

ALTERNATIVE INVESTMENT FUND MANAGERS ACT (ZUAIS)

1. GENERAL PROVISIONS

1.1. The content of the Act and the entities to which the Act refers

Article 1

(The content of the Act)

This Act determines the following:

1. the conditions for and the method of management of alternative investment funds (hereinafter: AIFs);
2. the conditions for the establishment and operation of private alternative investment funds with the status of a specialised investment fund (hereinafter: SIF);
3. the conditions for the marketing of units of AIFs in the Republic of Slovenia and the conditions for the marketing of units of AIFs established in the Republic of Slovenia, another Member State (hereinafter: EU AIFs) or a third country (hereinafter: non-EU AIFs);
4. the supervision of the management of AIFs and the operation of SIFs;
5. cooperation between competent authorities.

Article 2

(The transposition of directives and implementation of the regulations of the European Union)

(1) This Act shall transpose the following EU directives into the legislation of the Republic of Slovenia:

1. 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 (OJ L 174, 1.7.2011, p. 1; hereinafter: Directive 2011/61/EU) and
2. 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 (OJ L 145, 31.5.2013, p. 1), in the part relating to alternative investment fund managers.

(2) This Act shall regulate in more detail the implementation of the following regulations of the European Union:

1. Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (OJ L 83, 22.3.2013, p. 1; hereinafter: Regulation (EU) No 231/2013);
2. Commission Implementing Regulation (EU) No 447/2013 of 15 May 2013 establishing the procedure for AIFMs which choose to opt in under Directive 2011/61/EU of the European Parliament and of the Council (OJ L 132, 16.5.2013, p. 1; hereinafter: Regulation (EU) No 447/2013);
3. Commission Implementing Regulation (EU) No 448/2013 of 15 May 2013 establishing a procedure for determining the Member State of reference of a non-EU AIFM pursuant to Directive 2011/61/EU of the European Parliament and of the Council (OJ L 132, 16.5.2013, p. 3; hereinafter: Regulation (EU) No 448/2013);
4. Regulation (EU) No 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds (OJ L 115, 25.4.2013, p. 1; hereinafter: Regulation (EU) No 345/2013);
5. Regulation (EU) No 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds (OJ L 115, 25.4.2013, p. 18; hereinafter: Regulation (EU) No 346/2013);
6. Commission Delegated Regulation (EU) No 694/2014 of 17 December 2013 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to regulatory technical standards

determining types of alternative investment fund managers (OJ L 183, 24.6.2014, p. 18; hereinafter: Regulation (EU) No 694/2014).

(3) The authority responsible for implementing Regulation (EU) No 345/2013 and Regulation (EU) No 346/2013 shall be the Securities Market Agency (hereinafter: the Agency).

Article 3

(Scope of the Act)

(1) This Act shall apply to:

1. managers of AIFs that have their registered office in the Republic of Slovenia and that manage one or more AIFs irrespective of the country in which the AIF is established (hereinafter: AIFMs);

2. AIFMs that have their registered office in another Member State and are authorised to manage AIFs on the basis of the law or other regulation of the Member State adopted for the transposition of Directive 2011/61/EU (hereinafter: EU AIFMs);

3. AIFMs that have their registered office in a third country and are not AIFMs referred to in point 1 or 2 of this paragraph (hereinafter: non-EU AIFMs).

(2) The following facts regarding AIFMs or an AIF managed by an AIFM shall be of no significance to the application of this Act:

1. whether the AIF belongs to the open-ended or closed-ended type;

2. the legal form of the AIF;

3. the legal form of the AIFM, EU AIFM or non-EU AIFM.

Article 4

(Exemptions from the application of the Act)

(1) The provisions of this Act shall not apply to:

1. holding companies as defined by Article 26 of this Act;

2. pension funds pursuant to the act governing pension and disability insurance and Member States' institutions that manage collective retirement schemes in accordance with the law or other regulation of a Member State adopted for the transposition of Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision (OJ L 235, 23.9.2003, p. 10), including, where applicable, the authorised entities responsible for managing such institutions in so far as they do not manage AIFs;

3. the European Central Bank, the European Investment Bank, the European Investment Fund, the European Development Finance Institutions and bilateral development banks, the World Bank, the International Monetary Fund, and other supranational institutions and similar international organisations, in the event that such institutions or organisations manage AIFs and in so far as those AIFs act in the public interest;

4. national central banks;

5. national, regional and local governments or other institutions that manage funds supporting social security and pension systems;

6. employee profit-sharing schemes or employee savings schemes;

7. securitisation special purpose entities as defined by Article 28 of this Act.

(2) The provisions of this Act shall not apply to AIFMs in so far as they manage one or more AIFs whose only investors are the AIFMs or the parent undertakings or the subsidiaries of the AIFMs or other subsidiaries of those parent undertakings, provided that none of those investors is itself an AIF.

1.2. Definitions of terms and abbreviations

Article 5

(Abbreviations of other acts)

The abbreviations used in this Act shall have the following meanings:

1. ZTFI shall mean the Financial Instruments Market Act (*Uradni list RS* [The Official Gazette of the Republic of Slovenia], No 108/10 – official consolidated text, 78/11, 55/12, 105/12 – ZBan-1J and 63/13 – ZS-K);

2. ZGD-1 shall mean the Companies Act (*Uradni list RS*, No 65/09 – official consolidated text, 33/11, 91/11, 32/12, 57/12, 44/13 – Constitutional Court Decision and 82/13);

3. ESMA shall mean a European Supervisory Authority – the European Securities and Markets Authority established under Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84; hereinafter: Regulation (EU) No 1095/2010);

4. EBA shall mean a European Supervisory Authority – the European Banking Authority established under Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12);

5. EIOPA shall mean a European Supervisory Authority – the European Insurance and Occupational Pensions Authority established under Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48);

6. the ESRB shall mean the European Systemic Risk Board, established under Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board (OJ L 331, 15.12.2010, p. 1).

Article 6

(Terms that have the same meaning as in other acts)

(1) The terms "bank", "credit institution" and "group" shall have the same meaning as given to such terms in the law governing banking.

(2) The terms "investment service", "portfolio management services", "investment advice", "reception and transmission of orders in relation to one or more financial instruments", "safekeeping and administration", "investment firm", "brokerage company", "regulated market", "financial instrument" and "professional client" shall have the same meaning as given to such terms in the ZTFI.

(3) The term "insurance undertaking" shall have the same meaning as given to such term in the law governing the insurance industry.

(4) The terms "management company", "UCITS", "alternative investment fund" and "alternative investment fund raising capital from the public" (hereinafter: APIF) shall have the same meaning as given to such terms in the law governing investment funds and management companies.

