



SICAR

INVESTMENT COMPANY IN RISK CAPITAL

DESCRIPTION

The investment company in risk capital (Société d'investissement en Capital à Risque – SICAR) is a regulated, on-shore, fiscally efficient structure designed for private equity and venture capital investments. There are no investment diversification rules, nor lending or leverage restrictions.

CARACTERISTICS

Legal form

The SICAR may be structured in one of the following legal forms:

- **SA** société anonyme (public limited company);
- **Sàrl** société à responsabilité limitée (private limited company);
- **SCA** société en commandite par actions (partnership limited by shares);
- **SCoSA** société coopérative organisée sous forme de société anonyme (cooperative in the form of a public limited company);
- **SCS** société en commandite simple (limited partnership).

The SICAR may be set up as an umbrella structure with multiple compartments.

Supervisory authority

The SICAR is subject to supervision by the Commission de Surveillance du Secteur Financier (CSSF).

Authorization requirement

The CSSF must approve:

- the articles of association of the SICAR;
- the prospectus;
- the choice of the directors/managers and of the auditor;
- the agreements with the central administration and the custodian.

It is not necessary to appoint a promoter nor is it necessary for the CSSF to authorize the asset manager.

Legal and regulatory framework

The SICAR is subject to the law of 15 June 2004 on investment companies in risk capital, as amended.

Central administration

The central administration of the SICAR must take place in Luxembourg. The depositary must be a credit institution as per the law of 5 April 1993 relating to the financial sector, as amended, and be approved by the CSSF.

The depositary is primarily responsible for the safeguard of the SICAR's assets. Investment management may be delegated to wherever the expert manager or adviser is established. Valuation of the assets of a SICAR is made at fair value.



Eligible investors

Investment in a SICAR is limited to “well informed” investors. These are defined as institutional investors, professional investors and any other investor who a) has confirmed in writing that he is a well-informed investor and b) invests a minimum of 125 000 Euro in the company.

The minimum investment condition may be waived if the investor can show evidence that he has the expertise, experience and knowledge to appraise an investment in risk capital. In practice this is done through the deliverance of a written certification by a credit institution, an investment firm or a management company.

Professional standing and experience

The directors of the SICAR and the depositary must be of good repute and have sufficient experience in the performance of their functions in the private equity field.

The directors are, in the case of limited partnerships, the general partners and in the case of public limited companies and limited companies, the members of the board of directors and the manager(s), respectively.

The CSSF will likewise approve the choice of the administrative agent based on its level of expertise as well as sufficient technical and human resources to administer private equity funds.

External auditing

The SICAR must produce an audited annual report within 6 months of the end of the relevant period. There is no fixed format or content of the annual report. A SICAR is free from the obligation to consolidate the companies that are held in its portfolio for investment purposes.

Cross-border distribution in E.U.

SICAR do not benefit from a European passport and local authorisation is required. In case of SICAR qualifying as AIF, European passport applies subject to notification to the host Member State authority.

OUR SERVICES

Fund structuring:

SELECTRA determines the optimal fund structure to be set-up, defining the legal documentation and handling the approval of the fund with the CSSF.

Management Company:

SELECTRA acts as Management Company for third party funds, providing administrative, distribution, marketing and risk management services.

Services supply:

SELECTRA provides independent fund servicing for third party self-managed funds , supporting their governance.

Fund distribution:

SELECTRA acts as fund distributor due to its European passport supporting funds structuring marketing in different countries.

SELECTRA supports you to develop and administrate your SICAV, your SIF and your SICAR with an all-inclusive service, providing flexible solutions for your dedicated fund including a global distribution, with an efficient time-to-market and affordable costs.

Please contact Marco Cipolla to discuss your project:
marco.cipolla@selectra.lu • +352 2620228181

9 Rue Schiller • L-2519 Luxembourg
Tel. +352 26 20 22 81 • Fax +352 26 20 23 84
Web www.selectra.lu