

With a Hard Brexit Looming, Germany Already Opens NPPR Regime for UK Fund Managers

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On 22 March, BaFin, the German regulator, [announced](#) that it is now accepting applications by UK fund managers for approval to market their funds in Germany under the German national private placement regime (NPPR). While BaFin's announcement refers only to UCITS investment funds and their managers, we have confirmed with BaFin that the application process is open to alternative investment funds and their managers as well.

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BaFin's announcement is significant because the NPPR regime in Germany is not just a notification as it is in some other countries; it is an approval process that must be completed before marketing can begin.

That process can take from two to four months (in the case of master feeder structures) from the date of submission. The length of time required for approval was a factor in BaFin's decision to accept NPPR applications from UK managers and funds while they are still within the European Union.

Given the uncertainty surrounding Brexit, UK fund managers who are currently marketing investment funds in Germany or who plan to do so in the foreseeable future should apply in order to minimise any disruption to their marketing activities.

Note that in addition to the minimum requirement for NPPRs set out in the AIFM Directive (2011/61/EU), Germany requires a depositary to be in place. However, this should not pose a challenge for authorised UK fund managers who already comply with AIFMD.

We are available to answer any questions you may have.



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