(5) The term "employees' representative" shall mean an employees' representative as defined by the law governing the participation of workers in management in the country in which a company has its registered office or as developed in practice in the country in which a company has its registered office.

(6) The terms "micro, small and, medium-sized companies" shall have the same meaning as given to such terms in the law governing companies.

Article 7

(Member State and third country)

(1) "Member State" shall mean an EU Member State or a signatory state to the Agreement Creating the European Economic Area (OJ L 1, 3.1.1994, p. 3);

(2) The term "third country" shall mean a non-EU Member State.

(3) The term "person of a particular country" shall mean a natural person with permanent residence in such country and a legal person that has its registered office in the territory of such country.

(4) The provisions of this Act governing the conduct of a person of a Member State shall not apply to a person from the Republic of Slovenia, unless expressly provided otherwise.

Article 8

(Member State of reference)

The Member State of reference of a non-EU AIFM (hereinafter: the Member State of reference) shall mean the Member State determined in accordance with Article 139 of this Act and Regulation (EU) No 448/2013.

Article 9

(AIFMs)

(1) AIFMs shall mean legal persons whose regular business is managing one or more AIFs.

(2) "Managing AIFs" shall mean providing at least the services referred to in subpoint a) of point 1 of Article 57 of this Act.

(3) "EU AIFM" shall mean an AIFM that has its registered office in a Member State and is authorised by the competent authority to manage the AIF on the basis of the law or other regulation of that Member State adopted for the transposition of Directive 2011/61/EU;

(4) "Non-EU AIFM" shall mean an AIFM that has its registered office in a third country.

(5) "AIFM" shall mean an AIFM that has its registered office in the Republic of Slovenia.

Article 10

(Types of AIFMs)

The criteria for determining the types of AIFMs depending on whether the AIFM is managing AIFs of the open-ended or closed-ended type are determined in Regulation (EU) No 694/2014.

Article 11

(AIF, EU AIF, non-EU AIF, and the home Member State of the AIF)

(1) "AIF" shall mean an AIF that is authorised by the Agency and an AIF that is not authorised by the Agency and has its registered office or its head office in the Republic of Slovenia, unless otherwise provided by this Act.

(1) "EU AIF" shall mean an AIF that is not an AIF referred to in the preceding paragraph and is authorised by or registered with the competent authority of a Member State, and an AIF that is not authorised or registered in a Member State and has its registered office or head office in that Member State.

(3) "non-EU AIF" shall mean an AIF that is not an AIF referred to in paragraph (1) or (2) of this Article.

(4) "Home Member State of the AIF" shall mean the Member State, with the exception of the Republic of Slovenia, in which the AIF is authorised by the competent authority or registered, or in the case of multiple authorisations or registrations, the Member State in which the AIF has been authorised or registered for the first time, or if the AIF is neither authorised nor registered in a Member State, the Member State in which the AIF has its registered office or head office.

Article 12

(Home Member State of an AIFM)

(1) The home Member State of an AIFM shall be the Republic of Slovenia.

(2) The home Member State of an EU AIFM shall be the Member State in which that EU AIFM has its registered office.

(3) The home country of a non-EU AIFM shall be the country in which that non-EU AIFM has its registered office.

(4) In the event that a non-EU AIFM is subject to the provisions of this Act relating to the home Member State of an AIFM, these provisions shall relate to the Member State of reference of the non-EU AIFM.

Article 13

(The host Member State of an AIFM)

(1) The host Member State of an AIFM shall be the Member State, with the exception of the Republic of Slovenia, in which the AIFM:

1. manages EU AIFs, or
2. markets units of AIFs, EU AIFs or non-EU AIFs, or
3. provides the portfolio management services and non-core services referred to in Subsection 2.4.14. of this Act.

(2) The host Member State of a non-EU AIFM shall be a country that is not its Member State of reference and in which the non-EU AIFM:

1. manages EU AIFs, or
2. markets units of AIFs, EU AIFs or non-EU AIFs.

Article 14

(Branch of an AIFM)

(1) A branch of an AIFM or an EU AIFM or a non-EU AIFM shall mean its place of business that is separated from its registered office, that has no legal personality and that provides the services for which this manager has been authorised.

(2) If an EU AIFM or a non-EU AIFM establishes several places of business in the Republic of Slovenia that meet the conditions referred to in the preceding paragraph, all of them shall be considered to be one branch. In this case, the EU AIFM or the non-EU AIFM shall state in its application for the entry of the branch into the register of companies the address for service in the Republic of Slovenia, which must be one of the addresses of the places of business of the branch.

Article 15

(Depository)

"Depository" shall mean the depository of the assets of an AIF that meets the conditions referred to in Subsection 2.4.10. of this Act.

Article 16

(Competent authorities)

(1) The competent authority in relation to an AIF, an AIFM and a depository under this Act shall be the Agency, unless otherwise provided by this Act.

(2) The competent authority of an EU AIF or an EU AIFM shall be the authority of a Member State that is empowered by law or other regulation of that Member State to supervise EU AIFs or EU AIFMs.

(3) The competent authority of a non-EU AIF or a non-EU AIFM shall be the authority of a third country that is empowered by law or other regulation of the third country to supervise non-EU AIFs or non-EU AIFMs.

(4) The competent authority in relation to the depository of an EU AIF or a non-EU AIF shall be:

1. if the depository is an EU credit institution, the authority of a Member State that, pursuant to the regulation of that Member State adopted for the transposition of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338), is responsible for the supervision of credit institutions;

2. if the depositary is an investment firm, the authority of a Member State that, pursuant to the regulation of that Member State adopted for the transposition of Directive 2004/39/EC, is responsible for the supervision of investment firms;

3. the authority of a Member State that is empowered by law or other regulation of that Member State to supervise entities of the Member State that may carry out depositary functions under Article 21(3)(c) of Directive 2011/61/EU;

4. the authority that is responsible for the supervision or registration of persons of a Member State that may carry out depositary functions under Article 21(3)(c) of Directive 2011/61/EU;

5. the authority of a third country that is empowered by law or other regulation of the third country to supervise entities that carry out depositary functions for non-EU AIFs.

Article 17

(Qualifying holding in an AIFM)

(1) "Qualifying holding in an AIFM" shall mean a direct or indirect holding of interests, shares or other rights in a legal person by which the holder acquires:

1. 10% or more of the voting rights or of the capital of this legal person, or
2. less than 10% of the capital or of the voting rights of this legal person which makes it possible to exercise a significant influence over the management of this legal person.

(2) The determination of the qualifying holding in an AIFM shall, *mutatis mutandis*, be subject to the provisions of the law governing investment funds and management companies.

