



FOCUS

L-QIF & RAIF

Updated in January 2025

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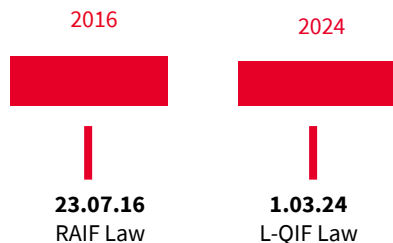
REGULATORY EVOLUTION

L-QIF means «Limited Qualified Investor Fund». It should authorize an investment fund dedicated to qualified investors – to invest in all types of products of risk spreading, without restriction. **L-QIF** provides financial market participants with a maximum freedom in a precise framework. **L-QIF** is an investment fund and as such a tool fiscally optimal in Switzerland.

The set up of a first Directive on alternative investment funds (AIF) in 2011 and transposed in 2013 by EU countries, offers a licence to asset managers with this obligation of appointing a depositary for each AIF.

Luxembourg seized this opportunity and created a new fund product, the **RAIF** -Reserved Alternative Investment Fund- a Luxembourg -based vehicle launched in 2016 and submitted to AIFMD.

The RAIF is regulated by the law of 23 July 2016.
L-QIF entered into force on 1 March 2024.



FOCAL POINTS

Why did we have those products?

RAIF was an initiative from Luxembourg to anticipate the end of the Private Placement Regime in 2018 for third countries funds/asset managers.

AIFMD regulates the Fund Manager but not the Fund. This is why Luxembourg implemented the RAIF without being approved and authorized by the CSSF but with one condition: a RAIF needs to appoint an AIFM when it is created.

All “AIFM” can select this competitive alternative product which presents same advantages than any other AIF. RAIF can be liquidated with minimum /less costs. Number of FIAR reached rapidly 200 structures just after its entry into force in July 2016.

L-QIF is a product for well advised investors that should complete the sample of Swiss financial products.

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STATEMENT

RAIF is a Luxembourg investment fund created with the law of 23 July 2016.

It is a Fund organized under Luxembourg law. However, it is not subject to the supervision of the CSSF, the Luxembourg's regulator. Quickly set up, once established the appropriate authorized management company acting as manager who must be an authorized AIFM, domiciled in one of the European Economic Area Member States. This means that all benefits from the AIFM's passport applies. RAIFs are subject to the principle of risk-spreading.

L-QIF is a new Swiss vehicle that was launched in 2024. In Switzerland, the law on collective investment (LPCC) amended in 2024, provides investors with a new financial instrument , **L-QIF**, that might challenge the Luxembourgish RAIF. **L-QIF** is offered to qualified investors only. Swiss regulations allow for the first time a fund not subject to regulator's approval to be offered to qualified investors. However, due to several market issue and even though L-QIF is not subject to licensing requirements, L-QIF appeared mid-2024 and not in 2023 as initially announced. As of **9 January 2025**, 18 L-QIF have been declared to the SFI (*Secrétariat d'Etat aux question financières internationales*).

FOR YOUR CONSIDERATION**Who could administer and manage an L-QIF ?**

Financial companies under the supervision of **Finma** i.e. A regulated asset manager : banks, third managers, family office, insurance companies, *caisse de pension* or asset management companies.

L-QIF is a Swiss alternative to structures of similar foreign funds. The most comparable structure is the **Luxembourg RAIF** authorized since July 2016. Switzerland expects a great demand for the **L-QIF**. This new fund structure does not include the introduction of a new legal form and could added to an existing legal structure , mutual fund or investment company with variable capital variable.

The Federal Assembly passed the bill in the final votes on 17 December 2021. Following the consultation ordonnance procedure on the implementing provisions related to capital collective investments (from 23 September to 23 December 2022) , the revised CISA and its implementing provisions entered into force on **1 March 2024**. It authorizes members of a family to open a **L-QIF** with dedicated compartments. As L-QIF does not require any approval or license from the Swiss Financial Market Supervisory Authority ("FINMA"), it can be launched quickly and without great expense.

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If you want to know more, refer to
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