



AIFMD Notification to Iceland

Article 63 of Act No. 45/2020 on Alternative Investment Funds provides that the Financial Supervisory Authority of the Central Bank of Iceland (FME) can authorize an EU AIFM to market non-EU AIFs or feeder AIFs to professional investors in Iceland. Article 63 stipulates the following conditions for such an authorization:

1. That the provisions of Act No. 45/2020 and regulatory acts are met, excluding Chapter IV, though it shall be established in a written contract that another entity than the AIFM is appointed to carry out the role of depository and the identity of the appointed entity.
2. That appropriate cooperation arrangements are in place between the competent authority of the third-country where the AIF is established and the Central Bank of Iceland.
3. The third country where the non-EU AIF is established is not listed as a Non-Cooperative Country and Territory by FATF.

Article 64 of Act No. 45/2020 on Alternative Investment Funds established a National Private Placement Regime where non-EU AIFMs can be authorized to market AIFs to professional investors in Iceland. Article 64 stipulates the following conditions for such an authorization:

1. That the AIFM is registered or supervised where it is established.
2. That the AIFM fulfils the conditions laid down in Chapters V and VII in Act No. 45/2020.
3. That appropriate cooperation arrangements are in place between the competent authority of the third-country where the non-EU AIFM is established, the competent authority of the AIF concerned and the Central Bank of Iceland.
4. The third country where the non-EU AIFM or the non-EU AIF is established is not listed as a Non-Cooperative Country and Territory by FATF.

The following is a list of questions based on Chapters V in Act No. 45/2020, cf. Article 64, Paragraph 2, which implement Articles 22 and 23 of Directive 2011/61/EU (AIFMD).

The following questions shall be answered in a concise manner whilst providing clarity to the matter at hand. No answer shall exceed 200 words. References should be made to pertinent sections of accompanying documents. Such references should not replace in answers to the questions. Answers are meant to outline the information found in accompanying documents, page numbers are solely intended to help FME review the information. Should the answers to this questionnaire prove unsatisfactory FME reserves the right to request that it is filled out again.

Please note that one of the requirements for marketing in Iceland is that both the AIFM and AIF must have a LEI code.

Regulatory reporting requirements if authorization to market is granted

In accordance with both European and Icelandic law, AIFMs that have been granted authorization to market non-EU AIFs to professional investors in Iceland have to comply with the AIFMD regulatory reporting requirements in accordance to Annex IV of Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61/EU (AIFMD). Articles 3 and 24 of the AIFMD provides details on the reporting obligations to national competent authorities. Annex IV of the Regulation includes a reporting template that AIFMs have to use to comply with their reporting obligations.

Further details on the AIFM and AIF Annex IV reporting requirements and the frequency of reporting can be found under Article 110 in Regulation (EU) No 231/2013.

On 8 August 2014, the European Securities and Markets Authority (ESMA) published the Guidelines on reporting obligations under Articles 3(3)(d) and 24(1), (2) and (4) of the AIFMD. In addition, ESMA published further details and technical supporting material (a consolidated reporting template, detailed IT guidance for filing of the XML and the XSD schema).

- Guidelines: <https://www.esma.europa.eu/document/guidelines-reporting-obligations-under-articles-33d-and-241-2-and-4-aifmd>
- Technical guidance: <https://www.esma.europa.eu/document/aifmd-reporting-it-technical-guidance-rev-6-updated>

The AIFM and AIF Annex IV reports should be sent as XML files through our Data Portal for regulatory reporting.

Regulatory Fees and Charges

The fees levied with respect to marketing AIFs in Iceland emanate from the Central Bank's Tariff for Specified Tasks of the Financial Supervisory Authority, No. 165/2023 (notification/application fee) and Act on the Payment of Expenses for Official Supervision of Financial Activities and Resolution, No. 99/1999 (ongoing annual supervisory fee). Notification/application fee and an ongoing annual supervisory fee are further detailed below.

The notification/application fee charged is set out in Article 6 of the Central Bank's Tariff for Specified Tasks of the Financial Supervisory Authority, No. 165/2023. The Central Bank charges an hourly rate of 17.000 ISK. The Central Bank of Iceland will send invoice to the applicant when the application has been reviewed and confirmed that all the conditions are fulfilled.. The Central Bank of Iceland will not give a permission to market until the notification/application fee has been paid.

The ongoing annual supervisory fee charged by the Central Bank is set out in Article 5 Act on the Payment of Expenses for Official Supervision of Financial Activities and Resolution, No. 99/1999, and amounts to 485.000 ISK per AIF marketed in Iceland for 2024.

Notification/application fee	17.000 ISK pr. hour
Ongoing annual supervisory fee (2024)	485.000 ISK pr. AIF

Notification from: _____

AIFM: _____

AIFM LEI Code: _____

AIF: _____

AIF LEI Code: _____

Notification date: _____

Local regulator/supervisor of the AIFM/AIF: _____

Confirmation of AIFM registration by local regulator/supervisor (link) _____

Contact person within the AIFM: _____

Name: _____

Email: _____

Telephone: _____

Address: _____

Billing e-mail address: _____

Please indicate below who should be registered as users (one or more) in the Data Portal for the purpose of regulatory reporting of the AIFM and AIF Annex IV reports. The following users will receive a separate email if authorization to market is granted with a username along with instructions on how to login to the system and submit the reports.