Article 18

(Close links)

"Close links" shall mean a situation in which two or more natural or legal persons are linked in one of the following ways:

1. by participation as defined by Article 19 of this Act;
2. by control as defined by Article 20 of this Act; or
3. to the same third person by a control relationship.

Article 19

(Participation)

"Participation" shall mean a direct or indirect holding of interests, shares or other rights in a legal person by which the holder acquires 20% or more of the voting rights or of the capital of this legal person.

Article 20

(Control)

"Control" shall mean the relationship between a parent undertaking and a subsidiary, or a similar relationship between another parent entity and a subsidiary.

Article 21

(Parent undertaking and subsidiary)

(1) "Parent undertaking" shall mean an undertaking that, in relation to another undertaking (hereinafter: subsidiary), meets one of the following conditions:

1. it holds the majority of voting rights in the subsidiary;

2. it has the right to appoint or remove a majority of the members of the management board or the supervisory board or another management or supervisory body of the subsidiary and is, at the same time, a member or shareholder of the subsidiary;

3. it has the right to exercise a dominant influence over the subsidiary on the basis of a business agreement under corporate law or on other legal grounds; or

4. it is a member or shareholder of the subsidiary and has the majority of the voting rights in the subsidiary on the basis of a contract or other legal transaction entered into with other members or shareholders.

(2) In the application of this Act, an undertaking that directly controls another undertaking shall be considered the parent undertaking of all undertakings that are the subsidiaries of this other undertaking.

(3) In the application of points 1, 2 and 4 of paragraph (1) of this Article, the voting rights or the rights of appointment and removal held by another undertaking that is a subsidiary of the parent undertaking and the aforementioned rights held by persons acting for the account of the parent undertaking or another undertaking that is the subsidiary or the parent undertaking shall be added to the voting rights or the rights of appointment and removal held by the parent undertaking.

(4) In the application of points 1, 2 and 4 of paragraph (1) of this Article, the voting rights or the rights of appointment and removal arising from shares held by a parent undertaking or another undertaking that is a subsidiary of the parent undertaking shall not include the aforementioned rights arising from shares that are lawfully held by this other undertaking and that satisfy one of the following conditions:

1. the undertaking has acquired shares and holds them for the account of another person that is neither a parent undertaking nor its subsidiary, or

2. the undertaking has acquired shares:

a) as collateral for its claim, and exercises the aforementioned rights in accordance with instructions received from the person that provided such shares as collateral for its liabilities to the undertaking, or

b) in connection with the approval of a loan in the performance of its usual business activity, and exercises its voting rights in the interest of the person that provided such shares as collateral for its liabilities to the undertaking.

(5) In the application of points 1 and 4 of paragraph (1) of this Article, for the purpose of calculating the majority of voting rights in a subsidiary undertaking, the total number of shares or voting rights in such subsidiary undertaking shall not include the voting rights arising from shares held by:

1. the undertaking itself,

2. the subsidiary of such undertaking, or

3. another person that holds such shares for the account of undertakings referred to in points 1 or 2 of this paragraph.

(6) "Other parent entity" shall mean any natural or legal person that is not a parent undertaking and that meets the conditions referred to in paragraphs (1) to (5) of this Article regarding voting rights or rights of appointment and removal in a subsidiary.

(7) The term "parent entity" shall be used to collectively denote a parent undertaking and another parent entity.

Article 22

(Companies linked by common management)

"Companies linked by common management" shall mean companies that do not have close links with each other but are connected in one of the following ways:

1. they are managed on a uniform basis pursuant to a contract or the provisions of articles of association, or

2. the majority of the members of their management or supervisory boards are the same persons.

Article 23

(Establishment)

The term "established" shall mean:

1. for AIFMs, EU AIFMs or non-EU AIFMs, that they have their registered office in a particular country;
2. for AIFs, EU-AIFs or non-EU AIFs, that they are authorised by or registered with the competent authority of a particular country, or, if the AIF is not authorised or registered, that it has its registered office in a particular country;
3. for depositaries, that they have their registered office or branch in a particular country;
4. for legal representatives that are legal persons, that they have their registered office or branch in a particular country;
5. for legal representatives that are natural persons, that they are domiciled in a particular country.

Article 24

(Legal representative)

"Legal representative" shall mean a natural person domiciled in a Member State or a legal person that has its registered office in a Member State who or that has been expressly authorised by a non-EU AIFM to comply, on its behalf and for its account, with obligations towards competent and other authorities, investors and counterparties in that Member State arising from this Act or from the regulation of the Member State adopted for the transposition of Directive 2011/61/EU.

Article 25

(Senior management, the management board and the supervisory board)

(1) "Senior management" shall mean the level of management as defined by Article 1(3) of Regulation (EU) No 231/2013.

(2) "Management board" shall mean the executive directors, management board or manager of the company.

(3) "Supervisory board" shall mean the supervisory board or non-executive members of the board of directors.

Article 26

(Holding company)

"Holding company" shall mean a company with shares or business interests in one or more other companies, the commercial purpose of which is to carry out a business strategy or strategies through its subsidiaries, associated companies or participations in order to contribute to their long-term value. A holding company is a public limited company operating on its own behalf and for its own account and whose shares are admitted to trading on a regulated market, or some other company that is not established for the main purpose of generating returns for its investors by means of divestment of its subsidiaries or associated companies, as evidenced in its annual report or other official documents.

Article 27

(Feeder and master AIFs)

"Feeder AIF" shall mean an AIF that:

1. invests at least 85% of its assets in the units of another AIF (hereinafter: the master AIF) or
2. invests at least 85% of its assets in more than one master AIF where those master AIFs have identical investment strategies, or
3. has otherwise an exposure of at least 85% of its assets to such a master AIF.

Article 28

(Securitisation special purpose entity)

"Securitisation special purpose entity" shall mean an entity whose sole purpose is to carry on a securitisation or securitisations within the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank

of 19 December 2008 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (OJ L 15, 20.1.2009, p. 1) and other activities that are appropriate to accomplish that purpose.

Article 29

(Leverage)

(1) "Leverage" shall mean any method by which the AIFM, the EU AIFM or the non-EU AIFM increases the exposure of an AIF it manages, whether through borrowing of cash or securities, or leverage embedded in derivative instrument positions.

(2) Leverage shall be calculated in accordance with Section 2 of Chapter II of Regulation (EU) No 231/2013.

Article 30

(Issuer)

(1) An issuer is a legal person or entity governed by public law that has its registered office in a Member State whose shares are admitted to trading on a regulated market.

