



Arendt webinar Cracking the code: the Arendt solution to prospectus review challenges

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Arendt webinar - Cracking the code: the Arendt solution to prospectus review challenges

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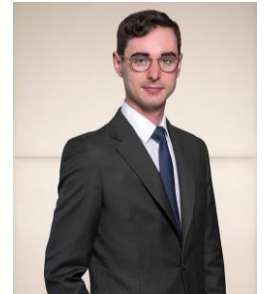
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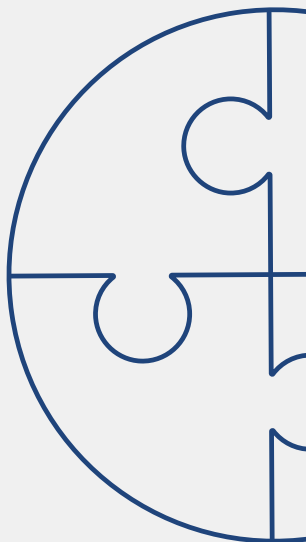
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Visa stamping replaced by e- Identification



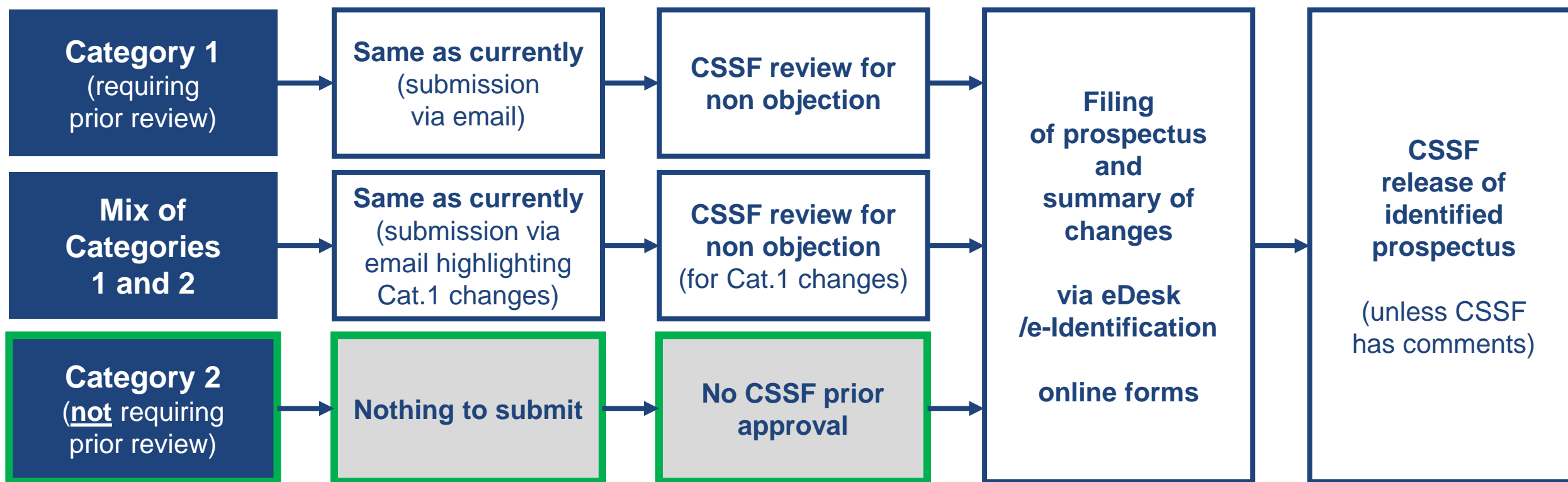
Since 1 April 2025 the (i) approval process procedure, and (ii) the current visa-stamping procedure has been replaced by the introduction of a new “*e-Identification*” system.

- All prospectus amendments that **require CSSF review** will remain subject to the current administrative procedure (Category 1 amendments).
 - The main enhancement introduced by the modernised process is the establishment of a predefined list of **amendments that do not require prior CSSF approval** (Category 2 amendments), allowing funds to implement certain updates more swiftly (*subject to potential ex-post analyses*).
 - Under the modernised process, the CSSF will assign (i) a **unique identification number**, and (ii) **an e-Identification date** on the first page of the prospectus.
- ▲ The CSSF outlines that the **ultimate responsibility for the content of the prospectus** lies with the **governing body of the UCI**.