Name: _____

Email: _____

Article 22 AIFMD

The following documents need to be included with the notification Annual Report which shall at least contain the following:

Para		Page no.	N/A
2(a)	Balance-sheet or a statement of assets and liabilities		
2(b)	An income and expenditure account for the financial year		
2(c)	A report on the activities of the financial year		
2(d)	Any material changes in the information listed in Article 23 during the financial year covered by the report		
2(e)	The total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and where relevant, carried interest paid by the AIF		
2(f)	The aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF		

Should any of the paragraphs above be answered "N/A", please elaborate:

Article 23 AIFMD

Para 1(a) Please provide a description of the investment strategy and objectives of the AIF

Para 1(a) If there is a master fund or any underlying funds, please provide that information

If yes, please answer the following questions. If no, go to the next question.

i) Information on where the master AIF is established, if the AIF is a feeder AIF.

ii) Information on the domicile of the master AIF.

iii) Information on the master AIF's primary statutory authority.

Para 1(a) Type of assets, techniques and associated risks

i) Please describe the types of assets the AIF may invest in.

ii) Please describe the techniques the AIF may employ.

iii) Please describe all associated risks.

Para 1(a) Are there any investment restrictions applicable to the AIF?

Para 1(a) Leverage

i) In which circumstances may the AIF use leverage?

ii) What are the types and sources of leverage permitted?

iii) What are the associated risks?

iv) Are there any restrictions on the use of leverage and any collateral and assets reuse arrangements?

v) What is the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF?

Para 1(b) What is the procedure of changing the investment strategy and/or investment policy?

Para 1(c) Describe the main legal implications of contractual relationship entered into for the purpose of investment?

i) Jurisdiction

ii) Applicable law

iii) Existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established

Para 1(d) AIFM, depositary, auditor and any other services providers

i) Manager

ii) Depositary

iii) Auditor

iv) Adviser

v) Custodian

vi) Independent value agent

vii) Independent transfer agent

viii) Any third party entities marketing the AIF in Iceland

ix) Other Service Provider

x) Describe the duties of the abovementioned service providers.

xi) Describe the investors' rights.

Para 1(e) Does the AIFM have a liability insurance or additional own funds to cover any claim for damages?

Para 1(f) Delegation

i) Please list all delegated management functions.

ii) Please provide confirmation on whether any of the portfolio or risk management is carried out by another entity.

Para 1(g) General description of the AIF valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value in accordance with Article 19 AIFMD.

Para 1(h) Please provide a description of the AIFs liquidity risk management, including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangement with investors.

Para 1(i) Please describe all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors.

Para 1(j) Please describe how the AIFM ensures a fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM.

Para 1(l) Please describe the procedure and conditions for the issue and sale of units or shares?

Please provide confirmation that marketing will be directed only at professional clients in Iceland (as defined in MiFID).

Para 1(m) Please provide the latest net asset value of the AIF or the latest market price of the unit or share of the AIF, in accordance with Article 19 AIFMD.

Para 1(o) Please provide the following information about the prime broker:

i) Identity

ii) Material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer or reuse of AIF assets.

iii) Any transfer of liability to the prime broker that may exist.

Para 1(p) Please describe how and when the periodic disclosures listed below will be provided to the investors:

i) The percentage of the AIFs assets which are subject to special arrangements arising from their illiquid nature.

ii) Any new arrangements for managing the liquidity of the AIF.

iii) The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks.

Para 1(p) If leverage is employed please describe how and when the following information will be disclosed to investors:

i) Any changes to the maximum level of leverage which the AIFM may employ on behalf of the AIF as well as any rights on the reuse of collateral or any guarantee granted under the leveraging agreement.

ii) The total amount of leverage employed by that AIF.

Please provide confirmation that co-operation arrangements/MOU for the purpose of systemic risk oversight are in place between the Financial Supervisory Authority of the Central Bank of Iceland and:

i) The competent authorities of the home member state of the AIFM.

ii) The competent authorities of the third country where the AIF is established.

For information please open the following link: <https://www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html>

Please provide confirmation that the home state of the AIFM and/or the AIF is not listed as Non-Cooperative Country and Territory by the Financial Action Task Force (FATF).

For information please open the following link: <https://www.esma.europa.eu/document/aifmd-mous-signed-eu-authorities>

Declaration:

I confirm that the information in this form is accurate and complete.

I am aware of Act No. 45/2020 on Alternative Investment Funds and the conditions set out therein.

I understand it is a criminal offence to knowingly or recklessly give FME information that is false or misleading.

I confirm that FME will be notified in the event that the AIF is no longer being marketed into this jurisdiction by the AIFM.

I confirm that I am authorized to sign on behalf of the AIFM.

Place and date

Signature on behalf of

Please note: There will be a delay in processing the application if any of the information is inaccurate or incomplete.