

Registered Alternative Investment Funds (“RAIFs”) – What you need to know:

Key points:

- **Legal Form:** Common fund, investment company, limited partnership;
- **Eligible Investors:** Professionals / Well-informed investors;
- **Number of Investors:** Unlimited;
- **Minimum AuM within first 12 months:** EUR 500,000;
- **Fund Management:** Always appoints a Fund Manager;
- **Minimum Capital Requirement:** Not subject to minimum capital requirements;
- **Assets under Management:** No restriction if managed by an AIFM. Up to 100 million including leverage or 500 million with no use of leverage and no redemption rights for 5 years if AIFM is not appointed. Invests only in transferable securities if managed by UCITS management company or CIF;
- **Depositary:** Mandatory appointment of a local Depositary if managed by an AIFM. Cyprus, EU or in a third country based if managed by UCITS management company or CIF.

Features:

- No licensing or authorisation required by CySec, RAIFs are registered with CySEC within 1 month from their incorporation and must have a Regulated manager;
- The application for the registration of the RAIF must include:
 - i. Form 124-00-01;
 - ii. Certificate of Registration of the company (from the registrar);
 - iii. Information relating to the investment strategies of the RAIF;
 - iv. MAA or IOM;
 - v. Arrangements for the appointment of Depositary;
 - vi. Prospectus;
 - vii. External Manager’s License;
 - viii. Certificates from the External Managers and Legal Advisors of the applicant or the RAIF;
 - ix. Certificate of the promoter of the application for registration in the RAIF registry;
- Obligation to appoint a Depositary;
- Access to a marketing passport for professional investors across the EU: Similar to the Luxembourg RAIF, the Cyprus Registered AIF will be able to market to professional investors and/or well-informed investors and will be managed by a full scope Cyprus or EU Alternative Investment Fund Manager (AIFM);
- Option for umbrella structure;

- The provision of control functions to the RAIF are under the responsibility of the appointed external manager;
- In addition to an AIFM, if the RAIF is incorporated as a partnership then the RAIF may be managed by a sub-threshold AIFM, a CIF or a UCITS management company;
- RAIF cannot be set-up as Money Market Fund, Loan Origination Fund or Fund of Funds.