(1) For the purposes of this Act, in the case of certificates, the issuer shall be considered to be the issuer of the shares that the certificate represents.

Article 31

(Professional and non-professional investor)

(1) "Professional investor" shall mean an investor that is considered to be a professional client in accordance with the ZTFI or that requests, under the provisions of the ZTFI, to be treated as a professional client.

(2) In the application of the provisions of the ZTFI relating to the definition of a professional client referred to in the preceding paragraph, the term "AIFM" shall be used instead of the term "brokerage company".

(3) Professional investors under this Act shall be natural persons, legal persons and other entities governed by private or public law that:

1. undertake, by a contract concluded with the AIFM, to invest at least EUR 150,000, or EUR 50,000 when making an investment in an AIF referred to in Chapter 3 of this Act, a venture capital company referred to in the law governing venture capital companies, or an EU AIF that meets at least the conditions applicable to the aforementioned AIFs in the Republic of Slovenia, and

2. state in writing, in a separate document from the contract referred to in the preceding point, that they are aware of the risks associated with the envisaged commitment or investment.

(4) "Non-professional investor" shall mean a person that is not a professional investor.

Article 32

(Prime broker)

"prime broker" shall mean a credit institution, an investment firm or another entity authorised by the competent authority that is subject to prudential regulation and ongoing supervision, offering services to professional investors primarily to finance or execute transactions in financial instruments as a counterparty and that may also provide other services such as the clearing and settlement of trades, custodial services, securities lending, the provision of customised technology and operational support facilities.

Article 33

(Non-listed company)

"Non-listed company" shall mean a company that has its registered office in a Member State, the capital of which is divided into shares that are not admitted to trading on a regulated market.

Article 34

(Units of AIFs)

(1) A unit of an AIF shall be:

1. a proportional share of the portfolio of an AIF where the AIF constitutes a separate portfolio of assets;
2. a proportional share of the capital of an AIF where the AIF is a company.

(2) Units of AIFs shall be issued as securities.

(3) The securities referred to in the preceding paragraph shall represent one or more units of an AIF or a part of a unit of an AIF.

(4) Where units of AIFs are kept in a register that, *mutatis mutandis*, complies with the requirements referred to in Articles 65 and 66 of Regulation (EU) No 231/2013, or where holders of units are entered into the register of companies as holders of shareholdings, it shall not be necessary to issue units of AIFs as securities.

(5) Shares entered into the register or the business interests referred to in the preceding paragraph may represent one or more units of an AIF or a part of a unit of an AIF.

Article 35

(Marketing of units of AIFs, EU AIFs or non-EU AIFs)

(1) The "marketing of units of AIFs, EU AIFs or non-EU AIFs" shall mean a direct or indirect offering or placement at the initiative of the AIFM, EU AIFM or non-EU AIFM of units of an AIF it manages to or with a specific or indefinite circle of professional investors domiciled or with a registered office in the Republic of Slovenia.

(2) The marketing of units of AIFs, EU AIFs or non-EU AIFs to persons that are not professional investors under this Act shall be subject to the provisions of the law governing investment funds and management companies.

(3) The Agency shall, in a general act, define in more detail the terms referred to in paragraph (1) of this Article.

Article 36

(Carried interest)

"Carried interest" shall mean a share in the profits of the AIF accrued to the AIFM as compensation for the management of the AIF and excluding any share in the profits of the AIF accrued to the AIFM as a return on any investment by the AIFM in the AIF.

2. AIF MANAGERS

2.1. General provisions

Article 37

(Managing AIFs)

(1) Each AIF, EU AIF or non-EU AIF shall have a single AIFM, which shall be responsible for ensuring the compliance of the AIF's operations with this Act and other regulations governing the operation of AIFs in the Republic of Slovenia or the regulations of the Member State adopted for the transposition of Directive 2011/61/EU.

(2) The AIFM shall be either:

1. a legal person authorised by the AIF, EU AIF or non-EU AIF or acting on behalf and for the account of the AIF, EU AIF or non-EU AIF and which through this appointment is responsible for managing the AIF (hereinafter: external AIFM), or

2. the AIF itself, where the legal form of the AIF permits internal management and where the AIF's management board chooses to not appoint an external AIFM.

(3) In the Republic of Slovenia, an AIF may be managed by:

- 1 an AIFM referred to in paragraph (1) of Article 38 of this Act;

2. an EU AIFM;

3. a non-EU AIFM authorised in accordance with this Act to manage AIFs in the Republic of Slovenia or another Member State of reference, and

4. a management company.

(4) An entity whose registered name contains the words "alternative investment fund manager" or derivatives of these words may not be entered in the register of companies unless it meets the conditions for managing AIFs.

(5) An AIF that is managed by itself shall, *mutatis mutandis*, be subject to the provisions of this Act relating to an AIFM unless otherwise provided by this Act.

(6) A management company shall, *mutatis mutandis*, be subject to the provisions of this Act relating to an AIFM, unless otherwise provided by this Act. Where a management company manages AIFs, it shall belong to one of the categories of AIFMs referred to in paragraph (1) of Article 38 of this Act.

Article 38

(Categories of AIFMs)

(1) AIFMs shall belong to the following categories:

1. an AIFM authorised by the Agency to manage AIFs;

2. an AIFM that does not meet the conditions referred to in paragraph (2) of this Article and that has not voluntarily submitted an application for authorisation to manage AIFs in accordance with Regulation (EU) No 447/2013 (hereinafter: registered AIFM);

3. an AIFM that has obtained the status of a specialised investment fund manager (hereinafter: SIFM) referred to in Article 175 of this Act.

(2) An AIFM shall be obliged to obtain authorisation from the Agency to manage AIFs if it either directly or indirectly, through a company with which the AIFM is linked by common management or control, or by a substantive share of the voting rights or of the capital, manages one or more AIFs, EU AIFs or non-EU AIFs whose:

1. total assets under management, including any assets acquired through the use of leverage, exceed a threshold of EUR 100 million, or

2. total assets under management exceed a threshold of EUR 500 million provided that these AIFs do not use leverage and that the holders of units of the AIFs are not permitted to exercise any redemption rights for a period of at least five years following the date of initial investment in each AIF.

(3) A registered AIFM may voluntarily submit an application for authorisation to manage AIFs, as determined by Regulation (EU) No 447/2013.

(4) The total assets under management referred to in paragraph (2) of this Article shall be calculated and monitored in accordance with Articles 2 and 3 of Regulation (EU) No 231/2013.

Article 39

(Register of AIFMs)

(1) The Agency shall establish and regularly update a register of AIFMs, which shall contain the information referred to in points 1 and 5 of paragraph (2) of Article 40 of this Act.

