institut Monétaire Luxembourgeois
ITS	Implementing technical standards
KIID	Key Investor Information Document
LEI	Legal Entity Identifier
LFF	LuxembourgForFinance
LuxFLAG	Luxembourg Fund Labelling Agency
MENA	Middle East and North Africa
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MIV	Microfinance Investment Vehicle
MEP	Member of the European Parliament
NICSA	National Investment Company Service Association
OECD	Organisation for Economic Cooperation and Development
OTC	Over-the-counter
PRIPs	Packaged Retail Investment Products

QDII	Qualified Domestic Institutional Investor
QFII	Qualified Foreign Institutional Investor
REIFs	Real Estate Investment Funds
RI	Responsible Investing
SICAV	Société d'investissement à capital variable
SICAF	Société d'investissement à capital fixe
SICAR	Société d'Investissement en capital à risque
SIF	Specialised investment fund
SLP	Special Limited Partnership
SME	Small and Medium-sized Entreprise
SOPARFI	Sociétés de Participations Financières
TRS	Technical Regulatory Standards
UCI	Undertaking for Collective Investment
UCITS	Undertaking for Collective Investment in Transferable Securities
VAT	Value Added Tax
VLTRO	Very Long Term Repositioning Operations

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