

Fundraising in Europe 101 Part 2: Demystifying regulation - 5 questions answered

*Below is a selection of the questions our attendees asked following our webinar, European fundraising 101 Part 2: Demystifying regulation, held last month. Our expert panel comprising **Matt Brahaut**, partner at Carey Olsen, **Marc Schubert**, partner at Weil, Gotshal & Manges, and Aztec Group's [**Marcia Rothschild**](#), European Desk Head, have pooled their experience to answer them comprehensively.*

1. If managers have set up in Luxembourg but realize that may not have been the best choice, can they migrate to another jurisdiction, is that practical?

Yes, absolutely! Establishment in Guernsey is quick, simple and cheap. There are not huge capital requirements so there is not a vast duplication of the expenses that are incurred in Luxembourg. As a full-service provider across Luxembourg, Ireland, Jersey and Guernsey, Aztec supports managers through the entire migration process to ensure continuity and minimal disruption. Early planning is key, and having an administrator that can support you across multiple jurisdictions materially simplifies execution.

2. The passport regime was referred to as theoretical a couple of times, why? Is it really as simple as obtaining home country approval and you can market anywhere in the EU?

The AIFMD marketing passport allows for marketing to professional investors in all EU countries, however, it is only available to EU managers fully licensed under AIFMD. A license application requires on the ground staff, compliance with various regulatory requirements (including regulatory capital, reporting,

valuation, governance, etc.) and can take months to obtain. An alternative to obtaining your own license is to partner with a host platform provider, such as Aztec. We can help managers navigate these obligations in practice and enable faster access to European investors without unnecessary operational strain.

3. Isn't tax a fundamental issue when it comes to where you set up? If the fund invests in Spain, for example, it may not like the presence of Guernsey/offshore? Does the same hold true for Jersey?

Tax is a fundamental consideration in any fund structuring decision and should be assessed as part of a holistic analysis alongside regulatory, investor and operational factors. While we are unable to comment on the specific tax treatment by Spain of investments made by or into a Guernsey or Jersey fund, managers should seek advice from their tax advisors to assess jurisdiction-specific implications and investor sensitivities at an early stage.

4. For pre-marketing, is it a requirement to engage with an EU service provider first or after finding genuine interest in a non-EU fund?

If looking to set up an EU fund structure and obtain the AIFMD marketing passport in conjunction with a host platform provider, a notification will need to be made to the relevant EU regulator within two weeks following the start of "pre-marketing" (broadly, contacting investors about the specific fund product). This will generally need to be done by the AIFM of the fund (i.e. the host platform provider) - in practice we have seen such providers willing to assist with these notifications prior to their formal appointment. Certain conversations with investors can take place without triggering the notification requirement and, if looking to set up a multi-jurisdictional fund structure, there may be other work arounds. Aztec regularly supports managers at the pre-marketing stage by advising on operational readiness, reporting frameworks and regulatory timelines across multiple jurisdictions. This early alignment helps managers move quickly from investor interest to launch - take advice early to explore your options!

5. For a first-time manager entering Europe, what are the most common mistakes you see when choosing between Luxembourg, Ireland, and offshore options like Guernsey?

The most common mistake we see is people simply going to Luxembourg without having carefully investigated whether a Guernsey fund is a viable alternative (which it can be). From our experience, the most successful structures are those aligned with the manager's investor base, strategy and long-term growth plans. As a full-service provider across multiple jurisdictions in Europe, Aztec helps managers compare options holistically and select a structure that is both investor-friendly and operationally efficient.

You can read our comprehensive [guide](#) for U.S. fund managers raising funds in Europe which features the expertise of our Aztec team along with a selection of experts in the area.

You can watch the full webinar recording, 'Fundraising in Europe 101 Part 2: Demystifying regulation', here:

If you want to find out more, please contact us below.



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