

Sweden

Regulation

HEDGE FUNDS 2009

Hedge fund managers/advisors

Regulation

Authorization requirements and process

Managers of hedge funds are authorized according to the same regulation as managers of UCITS funds. The regulation is not clear whether investment advisors require authorization.

Typical timescale to receive approval

Approximately three to six months

Regulatory capital requirements

Same requirements are for managers of UCITS funds (EUR 125,000 and requirements related to asset under management).

Significant restrictions on marketing to investors

Marketing that does not include any fund operation requires no permission. The distinction between marketing and fund operation is however, not clear and it is recommended to seek advice before entering into marketing of foreign funds in Sweden.

Hedge fund structures

Regulation

Authorization requirements

A Swedish hedge fund requires authorization. The management company must be a Swedish fund management company.

Restrictions on types of investments, concentration levels, and the manner in which hedge funds can invest and/or strategies

Hedge fund investments must be based on the spreading of risks. This is normally interpreted that a single investment must not exceed one-third of the net asset value.

Rules regarding the publishing of the accounts and prospectuses

There is no specific regulation regarding accounts or prospectuses.

Time-scale of establishment of a hedge fund

Approximately three to six months

Investors

Regulation

Restrictions on which type of investors can invest in a hedge fund and/or the minimum/maximum number of investors in a hedge fund

There are no restrictions on which type of investors that can invest in a hedge fund. There is no minimum/maximum number of investors. The fund must however, be classified as a collective investment.

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