



The good, the bad and the ugly

ADI reviews industry trends and forecasts the year ahead

Life is becoming more complex for structurers of alternative funds. That's especially true for managers that have to make decisions on domicile selection and on the legal structure of funds. The good news that there are a growing number of options open to them; the bad news is that the tax and regulatory environment is becoming ever more challenging. And the 'taxulation' era that the industry is entering into often adds substantially to costs.

The following is ADI's forecast for the year ahead. It covers private placement, ICAVs and RAIFs, Lux-leaks, ManCo platforms, BEPs and the drive for greater transparency in everything from fund structures through beneficial owners of assets in offshore centres. It is also a review of where the industry is today on a range of issues that will affect its composition in future.

Continued on page 10 >>

Solvency II will affect fund domiciliation

After many years of debate Solvency II came into force this month. It is a Directive for the EU's insurance industry but has ramifications for asset managers – and for fund domiciles. Solvency II's capital rules require insurance companies to set aside more capital if they want to invest in unregulated offshore funds. Hedge funds with investments from insurers are setting up EU domiciled UCITS funds to keep their allocations from this sector.

The aim of Solvency II is to create a harmonised, consistent, risk-based regulatory model across the EU. In particular it requires European insurers to have what many of them believe is far too high a level of capital resources to make allocations to what are deemed riskier investment strategies, such as hedge funds. Solvency II also requires insurers to have transparent and more sophisticated risk management systems than was the case prior to this Directive.

A number of larger insurers have expressed concerns over Solvency II, in particular the enforcement of a market-consistent valuation approach required by the Directive and the impact of the 'equivalency' requirements. Many European based insurers fear Solvency II could make them uncompetitive.

Continued on page 9 >>

In this issue

Features

- 7 **IOSCO wants more hedge fund transparency**
- 9 **Solvency II will affect fund domiciliation**
Story continued from front page
- 10 **The good, the bad and the ugly**
Story continued from front page
 - Private placement: a decision this year
 - ICAVs and RAIFs: ending the Dub-Lux duopoly
 - Lux-leaks: a nightmare unfolds
 - ManCo platforms: Changing the industry's structure
 - BEPS and the tax slow burner
 - Yet more transparency

News

- 2 **Jersey reports strong increase in AIFM managers**
- 2 **Poor overall hedge fund performance in 2015**
- 3 **Tax 'justice' entity launched in Luxembourg**
- 3 **Luxembourg approves RAIF**
- 4 **LLCs coming to Cayman**
- 5 **BVI changes**
- 6 **Offshore IPOs up**

Listings

- 20 **AIFMD service providers**
AIFMD related Company listings
- 21 **Domicile service provider listing**
Company listings by Domicile

ADI is published monthly by IFI Global Ltd. Annual subscription is £340. No part of this publication may be distributed or reproduced in whole or in part without prior written permission from the publisher. All contents copyrighted. Visit <http://ifiglobal.com>



ADI Subscription Form

With your ADI subscription:

- 12 issues of the publication
- Attendance at ADI's events and roundtables
- Access to alternative managers' service provider search announcements
- Consultation for corporate subscribers in each of ADI's quarterly manager surveys
- Independent and unbiased expert analysis on domiciliation and fund trends at this most critical period in the history of the industry
- The only publication focussing on all the issues (fiscal and political as well as regulatory) that will have a fundamental impact on this business.

This form can be completed and saved in Acrobat Reader and then emailed to [Tamara Sims](#)

Name:

Company:

Address:

Email:

Tel:

Date:

An annual subscription to ADI is £340

Payment options

Direct Transfer

HSBC Bank Plc
Oxford Summertown Branch

Account: IFI Global Ltd
Bank Account No: 41444530
Sort Code: 40-35-35
IBAN: GB58MIDL40353541444530
SWIFTBIC: MIDLGB2148J

By Cheque (£ Sterling only)

Make cheque payable to:
IFI Global Ltd.
10 Arthur Street
London EC4R 9AY

For additional information please contact Tamara Sims at sims@ifiglobal.com

IFI Global Ltd, 10 Arthur Street, London EC4R 9AY Tel: +44 (0) 207 220 9077

ADI is published by IFI Global Ltd, 10 Arthur Street,
London EC4R 9AY Tel: +44(0)207 220 9077

Editorial & research enquiries:

Simon Osborn e-mail: osborn@ifiglobal.com

Directory & event enquiries:

Tamara Sims e-mail: sims@ifiglobal.com

Subscription enquiries:

Alan Hallett e-mail: hallett@ifiglobal.com