

## PRESS RELEASE

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**Subject** CMS releases AIFMD Guide to Passporting

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***‘Border controls’ imposed by domestic regulators inhibit cross-border fund marketing***

Frankfurt, 22<sup>nd</sup> September, 2014. Domestic regulations in Europe are inhibiting the cross-border benefits of the European Commission’s Alternative Investment Fund Managers Directive (AIFMD), according to analysis by CMS, Europe’s largest law firm.

CMS has released a passporting guide to help Alternative Investment Fund Managers (AIFMs) navigate the new legislation and understand the complexities of cross-border fund management under AIFMD, other European Directives and domestic regulations.

AIFMD, which came into force on 22 July 2014, promotes passporting rights as a key benefit for hedge, private equity, real estate and other alternative investment fund managers. In practice, however, AIFMs are experiencing impediments to passporting because some domestic regulators are imposing 'border controls', fees and additional compliance requirements.

As an example, some jurisdictions, including the UK, Ireland, France and the Netherlands, do not charge an application fee for outward or inward AIFMD passport notifications, although AIFMs may be subject to periodic regulator fees. In contrast a number of other jurisdictions, such as Germany, Luxembourg and Finland, charge additional application fees on top of their existing fee structures.

Melville Rodrigues, partner and head of the CMS Funds Group, said, “The diversity of domestic rules across Europe makes it challenging for AIFMD authorised managers to assess the costs and other requirements for penetrating the European market. The managers need to appreciate the cost and compliance of marketing their funds throughout Europe.”

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## NOTES TO EDITORS

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