

Fund distribution solutions

The complexity of raising capital across borders

In today's highly competitive environment, maintaining a global view of fund distribution rules is essential to keeping an edge on the rest of the market.

Raising capital abroad can be highly complex. Not only do products require different marketing permissions, but management companies must also hold the relevant passport authorisation to manage funds on a cross-border basis.

But tracking regulatory requirements in every jurisdiction and staying abreast of changes in the ever-shifting regulatory landscape is cumbersome and time consuming. What's more, the uncertainty of Brexit still looms large over the industry, and concepts like "pre-marketing", "reverse solicitation" or "private placement" remain grey areas that can significantly complicate the efficient distribution of funds.

Despite the strong progress made at European level in the harmonisation of regulations governing the cross-border distribution of both UCITS and AIFs, as illustrated by the practice of passporting as well as by the new Cross Border Distribution of Funds Regulation, a number of jurisdictions still require knowledge of local rules (appointment of local agents, special reporting, varying fees, etc.).

Beyond Europe's borders, the problem can become even more convoluted. Some laws and regulations have yet to be translated from their national language, meaning it will be difficult to fully understand the requirements they impose. Such cases pose a serious risk to regulatory compliance.

How can we help you?



Arendt can assist you throughout your distribution journey, from the early steps of feasibility and cost analysis, all the way to obtaining the necessary authorisations and staying compliant with EU and local laws.

Thanks to our global network of independent law firms, we are uniquely positioned to provide not only regulatory advice, but also legal counsel, making us a reliable partner in any fund distribution project.

Cross-border distribution solutions



Feasibility

- ✓ Facilitation of market entry within or outside Europe, including an overview of practical ways in which investors can be solicited, pre-marketing activities and physical presence requirements
- ✓ Advice on required distribution licenses and permitted marketing activities in each target jurisdiction



Passporting of manager activities

- ✓ Assistance with notifications under the freedom of establishment and/or the freedom to provide services



Marketing authorisation

- ✓ Support over the distribution lifecycle of UCITS and AIFs, from the issue of a marketing passport to the announcement of discontinuation
- ✓ Assistance applying to obtain non-passport marketing authorisations for UCITS and AIF(M)s (e.g. through a national private placement regime)



Maintenance

- ✓ Performance of regulatory reporting for ongoing compliance with local rules
- ✓ Maintenance of existing authorisations for cross-border management activities
- ✓ Updates on the latest regulatory changes and their impact on your funds
- ✓ Regulations-focused review of your marketing documents and website

General support

- ✓ Time-saving single point of contact for distribution stakeholders (lawyers, home and foreign authorities, KIIDs factory, translation agencies, e-filing platforms, etc.) and review of agreements with third parties
- ✓ Answers to distribution queries for any jurisdiction on the planet through Arendt's network of independent law firms worldwide
- ✓ Independence risk mitigation: as part of a law firm, we generate no concerns with respect to independence or audit rotation



Why Arendt?

Through each step of the distribution process, you will be assisted by a stable team of seasoned distribution experts from the industry and consulting firms, with strong legal and operational backgrounds. As an international team of fund professionals, we are uniquely placed to understand the practical challenges of cross-border distribution. We are proud to say that we are country agnostic, and are able to help clients regardless of where their funds are domiciled and irrespective of their target countries (EU and non-EU alike).

We are Arendt – the leading legal and business services firm in Luxembourg. We would be pleased to put our experience in the design, implementation and maintenance of multi-jurisdiction fund distribution strategies at your service.

For more information, contact us at DistributionARC@arendt.com or visit www.arendt.com/regulatoryconsulting

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