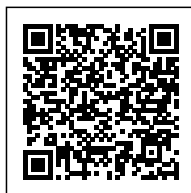


NEW RULES FOR INVESTMENT ENTITIES - GÓMEZ-ACEBO & POMBO

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Act 22/2014 of 12 November, published in the Spanish Official Journal on 13 November, regulates private investment entities (ECR), collective investment entities of a closed-ended type (EICC) and managers of collective investment entities of a closed ended type (SGEIC), and amends the Collective Investment Schemes Act 35/2003 of 4 November.

The preamble to Act 22/2014 considers that it is extremely important to encourage other sources of direct finance other than that of banks, among which collective investment becomes an increasingly relevant alternative.

In this context, private capital, as alternative investment, can be regarded as a particularly relevant source of finance for all stages of business development, covering both venture capital, aimed at the early stages of business development, and private equity as a resource to finance corporate restructuring.

The legislator has drawn up a new regime for private investment entities since, in addition to updating and correcting some aspects of the law that are now repealed, it was necessary to incorporate into our law (i) Directive 2011/61/EU of the European Parliament and of the Council of 8 June, 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, and (ii) Directive 2013/14/EU of the European Parliament and of the Council of 21 May, 2013 amending Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision, Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and Directive 2011/61/EU on Alternative Investment Funds Managers in respect of over-reliance on credit ratings.

On coming into force, the Private Investment Entities and their Managers (Regulation) Act 25/2005 of 24 November has been repealed. The new text consists of 103 articles, three additional provisions, one repealing provision and eight final provisions divided into four titles. Moreover, it will be the subject of amendment, as a result of the Promotion of Corporate Finance Bill, published in the Journals of the Houses of Parliament of 17 October, 2014.

The bill contains a sixth final provision that gives a new wording to the introductory paragraph of art. 80 (on the marketing of ECR and EICC under management authorised in Spain under Directive 2011/61/EU); adds a new point z) bis to art. 93 (Very serious infringements); and, adds a new letter z) to art. 94 (Serious infringements).

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