

By Email

9 July 2013

To the Senior Executive Officers
Of DFSA Authorised Firms

Dear SEO

Implementation of the EU Alternative Investment Fund Managers Directive

Given the global nature of activities conducted through the Dubai International Financial Centre (DIFC), we believe it necessary to highlight the upcoming changes in the European Union's (EU) Alternative Investment Fund Managers Directive (AIFMD). AIFMD comes into force on 22 July 2013 and will affect a number of Firms in the DIFC which manage and/or market investment funds that have a connection to the European Union. The DFSA has received a number of questions about how AIFMD will be implemented in the United Arab Emirates and the DIFC.

As EU legislation, AIFMD cannot be interpreted or enforced by the DFSA. We are aware that a number of professional advisers (law firms, etc.) have been briefing clients on the potential impact of the AIFMD, and we would expect this to continue. In the meantime, however, the DFSA has worked to make sure that it can share appropriate regulatory information from the DIFC. The DFSA has established, through the European Securities and Markets Authority (ESMA), cooperation mechanisms with all of the relevant EU Member States regarding the AIFMD.

Although the DFSA is not in a position to interpret the AIFMD, Firms may wish to consider the following points:

- if the DIFC fund manager is part of a larger operation/group which spans across the EU, it will need to determine whether any of its fund management services in the EU may be captured under AIFMD;
- whether delegation arrangements in respect of management activities create any issues against the requirements of the AIFMD;
- whether there are any other non-EU entities (in other third countries) that perform delegated functions, and whether the authorities in those countries have a co-operation agreement with ESMA in place;
- whether an EU member state where the DIFC fund manager wishes to market a fund has a private placement regime that the DIFC AIFMD may use;
- whether the requirements of any relevant national private placement regimes are met; and
- whether the Firm needs to comply with AIFMD disclosure and transparency provisions.



If we learn of any other new, relevant information, we will promptly pass that on to Authorised Firms.

Further Queries

Please feel free to send any questions, in respect of this correspondence, to Christian Cameron, Senior Manager, Policy & Legal Services (Email: ccameron@dfs.ae), bearing in mind that, as noted earlier, we will not be able to interpret the AIFMD for you. Where we can, we will respond to your questions at the earliest opportunity.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bryan Stirewalt', is written over a light blue horizontal line.

Bryan Stirewalt
Managing Director, Supervision