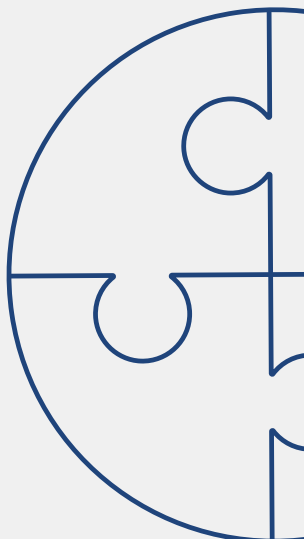
One month after the implementation of this new procedure, what are

- the first lessons learnt,
- the concerns raised by the market, and
- the challenges faced by the governing bodies of UCIs.

Reminder on the *e-Identification* procedure



Category 1 amendments



Set up of new sub-fund(s)

- ✓ approval of one or more additional sub-fund(s)
- ✓ authorisation as ELTIF
- ✓ authorisation as MMF
- ✓ registration as EuVECA / EuSEF for a new or existing non-UCITS (non-UCITS only)

Change of service provider(s)

- ✓ change relating to the UCI administration functions
- ✓ change of depositary
- ✓ change of the statutory auditor
- ✓ change of the management company / (A)IFM (non-UCITS only)
- ✓ change of (a) portfolio manager(s)
- ✓ change of the/a sub-portfolio manager
- ✓ change of other service providers disclosed in the prospectus
- ✓ change of the/an investment adviser(s) as disclosed in the prospectus
- ✓ change of the name of a service provider

Set up of a new fund

- ✓ approval of a new investment fund
- ✓ transformation of an existing UCI into another type of UCI
- ✓ conversion of an unregulated fund into an UCITS or another regulated fund

Share classes (UCITS only)

- ✓ approval of UCITS additional share classes with complex characteristics that have not previously been approved (e.g. new ETF share classes, newly added performance fees...)

Material changes within one or more existing (sub-)fund(s)

- ✓ the name(s) of (a) sub-fund(s)
- ✓ the investment policy or strategy
- ✓ material changes to the SFDR annexes
- ✓ (sub-)fund currency / duration
- ✓ frequency of the NAV calculation
- ✓ establishing a side-pocket
- ✓ introduction of performance fees or change to the applicable conditions or model
- ✓ valuation & external valuer
- ✓ investor eligibility
- ✓ risk profile (non-UCITS only)

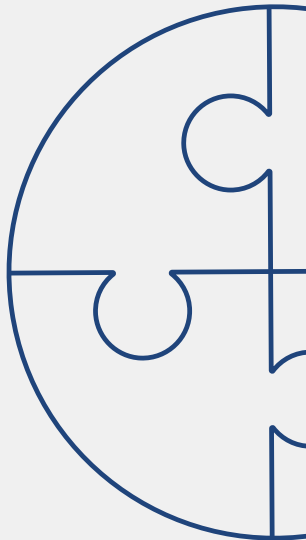
Changes relating to (i) the rules or instruments of incorporation or (ii) the managers and/or the governing body's composition or (iii) certain other key features of an existing fund

- ✓ amendment to the articles of association or the management regulations or the limited partnership agreement
- ✓ transformation of a fund in the form of an FCP into a SICAV / investment company (non-UCITS only)
- ✓ changes relating to the managers and/or the governing body's composition (UCI directors)
- ✓ amendment to the fund's name
- ✓ change of registered office
- ✓ change of financial year-end
- ✓ other material changes

Merger(s)

- ✓ merger of sub-funds
- ✓ merger of share classes of different sub-funds (UCITS only)

Category 2 amendments



Non-material changes to an existing (sub-)fund

- ✓ clarifications of certain aspects of the investment policy
- ✓ changes to the benchmark (out of scope of the BMR)
- ✓ non-material changes to the SFDR annexes
- ✓ other non-material changes

