

The L-QIF trade

No regulator screens the product. Under revised CISA, the screening — screening — and the *liability* for getting it wrong — sits with us.

us.

Two years into the L-QIF, time to re-assess.

What the L-QIF structure delivers

Days

Speed to market

No product approval and no FinSA prospectus — a vehicle launches in days, not the months a supervised fund needs.

Freedom

Investment flexibility

Adapted for less liquid, more concentrated portfolios.

Qualified

Defined perimeter

Open only to qualified investors (Art. 10 10 CISA / FinSA) — the condition that earns the exemption.

Real, deliberate advantages — the foundation of the trade we made.

■ THE TRADE — WHERE ACCOUNTABILITY MOVES

On a supervised fund, FINMA authorises, approves and supervises the product.

On an L-QIF, that role is ours.

- **No external gatekeeper.** There is no product authorisation, approval or FINMA supervision of the fund (Art. 118a CISA).
- **We are the statutory guarantor.** The administering institution — Fondsleitung or manager of collective assets — must ensure ongoing compliance.
- **Supervision turns indirect.** FINMA reaches any failure through us, as an organisational deficiency at the licensed institution.

Where it bites — and who catches it

- **Supervisory measures on the firm.** Breaches are attributed to us, typically as organisational findings at the licensed institution.
licensed institution.
- **Failure to notify.** A late or omitted filing to the FDF/SIF can lead to further investigations.
- **Loss of L-QIF status (“drift”).** If a vehicle stops qualifying — investor base, qualified-only test, third-party management — FINMA must be immediately notified, the depositary and the auditor as well.

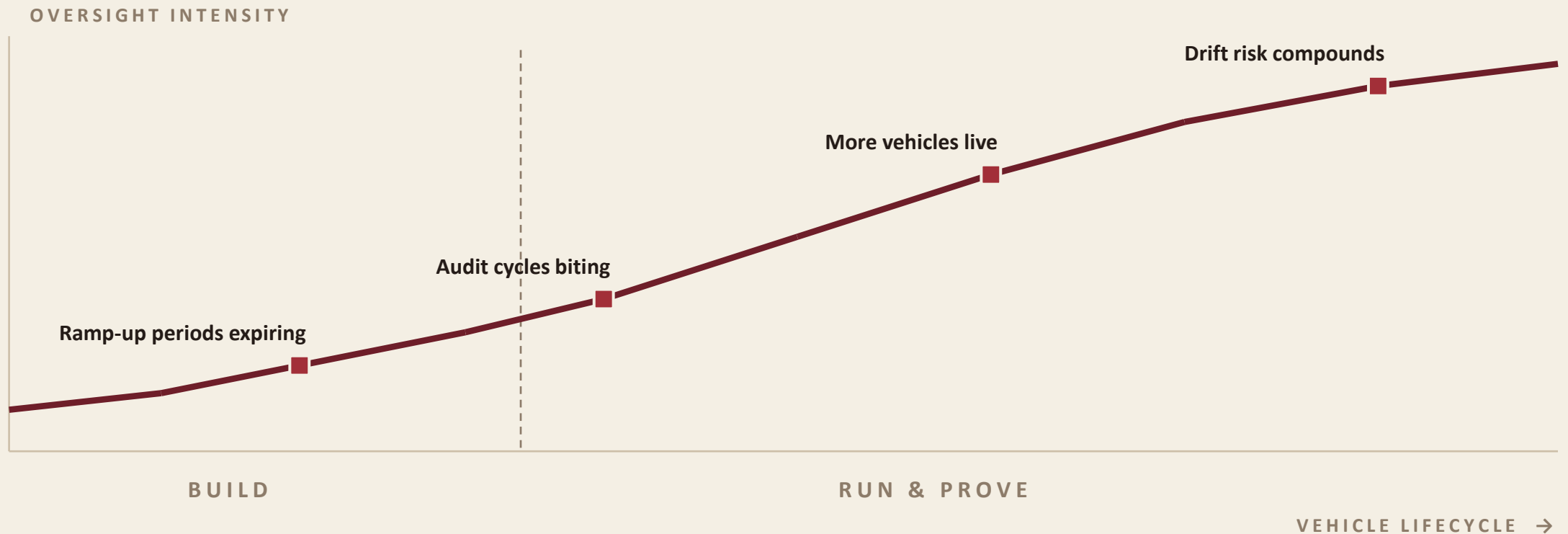
■ THE SECOND LINE — THE AUDITOR

During its reviews the auditors will test the L-QIF criteria and the monitoring and notification processes. Failings can surface as reserves in the institution’s prudential audit reports — FINMA will be informed via this report and may take actions as deemed necessary.

Oversight is now a continuous, two-party obligation: the Asset Manager and the auditor.

■ WHY THIS, WHY NOW

The mandate has shifted from build to run



Maturation, not crisis — the cost of speed comes due from year two onward.

Four decisions

- 01 **Confirm the risk appetite** for the L-QIF ramp up and where it stands now.
- 02 **Name accountable owner** for respective obligations.
- 03 **Resource the oversight function** — people, tooling and audit budget for continuous control.
- 04 **Set the reporting cadence** — regular L-QIF oversight reporting into ExCo.

Decide the owner and the resourcing today.