

# Parallel Fund Structures, Luxembourg

Luxembourg is increasingly a preferred destination for non-EU managers seeking to access European capital by way of parallel funds.

With a presence in both Luxembourg and the main international finance centres, Ogier is well-placed to advise on parallel structuring for funds.

Our expert teams are supported by colleagues in our European, Asian and Caribbean offices.

We manage complexity by focusing on what really matters and delivering advice that gets straight to the point.

## 5 things to know about parallel funds



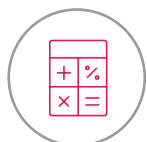
**Preferred destination:** Luxembourg limited partnerships are increasingly popular with sophisticated managers and investors experienced in the Anglo-Saxon market, with an appetite for large fund raises and a diverse investor pool



**Sponsor:** EU regulatory law may require third party service providers to the parallel fund, and consideration will need to be given to the flow of moneys through the structure to the fund sponsor, thus requiring tax compliant and efficient structuring solutions



**Operating structure:** The Luxembourg parallel will typically use the terms of the main fund (investment strategy / asset portfolio), yet is a separate legal entity required to be compliant with applicable EU laws. Each participant in the structure will need to have a keen understanding of its role in the overall management and functioning of the fund



**Operating model:** The regulatory impact in the context of investment decisions / substance requirements in relation to the Luxembourg parallel must be understood by the non-EU main fund in order to avoid functional conflicts during the life of the fund(s). The mechanics of the distribution waterfall and costs allocation must be modelled at the structuring phase



**Flexibility:** These structures offer a variety of options to investors who are provided the ability to participate through the fund that is best suited to their risk, regulatory and tax appetites, and the AIFMD impact is restricted to the Luxembourg parallel with no regulatory scope creep with respect to the non-EU main fund



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## 5 things to know about Ogier in Luxembourg



**Growth:** After more than 10 years in the Grand Duchy our Luxembourg legal team continues to grow - our eight partners lead a team of 30 lawyers and we advise on Banking and Finance, Corporate, Employment law, Investment Funds, Insurance, Private Wealth Law and Tax, together with dedicated desks for French and German clients



**International:** We specialise in cross-border investment structures for leading asset managers, financial institutions and other law firms based locally and internationally, with partners represented on all major industry bodies, and the team is fully integrated with our offices in Asia, Europe and the Caribbean



**Leading:** We regularly win awards for the quality of our people and our advice - we provide legal services in 99 countries and in 17 languages, with clients including 41 of the top 50 global law firms and 21 of the top 25 global banks



**Full-service:** We advise on BVI, Cayman, Guernsey, Ireland, Jersey and Luxembourg law, providing seamless cross-jurisdictional advice



**Bench:** Our clients include some of the world's biggest banks, asset managers and financial institutions. Several of our practices are ranked as best in their jurisdiction and we have the capacity, knowledge and expertise to handle the most demanding and complex transactions



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