Share classes

- ✓ additional share class(es) set up (already registered at CSSF)
- ✓ additional share class(es) set up (not already registered at CSSF) (basic share class)
- ✓ share class(es) name change
- ✓ merger of share classes (within the same sub-fund)
- ✓ share class(es) feature(s) change(s)

Non-material changes to the general part of the Prospectus

- ✓ compliance updates related to CSSF circulars or regulations, FAQs, or other guidance documents or communications
- ✓ restructuring of the prospectus (in the absence of any material changes)
- ✓ removal of sub-funds due to previously approved mergers, liquidation or inactivity
- ✓ other reasons

Cost & Fees

- ✓ increase of fees
- ✓ decrease of fees
- ✓ changes to the fee(s) structure

Non-material ESMA or other European or international institutions-related updates to ensure compliance with Q&As, guidelines and recommendations (SFDR, SFTR, LMT's, etc.)

Amendment(s) to the initiator, if indicated in the prospectus

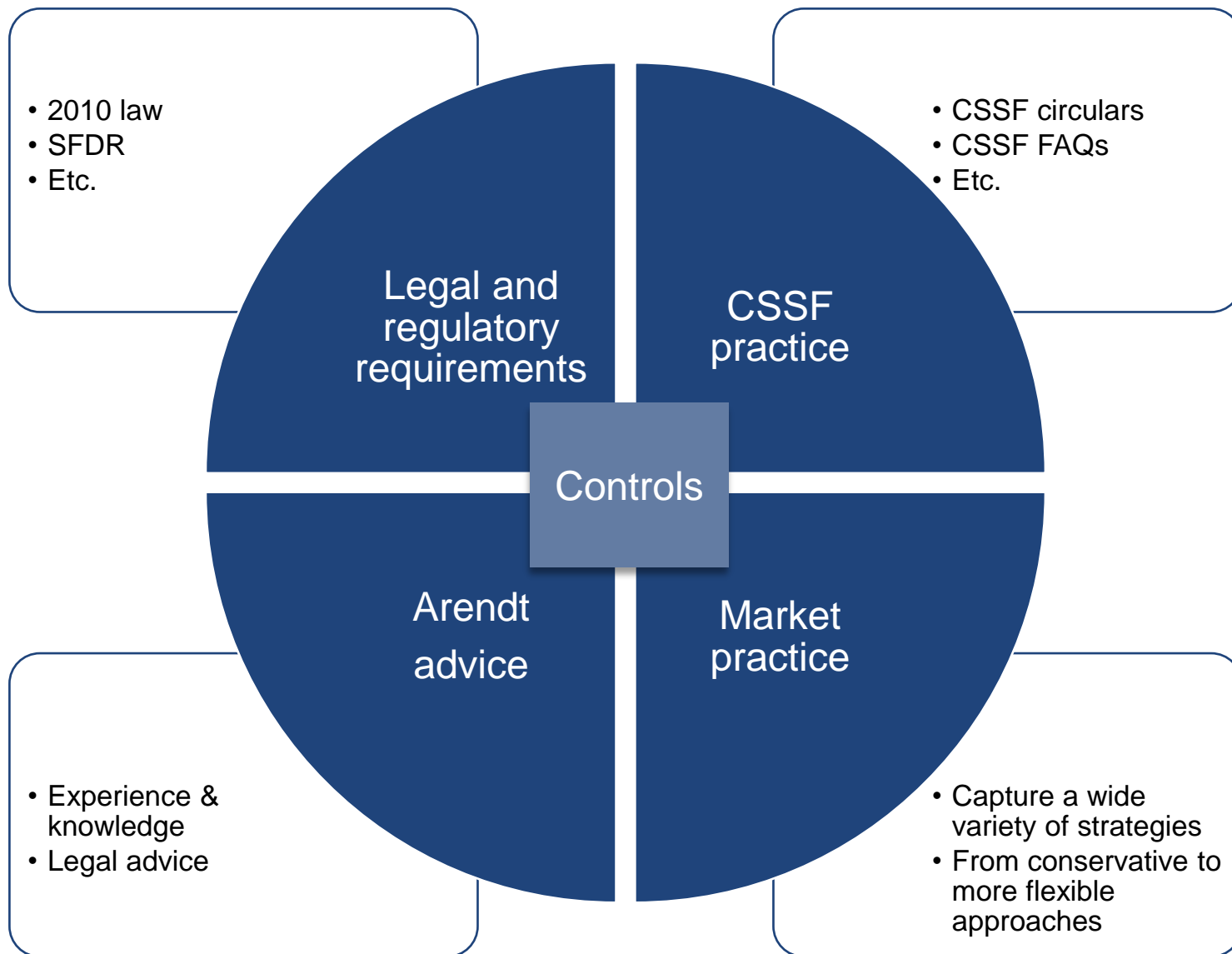
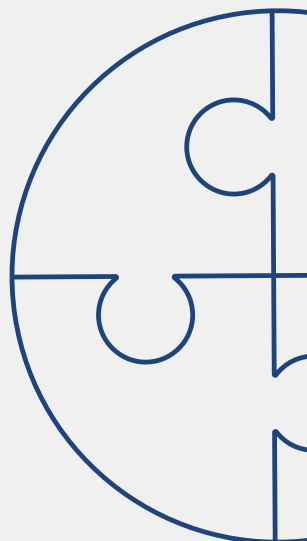


