

## Although Majority Remain Opposed, Significant Minority of Fund Managers Support Final AIFM Directive

32% believe regulation is necessary with 31% backing the legislation

A Preqin survey of over 100 alternative assets fund managers and investors found that just under a third support the AIFM Directive to some extent, with firms in certain countries where the new legislation will replace more restrictive existing rules believing that it will serve to improve conditions. However, for the majority there exists significant resentment towards the Directive.

### Key Findings of the Survey Include:

- 89% believe the Directive should be amended to further take into account the differences between the various asset classes.
- 59% foresee the AIFM Directive creating a European lock-in/lock-out.
- 45% think that it is likely or very likely that fund managers will relocate to outside of Europe as a result of the AIFM Directive; 26% felt that it was likely their firm specifically would relocate.
- 28% believe that the introduction of the EU Passport will have the biggest impact on the industry, while 22% feel the requirement that non-EU fund managers comply with the Directive will be the most significant measure.
- Just 3% believe that increased regulations relating to retail investors will have the greatest impact.
- The impact of the Directive on innovation, the additional costs firms will incur, and the effect of these costs on profitability are all major causes for concern.
- A significant number feel that venture capital firms should be excluded from the jurisdiction.

**Please visit the following link for full analysis of the survey results, including an overview of the AIFM Directive and comments from the Secretary-General of the EVCA and CEO of the BVCA:**

[http://www.preqin.com/docs/reports/AIFM\\_Directive.pdf](http://www.preqin.com/docs/reports/AIFM_Directive.pdf)

### Comment:

“Preqin’s survey suggests that there is a certain level of support for the AIFM Directive, with just under a third of respondents stating that they back it. There is a feeling among practitioners in countries such as Italy and Croatia that conditions will actually be less restrictive as a result of the Directive’s introduction. However, the overriding response was negative, and a number of the issues that were raised voluntarily by respondents were recurring: lack of differentiation between the asset classes, the negative impact liquidity requirements will have on innovation, and the fact that the legislation has been constructed by politicians with little or no understanding of the alternative assets industry. Perhaps most of all, there is a feeling that alternative assets firms were not responsible for the financial crisis, and that the new legislation will create significant extra burden while not serving to enhance the stability of financial markets.”

**Tim Friedman, Head of Communications**

### About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin’s services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: [www.preqin.com](http://www.preqin.com)



**Note to Editors:**

- Preqin is spelled without the letter 'U' after the 'Q'.

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