



Guernsey Qualifying Investor Funds (QIFs) Regime

A PROCEDURE BY WHICH QIFS MAY GAIN APPROVAL BY THE GUERNSEY FINANCIAL SERVICES COMMISSION (“GFSC”) IN 3 WORKING DAYS FOR CERTAIN FUNDS. QIFS CAN BE ESTABLISHED AS OPEN ENDED OR CLOSED ENDED FUNDS AND AS UNIT TRUSTS, PROTECTED CELL COMPANIES, LIMITED PARTNERSHIPS OR INVESTMENT COMPANIES. THE CAN ALSO BE ESTABLISHED AS A SINGLE OR MULTICLASS FUND. QIFS MY ONLY BE OFFERED TO “QUALIFIED INVESTORS”.

INTRODUCTION

Qualified Investor means: a Professional Investor, an Experienced Investor, and/or a Knowledgeable Employee as defined by the GFSC below.

PROFESSIONAL INVESTOR

A Professional Investor is:

1. a Government, local authority, public authority or supranational body (in the Bailiwick or elsewhere); or
2. a person, partnership or other unincorporated association or body corporate, (whether incorporated, listed or regulated in an OECD country or otherwise) whose ordinary business or professional activity includes or it is reasonable to expect that it includes, acquiring, underwriting, managing, holding or disposing of investments whether as principal or agent, or the giving of advice on investments; or;
3. an affiliate of the Qualifying Investor Fund or an associate of an affiliate of the Qualifying Investor Fund. (The terms “affiliate” and “associate of an affiliate” are intended to refer to financial services businesses or financial services professionals associated, directly or indirectly, with the operation of the fund in question).
4. an individual investor who makes an initial investment of not less than US\$100,000 or equivalent in the fund in question. Provided the initial test has been met, subsequent investments by the same investor may be of lower amounts.

EXPERIENCED INVESTOR

An Experienced Investor is a person, partnership, or other unincorporated association or body corporate which has in any period of 12 months (whether on his own behalf or in the course of his employment by another person) so frequently entered into transactions of a particular type in connection with:

1. open-ended collective investment schemes and/or

2. general securities and derivatives as defined in Schedule 1 of the Protection of Investors Law. (In summary, that definition includes equities, bonds, participations in closed-end investment vehicles, warrants, options, futures, contracts for differences and rights on any of those investments) being transactions of substantial size entered into with, or through the agency of, reputable persons who carry on investment business, that he can reasonably be expected to understand the nature of, and the risks involved in, transactions of that description; or who provides a certificate from an appropriately qualified investment advisor confirming that the investor has obtained independent advice.

KNOWLEDGEABLE EMPLOYEE

A Knowledgeable Employee is:

1. a person who is (or has been within a period of three years up to the date of application for investment in the Qualifying Investor Fund) an employee, director, general partner, consultant or shareholder of, or to, an affiliate appointed by the Qualifying Investor Fund to advise, manage or administer the investment activities of the Qualifying Investor Fund, who is acquiring an investment in the Qualifying Investor Fund as part of his remuneration or an incentive arrangement or by way of co-investment, either directly or indirectly through a personal investment vehicle, such as a trust, for or substantially for, that person; or
2. any employee, director, partner or consultant to or of any person referred to above or anyone who has fulfilled such a role in respect of any person referred to at 4(a)2 above within a period of three years up-to the date of application for investment in the Qualifying Investor Fund. The term “employee” would only cover persons who are, or have been, employed in a relevant role and would not extend to clerical, secretarial or administrative roles.

ESTABLISHMENT

Louvre Fund Managers, during their establishment of the fund, will be able to certify compliance with the GFSC's QIF requirements, which is required under the approval process. The GFSC will expect a representation to be made by the relevant investors in the QIFs application from that the requirements described above have been satisfied.

FOR MORE INFORMATION PLEASE CONTACT:

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