If a prospectus contains **both** Category 1 and Category 2 amendments, all amendments **must** be submitted to the CSSF for review, with **Category 1 amendments being highlighted**.



The CSSF reserves the right to **carry out ex-post analyses** on any previous amendments, **whether or not subject to prior review**.

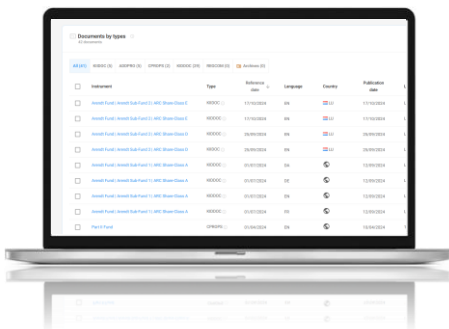
Our methodology





Arendt end-to-end solution

Collection & centralization



Multi-source:

- EU law
- Lux law (2010 Law)
- CSSF / ESMA guidance and doctrine

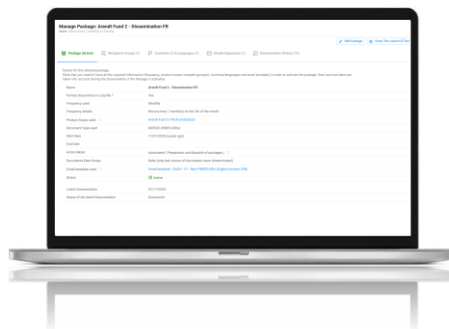
Controls on expected mandatory information:

- Investment strategy
- Corporate set-up
- Fund organization & governance

Maintenance by KM team:

- Centralized regulatory watch & alignment

Prospectus scoping

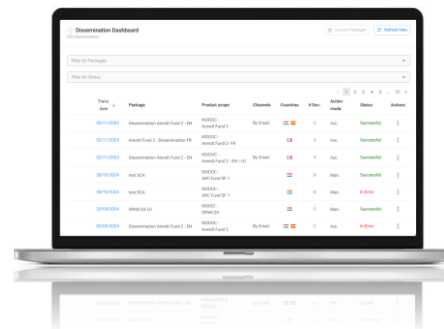


Inclusion/exclusion logic based on:

- Product scope: fund, sub-fund, generic provisions
- Triggering questionnaire mainly based on investment strategy / target assets
- Optional coverage based on approval of complementary services (e.g. performance fee)

Package content scope: Full or delta review for new versions of prospectus

Execution

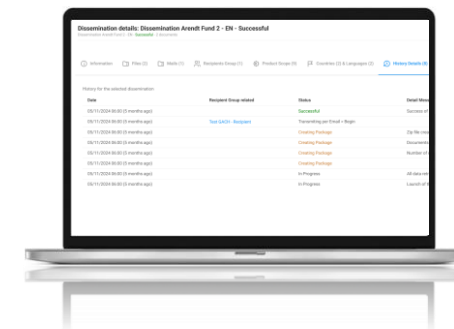


Maker/Checker process:

- Audited review for each point of control
- Capacity to escalate to a senior in case of uncertainty
- Option to adjust sensitivity of the control for better assessment by the reader
- Obligation to comment in case of non-compliant control

Capacity to leverage on previous reviews

Reporting












Audit trail:

- Detailed logs of process steps (timestamp, version sent, etc.)
- Incorporation of a red-line version of the prospectus saved within the review session
- Full history of versions of reviews

Certificate

- Issuance of certificate with main indicators and details on partial and non-compliant controls

Arendt end-to-end solution > Prospectus & Certificate Scoping

Last approved version										
	Name	Fund type	Legal form	Number of topics	Version	Checker	Version date	Report	Final status	Actions
1	(F) ARC Demo Arendt Fund	UCITS	FCP							⋮
2	(SF) Common provisions			9	v.1	Yann Fihey	17/05/2025			✎ Edit Fund + Add sub-fund  Combined report
3	(SF) Arendt Sub-Fund 1			1	v.1	Matthis Kapinski	12/02/2025			⋮
3	(SF) Arendt Sub-Fund 2			2	v.1	Matthis Kapinski	17/02/2025			⋮
3	(SF) Arendt Sub-Fund 3			1	v.1	Matthis Kapinski	18/02/2025			⋮

Arendt end-to-end solution > Prospectus & Certificate Scoping

Information & Users
2. Topics Selection
3. Conditions Questionnaire

1

Stakeholders (9)

☒

Fund

☒

Initiator / Sponsor

☒

Management Company

☒

Investment Manager

☒

Investment Advisor

☒

UCI Administrator

☒

Distributor

☒

Depository

☒

Auditor

☒

2

Investment Strategy (1)

☐

General

☒

Targeted Markets

☐

Regulated Markets

☐

Specific Markets

☐

Asset Classes (11)

☒

Fixed Income

☒

Securitised Instruments

☒

Equity

☒

Financial Indices

☒

Money Market Instruments

☒

Other Investment Funds

☒

Other Transferable Securities and Investments

☒

Securities Financing Transactions

☒

Financial Derivatives Instruments

☒

Ancillary Investments

☒

SFDR Strategy (1)

☐

Article 6 Fund

☐

Article 8 Fund

☒

Article 8+ Fund

☐

Article 9 Fund

☐

Arendt end-to-end solution > Prospectus & Certificate Scoping

Information & Users

Topics Selection

Conditions Questionnaire

1

Fees

Performance Fee 5/5

Asset classes

Securities 1/1

Financing

Transactions

Close

Performance Fee

Is the sub-fund subject to a performance fee? (15 related control(s))

☒ Yes
 ☐ No

Is it a benchmark model? (0 related control(s))

☐ Yes
 ☒ No

Is it a high-water mark model? (1 related control(s))

☒ Yes
 ☐ No

The reference period corresponds to the whole life of the sub-fund (0 related control(s))

☒ Yes
 ☐ No

The crystallisation frequency corresponds to the valuation frequency (e.g. daily) (1 related control(s))

☒ Yes
 ☐ No

2

Arendt end-to-end solution > Digitalized documented review

Point of control	Compliant	Partially Compliant	Not Compliant	Excluded / Deferred to Senior	Sensitivity	Comment
<div> <div> </div> <div> A clear statement is included to disclose whether SFTs and TRS can be used by the sub-funds. ^① </div> </div>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<div> </div>	<div> </div>	
<div> <div> </div> <div> The types of SFTs and TRS that can be used are described. ^① </div> </div>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<div> </div>	High	<u>Mandatory comment to add</u>
<div> <div> </div> <div> The reference indicator to measure the relative performance of the fund is indicated. ^① </div> </div>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<div> </div>	<div> </div>	
<div> <div> </div> <div> The crystallisation frequency at which the accrued performance fee, if any, becomes payable to the manager and a crystallisation date at which the performance fee is credited to the manager are indicated. ^① </div> </div>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Deferred to Senior	<div> </div>	