(2) The Agency shall make the register referred to in the preceding paragraph publicly available.

Article 40

(Application for entry in the register)

(1) An AIFM shall be obliged to submit an application for entry in the register of AIFMs to the Agency no later than 30 days after it begins to manage AIFs.

(2) The application referred to in the preceding paragraph shall include at least the following:

1. the name and legal form of the AIFM;
2. the address and registration number of the AIFM;
3. the names of the members of the management board of the AIFM;
4. the names of the five largest members of the AIFM;
5. a list of the AIFs, EU AIFs or non-EU AIFs managed by the AIFM, information on their investment strategies, and an indication of the AIFs whose units are marketed in the Republic of Slovenia;
6. information on the total value of assets under management.

(3) The AIFM shall inform the Agency of any change of information referred to in points 1 to 5 of the preceding paragraph within 15 working days of the occurrence of the change.

(4) The details of the information referred to in points 5 and 6 of paragraph (2) of this Article shall be determined by Article 5(1) and (2) of Regulation (EU) No 231/2013.

(5) The Agency shall prescribe the detailed form of the application referred to in paragraph (2) of this Article and the details of the information referred to in points 1 to 4 of paragraph (2) of this Article.

(6) Notwithstanding paragraph (1) of this Article, an AIFM that has submitted an application for authorisation to manage AIFs and an AIFM that is in the process of obtaining the status of an SIFM shall not be obliged to submit an application for entry in the register referred to in paragraph (1) of this Article.

2.2. Registered AIFMs

Article 41

(Action to be taken when the thresholds are exceeded)

(1) A registered AIFM shall regularly monitor the total value of assets under management in accordance with Article 3 of Regulation (EU) No 231/2013.

(2) Article 4 of Regulation (EU) No 231/2013 prescribes the action to be taken by an AIFM upon determining that the threshold values referred to in paragraph (2) of Article 38 of this Act are exceeded and that the situation is of a temporary or permanent nature.

Article 42

(Regular reporting to the Agency by a registered AIFM)

(1) An AIFM shall regularly provide the Agency with information on the main instruments in which it is trading and on the principal exposures and most important concentrations of the AIFs that it manages.

(2) The content of, the method of and the time limits for reporting the information referred to in the preceding paragraph are prescribed by Articles 5 and 110 of Regulation (EU) No 231/2013.

2.3 SIF managers

2.3.1. General provisions

Article 43

(SIF managers)

"SIFM" shall mean a registered AIFM that meets the conditions referred to in this Section and manages at least one of the SIFs referred to in Chapter 3 of this Act.

Article 44

(Obtaining the status of an SIFM)

(1) An AIFM shall obtain the status of an SIFM if it demonstrates in the process of obtaining the status of an SIF for the first SIF that it intends to manage that it meets the conditions referred to in this Section.

(2) An AIFM shall be granted the status of an SIFM by the Agency in a decision granting the AIFM the status of an SIF for the first SIF that the AIFM intends to manage.

(3) If the management board of the SIFM informs the Agency in writing that the SIFM renounces its status as an SIFM, the Agency shall issue a decision on the termination of the SIFM's status as an SIFM.

(4) A registered AIFM that does not intend to manage any SIFs may voluntarily submit an application for obtaining the status of an SIFM.

Article 45

(Services provided by an SIFM)

(1) An SIFM may only provide the AIF management services referred to in Article 57 of this Act.

(2) Notwithstanding the preceding paragraph, an SIFM that is an external manager may also perform other activities that are directly related to the investment policies or strategies of the AIFs it manages.

2.3.2. Special conditions to be met by an SIFM

Article 46

(Granting the status of an SIFM)

(1) Where an AIFM that has not yet been granted the status of an SIFM submits an application to be granted the status of an SIF, the AIFM shall include an application to be granted the status of an SIFM and the following documents with its application:

1. a copy of its articles of association or its instruments of incorporation that is in compliance with the provisions of the law governing companies;

2. a list of persons who will effectively conduct the business of the SIFM, together with their areas of competence, evidence showing that these persons are of sufficiently good repute and have sufficient knowledge and experience also in relation to the conduct of the business of the SIFs that are to be managed by the SIFM, and the names of the persons who will represent the SIFM;

3. the programme of operations and an outline of the organisational structure, and an explanation of how it ensures compliance of its business with the provisions of this Subsection;

4. an outline of the activities to be performed by the SIFM, in addition to managing the AIFs, on the basis of the exception referred to in paragraph (2) of Article 45 of this Act;

5. documents showing compliance with the conditions referred to in Article 50 of this Act;

6. information on agreements on the delegation of the provision of services referred to in Article 51 of this Act.

(2) In addition to the documents referred to in the preceding paragraph of this Article, the AIFM shall also include the information referred to in paragraph (2) of Article 40 of this Act with its application. An AIFM that has already been registered pursuant to Article 40 of this Act shall not be required, in the new procedure, to provide documents that it has already provided to the Agency, provided that the information contained in the documents has not changed by the date of the submission of the application.

Article 47

(Deciding on granting SIFM status)

(1) The Agency shall grant an AIFM the status of an SIFM in the following cases:

1. the submitted documents demonstrate that the SIFM will be able to comply with the requirements of this Act and of other regulations governing the operation of SIFs in the Republic of Slovenia;

2. the SIFM has sufficient initial capital in accordance with Article 50 of this Act;

3. the evidence shows that the persons who will effectively conduct the business of the SIFM are of sufficiently good repute and have sufficient knowledge and experience also in relation to the conduct of the business of the SIFs that are to be managed by the SIFM;

4. the activities to be performed by the SIFM, in addition to the managing of AIFs, comply with the condition referred to in paragraph (2) of Article 45 of this Act;

5. the SIFM has its registered office and head office in the Republic of Slovenia.

(2) The Agency shall grant SIFM status by specifying the types of SIFs that the SIFM is allowed to manage in the operative part of its decision. An SIFM that has been granted the status and has submitted a new application to be granted the status of an SIF of a different type shall not be required, in the new procedure, to provide documents that it has already provided to the Agency, provided that the information contained in the documents has not changed by the date of the submission of the application.

Article 48

(Refusal to grant SIFM status)

The Agency shall not grant SIFM status in the following cases:

1. if the applicant fails to meet the conditions referred to in paragraph (1) of the preceding Article, or
2. if it refuses to grant the status of an SIF referred to in Article 180 of this Act, part of which was the application to be granted of the status of an SIFM.

Article 49

(Time limits for decision-making and taking up the management of SIFs)

The provisions of Articles 129 and 130 of this Act shall apply, *mutatis mutandis*, to the time limits for deciding on an application to be granted the status of an SIFM and for taking up the management of SIFs.

