

Investment Funds - Brexit - CSSF 12 Month Transitional Period for Uk Funds, Aifms and Management Companies



Mrs. Evelyn Maher
Partner
emaher@bsp.lu



Mr. Luc Courtois
Partner
lcourtois@bsp.lu

BACKGROUND

In April 2019 [two Luxembourg laws](#) (the “Brexit Laws”) were published in anticipation of the United Kingdom's exit from the European Union without any withdrawal agreement on 31st October 2019 (the "Hard Brexit"). In such an event, the United Kingdom will be considered as a third country and UK funds or their managers will no longer be able to rely on the relevant EU passports in order to manage or market funds in Luxembourg. In light of this, the Brexit Laws granted extraordinary powers to the CSSF to take action in order to maintain financial stability and ensure consumer protection.

THE CSSF MEASURES

Pursuant to [Press Release 19/34](#) the CSSF have confirmed that UK Undertakings for Collective Investment (“UCIs”) and/or their Managers which are currently authorised under the UCITS Directive and/or the AIFM Directive may continue to exercise their activities in Luxembourg for a period of twelve (12) months, starting from 31st October 2019 subject to certain notification and authorisation requirements.

Such UCIs and their Managers will have to notify the CSSF, no later than 15 September 2019, of their intention to continue to provide services in Luxembourg after a Hard Brexit. Such notification shall be made through a portal which will be made available by the CSSF in the coming weeks.

In addition, such entities will need to submit to the CSSF, no later than 31st October 2019, the corresponding application for authorisation, notification or information on any action taken otherwise, depending on the nature of the planned activities after the occurrence of a Hard Brexit.

On the basis of the information submitted, the CSSF may grant UK UCIs and/or their Managers

the possibility to continue their activities on the territory of Luxembourg until 31st October 2020. The CSSF will inform the concerned entities within 10 business days of the submission of the information.

IN ADDITION

Entities that are currently authorised in the UK according to the UCITS and the AIFM Directives have to notify to the CSSF in respect of both licenses.

Also, entities that have already submitted an application for authorisation in anticipation of a Hard Brexit must submit a Brexit notification to the CSSF.

The CSSF have published similar transitional measures for UK firms authorised under CRD, MiFID II, PSD 2 or EMD. Further details can be obtained in [Press Release 19/33](#).