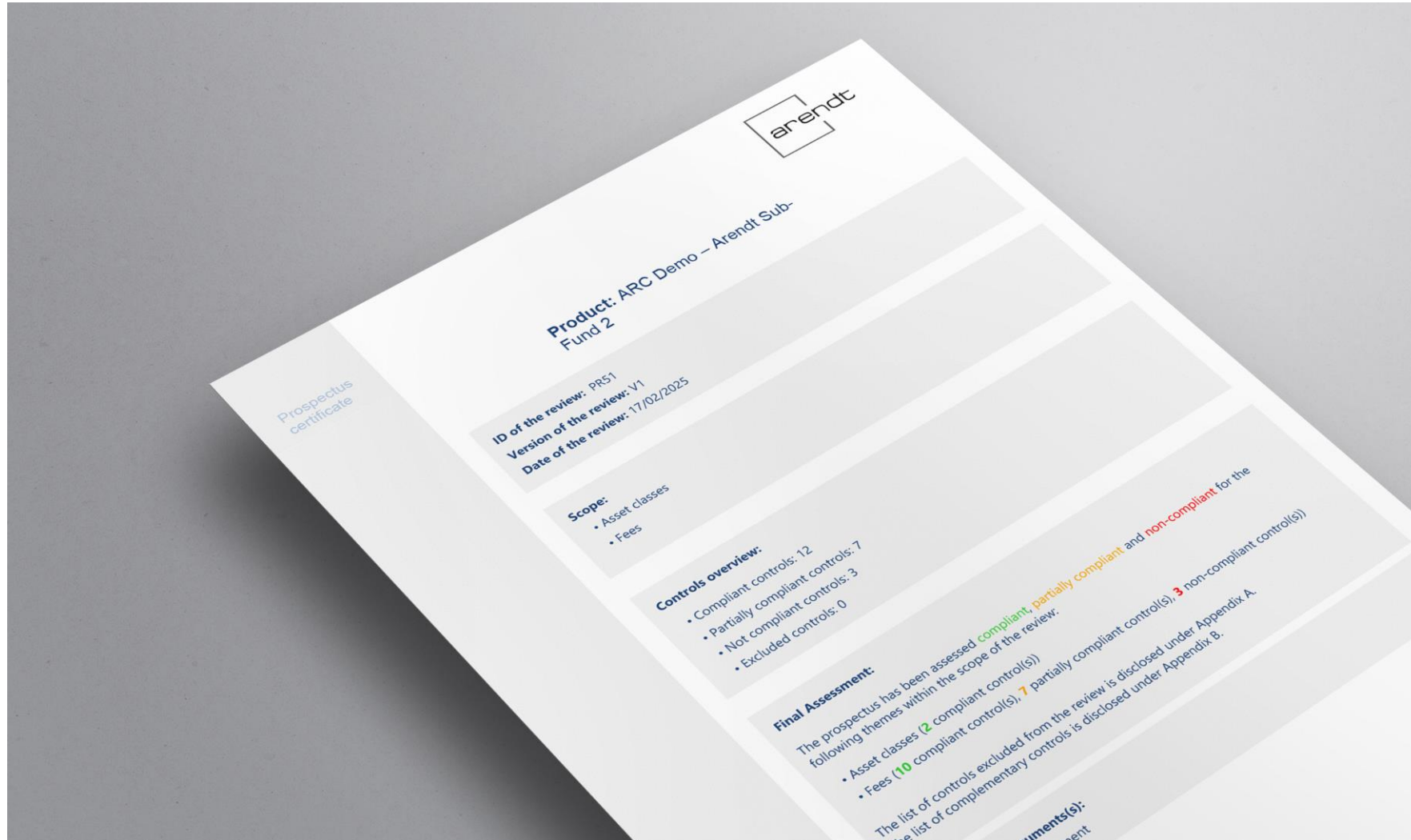
points of control

ratings

in/excluded

sensitivity and comments

Arendt end-to-end solution > Arendt Prospectus Review Certificate



Q&A