Article 50

(Initial capital of an SIFM)

(1) The minimum amount of initial capital of an SIFM shall be EUR 100,000.

(2) Notwithstanding the preceding paragraph, the minimum amount of the initial capital of an SIFM that has delegated the provision of all administrative services referred to in point 2 of Article 57 of this Act to the delegate referred to in paragraph (8) of Article 51 of this Act shall be EUR 75,000.

(3) Where the value of the portfolios of AIFs managed by the SIFM exceeds EUR 250 million, the SIFM shall provide, in addition to the initial capital referred to in the preceding paragraph, an additional amount of capital, which shall be equal to 0.02% of the amount by which the value of the portfolios managed by the SIFM exceeds EUR 250 million.

(4) The provisions of paragraphs (4), (5) and (10) of Article 62 of this Act shall apply, *mutatis mutandis*, to the additional capital referred to in the preceding paragraph.

Article 51

(Delegation of SIF management services or transactions to another person)

(1) An SIFM may authorise another person (hereinafter: delegate of the SIF) to provide, on its behalf and for its account, individual services or conduct individual transactions that are considered to be AIF management services in accordance with Article 57 of this Act if the conditions referred to in this Article are met.

(2) The SIFM and the delegate of the SIF shall conclude a written agreement by which the SIFM confers on the delegate of the SIF the power to perform individual SIF management services or transactions and by which the parties define mutual obligations, responsibilities and rights.

(3) When delegating the SIF management services referred to in point 1 of Article 57 of this Act, the SIFM shall ensure that the delegate of the SIF has at least comparable resources, senior management that is of sufficiently good repute and sufficiently experienced, and employs personnel who are qualified to perform the delegated services or transactions. The delegate of the SIF shall be deemed to meet the conditions referred to in the preceding sentence when the delegate is a person referred to in point 3 of paragraph (1) of Article 59 of this Act.

(4) The delegate of the SIF shall be obliged to comply with the investment policy of the SIF.

(5) The SIFM shall inform the Agency of the conclusion of the agreement delegating portfolio management services before its entry into force and of any subsequent amendments thereto.

(6) On the basis of the prior written consent of the SIFM, the delegate of the SIF may delegate the power to perform individual AIF management services or transactions to a third party; in this case, the provisions of paragraph (1) of this Article shall apply, *mutatis mutandis*, to such sub-delegation.

(7) It shall not be possible to exclude or limit the liability of the SIFM for the provision of the aforementioned services by the delegation of SIF management services or transactions to another person.

(8) When the delegate of the SIF is a person referred to in point 3 of paragraph (1) of Article 59 or a person referred to in Chapter 5 of this Act, the SIFM shall, notwithstanding the preceding paragraph, only be responsible for selecting the delegate of the SIF and for giving instructions to this person.

(9) The provisions of point 4 of paragraph (1) of Article 59 of this Act shall apply, *mutatis mutandis*, to the delegation of individual SIF management services to a third-country delegate.

(10) The SIFM may not delegate AIF management services or transactions to another person to the extent that the SIFM's role is reduced to that of a 'letter-box entity' as defined by Article 82 of Regulation (EU) No 231/2013.

Article 52

(Operating rules of SIFMs)

(1) An SIFM shall ensure that no investor in an SIF obtains preferential treatment, unless such preferential treatment is disclosed in the SIF's instruments of incorporation.

(2) The SIFM shall establish and implement a sound and reliable management system and, in so doing, shall use adequate and appropriate human and technical resources that are necessary for the proper management of SIFs, taking into account the scale and complexity of its business.

(3) The SIFM shall maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the SIFs or of their investors.

(4) The SIFM shall establish and operate appropriate risk management systems in order to appropriately identify, measure, manage and monitor all risks relevant to each SIF investment strategy and to which the SIF is or is likely to be exposed.

(5) The SIFM shall, for each SIF that it manages that is not an unleveraged closed-ended SIF, employ an appropriate liquidity management system and adopt procedures that enable it to monitor the liquidity risk of the SIF and to ensure that the liquidity profile of the investments of the SIF complies with its obligations.

(6) The SIFM shall, for each SIF that it manages, ensure the alignment of the investment strategy, liquidity profile and policy of redemption of units of the SIF.

(7) The provisions of Articles 69 and 71 of this Act shall apply, *mutatis mutandis*, to the SIFM.

Article 53

(The rules prescribed by of the Agency)

The Agency shall prescribe the details of the operating rules referred to in the preceding Article to be complied with by the SIFM depending on the scale and complexity of its business.

2.4. An AIFM authorised to provide AIF management services

Article 54

(Use of the term "AIFM")

For the purposes of Section 2.4. of this Act, the term "AIFM" shall mean an AIFM authorised by the Agency to provide AIF management services.

2.4.1. Services provided by an AIFM

Article 55

(Services provided by an AIFM)

(1) An AIFM may provide the following services:

1. the AIF management services referred to in Article 57 of this Act;
2. the services for the management of investment funds pursuant to the law governing investment funds and management companies;
3. the portfolio management services and non-core services referred to in Subsection 2.4.14. of this Act.

(2) Notwithstanding the preceding paragraph, an AIF that manages itself shall only provide services referred to in point 1 of the preceding paragraph.

(3) For each service referred to in paragraph (1) of this Article, an AIFM shall be required to obtain authorisation from the Agency pursuant to this Act. An AIFM may provide the services for the management of investment funds pursuant to the law governing investment funds and management companies if it meets the conditions and obtains the authorisations that a management company must meet and obtain in accordance with the law governing investment funds and management companies.

(4) Within the provision of AIF management services, an AIFM shall not be authorised to provide only the ancillary services related to the management of AIFs referred to in point 2 of Article 57 of this Act.

(5) Within the provision of AIF management services, an AIFM shall not be authorised to provide only the services referred to in subpoint a) of point 1 of Article 57 of this Act unless it also manages the risks referred to in subpoint b) of point 1 of Article 57 of this Act, and vice versa.

(6) An AIFM shall not be authorised to provide the portfolio management services and non-core services referred to in paragraph (1) of Article 163 of this Act if it is not authorised to provide the services for the management of AIFs referred to in point 1 of paragraph (1) of this Article.

(7) An AIFM shall not be authorised to provide the non-core services referred to in point 2 of paragraph (1) of Article 163 of this Act if it is not authorised to provide the portfolio management services referred to in point 1 of paragraph (1) of this Article.

Article 56

(Exception with regard to a brokerage company, management company and bank)

(1) A brokerage company, management company or bank shall not be obliged to obtain authorisation under this Act to provide investment services in respect of the AIF, EU AIF or non-EU AIF if it has already been authorised to provide investment services and perform transactions under another Act.

(2) Notwithstanding the preceding paragraph, any direct or indirect offering or marketing of units of AIFs, EU AIFs or non-EU AIFs to investors in the Republic of Slovenia shall only be allowed if all the conditions for the marketing of the units referred to in this Act and in other regulations governing the operation of AIFMs in the Republic of Slovenia are met.

Article 57

(AIF management services)

AIF management services shall include:

1. the management of portfolios of AIFs:

a) entering into legal transactions the subject of which are the portfolios of AIFs, the use of the portfolios of AIFs in order to comply with liabilities arising from transactions concluded in the course of the management of the portfolios of AIFs, assuming the fulfilment of the obligations of the other contractual party on the basis of transactions concluded in the course of the management of the portfolios of AIFs, and exercising rights arising from securities or other investments of AIFs;

b) the management of risks of AIFs;

2. ancillary services related to the management of AIFs:

a) administrative services:

- legal services, keeping books of account, and producing business reports;
- relations with investors;
- the valuation of the assets and liabilities and the calculation of the value of units, including tax return and tax reporting;
- an overview of compliance with requirements imposed by law and by implementing regulations;
- maintaining the record of unit holders and other records;
- distribution of profits or income;
- administrative services relating to the payment for and redemption of units;
- clearing and contract settlement and unit certificate dispatch;
- safekeeping of documents;
- b) marketing of units of AIFs;
- c) other services related to the portfolios of AIFs, including:
 - activities necessary to meet the fiduciary duties of the AIFM;
 - facilities management;
 - administration activities related to investment in real estate;
 - advice to undertakings on capital structure;
 - industrial policy and related matters;
 - advice and services relating to mergers and the purchase of undertakings;
 - other services connected to the management of the AIF and the companies and other assets in which it has invested.

2.4.2 Delegation of AIF management services or transactions to another person

Article 58

(Delegation of AIF management services or transactions to another person)

(1) An AIFM may authorise another person (hereinafter: a delegate) to perform, on its behalf and for its account, individual services or transactions that are considered to be AIF management services in accordance with the preceding Article if the conditions referred to in this Subsection and in Section 8 of Chapter III of Regulation (EU) No 231/2013 are met.

(2) The AIFM and the delegate shall conclude a written agreement by which the AIFM confers on the delegate the power to perform individual AIF management services or transactions and by which the parties define mutual obligations, responsibilities and rights (hereinafter: delegation agreement).

(3) The delegation of AIF management services or transactions to another person shall be in compliance with the principles referred to in Article 75 of Regulation (EU) No 231/2013.

(4) The SIFM shall inform the Agency of the conclusion of the delegation agreement before its entry into force and of any subsequent amendments thereto.

(5) It shall not be possible to exclude or limit the AIFM's liability for the provision of the aforementioned services by the delegation of AIF management services or transactions to another person.

(6) The AIFM may not delegate AIF management services or transactions to another person to the extent that the AIFM's role is reduced to that of a 'letter-box entity' as defined by Article 82 of Regulation (EU) No 231/2013.

Article 59

(Conditions for the delegation of individual AIF management services or transactions)

(1) An AIFM may delegate the power to perform individual services or transactions if the following conditions are met:

1. the delegation of power to perform individual services or transactions is based on objective reasons, taking into account the criteria referred to in Article 76 of Regulation (EU) No 231/2013;

2. in accordance with Article 77 of Regulation (EU) No 231/2013, a delegate shall have sufficient resources and shall employ sufficient personnel who are qualified to perform the delegated services or transactions and shall have senior management that is of sufficiently good repute and sufficiently experienced;

3. when delegating the AIF management services referred to in point 1 of Article 57 of this Act, the delegate shall be one of the entities referred to in paragraph (2) of Article 78 of Regulation (EU) No 231/2013. If the condition referred to in the preceding sentence cannot be met, the AIFM may delegate the portfolio management services to another person if it obtains the prior consent of the Agency;

4. the delegation of AIF management services referred to in point 1 of Article 57 of this Act to a delegate with a registered office in a third country shall be subject to the provisions of the preceding point, and the Agency shall have concluded a written cooperation agreement with the competent authority responsible for the supervision of the delegate, on the basis of which the Agency may act in accordance with point (b) of Article 78(3) of Regulation (EU) No 231/2013;

5. the delegation of services or transactions to a delegate shall not prevent effective supervision as defined by Article 79 of Regulation (EU) No 231/2013;

6. despite the delegation of services or transactions to a delegate, the AIFM may act and manage the AIFs the management of which it delegated in the best interests of the investors in the AIFs;

7. the AIFM can substantiate that the delegate was selected with due care and that it has the skills and ability to perform the services or transactions delegated to it;

8. the AIFM may demonstrate that it can effectively monitor the performance of the delegated services or transactions, that it can at all times provide the delegate with further instructions on the performance of these services or transactions and that it can withdraw the delegation with immediate effect when the interests of the investors so require.

(2) If the AIFM delegates the AIF portfolio management services, the delegate shall comply with the investment policy of the AIF.

(3) The AIF management services referred to in point 1 of Article 57 of this Act shall not be delegated to the following persons:

1. a depositary or the person to whom the depositary has delegated individual tasks, or

2. a person whose interests are in conflict with those of the AIFM or of the investors in the AIF, unless it is proved that the delegate has functionally and hierarchically separated the performance of the AIF management services referred to in point 1 of Article 57 of this Act from its other potentially conflicting tasks and that it has in place appropriate procedures to identify, manage, monitor and disclose conflicts of interest, and the investors in the AIF have been informed of the conflicts of interests.

(4) The criteria for assessing whether delegation under point 2 of the preceding paragraph conflicts with the interests of the AIFM or the investor in the AIF are defined in Article 80 of Regulation (EU) No 231/2013.

Article 60

(Sub-delegation to a third party)

(1) On the basis of the prior written consent of the AIFM, the delegate may sub-delegate the power to perform individual AIF management services or transactions to a third party.

(2) The consent referred to in the preceding paragraph shall be in compliance with Article 81 of Regulation (EU) No 231/2013.

(3) The sub-delegation of individual services and transactions to a third party shall, *mutatis mutandis*, be subject to paragraph (1) of the preceding Article.

(4) The AIFM shall notify the Agency of the sub-delegation to a third party before it becomes effective, and of any changes thereto; the content of the notification is defined in Article 81(2) of Regulation (EU) No 231/2013.

(5) Notwithstanding paragraph (1) of this Article, the delegate shall not sub-delegate the AIF management services referred to in point 1 of Article 57 of this Act to a third party if the third party is:

1. a depositary or a person to whom the depositary has delegated individual tasks, or

2. a person whose interests are in conflict with those of the AIFM or of the investors in the AIF, unless it is proved that the third party has functionally and hierarchically separated the performance of AIF management services from its other potentially conflicting tasks and that it has in place appropriate procedures to identify, manage, monitor and disclose conflicts of interest, and the investors in the AIF have been informed of the conflicts of interests.

(6) The criteria for assessing whether the sub-delegation under point 2 of the preceding paragraph conflicts with the interests of the AIFM or the investor in the AIF are defined in Article 80 of Regulation (EU) No 231/2013.

(7) The delegate shall be able at all times to have an overview of the performance of AIF management services or transactions that have been sub-delegated to a third party.

(8) The provisions of this Article shall apply, *mutatis mutandis*, to the sub-delegation of services or transactions by a third party.

Article 61

(Notification of the Agency)

The Agency shall prescribe the detailed content of, the time limit for and the method of notification referred to in this Subsection.

2.4.3 (Initial capital of an AIFM)

Article 62

(Amount of the initial capital of an AIFM)

(1) The minimum amount of initial capital of an AIFM that performs only AIF management services shall equal EUR 125,000. The minimum amount of the initial capital of an AIF that is managed by itself shall equal EUR 300,000.

(2) Where the value of the portfolios of AIFs, EU AIFs or non-EU AIFs that are managed by the AIFM exceeds EUR 250 million, the AIFM shall provide, in addition to the initial capital referred to in the preceding paragraph, an additional amount of own funds, which shall be equal to 0.02% of the amount by which the value of the portfolios managed by the AIFM exceeds EUR 250 million.

(3) Notwithstanding the preceding paragraph, the additional amount of own funds provided by the AIFM shall be such that the sum of the initial capital referred to in paragraph (1) of this Article and the additional amount of own funds referred to in the preceding paragraph shall not exceed EUR 10 million.

(4) For the purposes of paragraphs (2) and (3) of this Article, the value of all assets of the AIFs, EU AIFs or non-EU AIFs managed by the AIFM, including the value of assets of the AIFs, EU AIFs or non-EU AIFs with respect to which the AIFM has delegated the management functions, but excluding the value of assets of the AIFs, EU AIFs or non-EU AIFs that the AIFM is managing under delegation, shall be taken into account in the calculation of the value of the portfolios managed by an AIFM.

(5) The Agency may allow the AIFM to substitute up to 50% of the additional amount of own funds referred to in paragraph (2) of this Article with a legal transaction on the basis of which it benefits from a guarantee of the same amount given by a bank, credit institution or insurance undertaking with a registered office in the Republic of Slovenia, a Member State or a third country. The Agency shall take into account a guarantee given by an entity from a third country only where a credit institution or insurance undertaking with a registered office in a third country is subject to prudential rules that are equivalent to those that apply to these institutions in the Republic of Slovenia.

(6) If the AIFM also performs services referred to in point 3 of paragraph (1) of Article 55 of this Act, the amount of the initial capital shall increase by the amount referred to in Article 152 or 153 of the ZTFI, depending on the type of services performed.

(7) If the AIFM also manages UCITS, the assets of these undertakings shall be taken into account in the calculation of the value of the portfolios under management in accordance with paragraphs (4) and (5) of this Article.

(8) In addition to the own funds referred to in paragraph (2) of this Article, the AIFM shall provide additional own funds to cover professional liability risks in accordance with Article 14 of Regulation (EU) No 231/2013.

(9) Instead of covering professional liability risks through the additional own funds referred to in the preceding paragraph, the AIFM may cover these risks through professional indemnity insurance in accordance with Article 15 of Regulation (EU) No 231/2013.

(10) The own funds referred to in paragraphs (1), (2), (6) and (7) of this Article shall be invested in liquid assets or assets readily convertible to cash in the short term and shall not include speculative positions.

(11) Paragraphs (8) to (10) of this Article shall apply to management companies that are authorised to perform AIF management services.

2.4.4 Operating rules of AIFMs

2.4.4.1 General provisions

Article 63

(Operating principles)

(1) An AIFM shall:

1. act honestly, with due skill, care and diligence and fairly in conducting its activities;
2. act in the best interests of the AIFs, EU AIFs or non-EU AIFs it manages or of their investors and of the integrity of the market;
3. have and effectively employ the resources and procedures that are necessary for the proper performance of its business activities;
4. take all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, to identify, manage and monitor and, where applicable, disclose, those conflicts of interest in order to prevent them from adversely affecting the interests of the AIFs, EU AIFs or non-EU AIFs it manages and their investors and to ensure that the AIFs it manages are treated fairly;
5. comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of the AIFs, EU AIFs or non-EU AIFs it manages or of their investors and of the integrity of the market;
6. treat all the investors in the AIFs it manages fairly.

(2) The AIFM shall ensure that no investor in the AIFs, EU AIFs or non-EU AIFs shall obtain preferential treatment, unless such preferential treatment is disclosed in the relevant rules or instruments of incorporation of the EU-AIF or non-EU AIF.

(3) The criteria for assessing whether the AIFM meets the conditions referred to in paragraph (1) of this Article are determined in Articles 17 to 29 of Regulation (EU) No 231/2013.

Article 64

(Remuneration system)

(1) The AIFM shall establish and implement an appropriate remuneration system that includes remuneration policies and practices that are consistent with and promote sound and effective risk management and do not encourage risk-taking that is inconsistent with the risk levels of AIFs, EU AIFs or non-EU AIFs, and the rules or instruments of incorporation of the AIFs managed by the AIFM.

(2) The AIFM shall establish and apply remuneration policies, inclusive of salaries and discretionary pension benefits, for categories of staff performing special work, taking into account the principles regarding the risk adjustment of remuneration.

(3) Staff performing special work are staff whose professional activities and actions have a material impact on the risk profile of the AIFM or of the AIFs, EU AIFs or non-EU AIFs it manages and comprise, in particular, the following categories of staff:

1. senior management;
2. employees who perform internal control functions;
3. direct risk takers and
4. other employees whose total remuneration, including discretionary pension benefits, is equal to or exceeds the remuneration of senior management or direct risk takers.

(4) Direct risk takers are employees whose professional activities have a material impact on the risk profile of the AIFM or of the AIFs, EU AIFs or non-EU AIFs it manages, individually or jointly as members of a group.

(5) For the purposes of paragraph (1) of this Article, remuneration shall include all forms of direct or indirect financial and non-financial payments and benefits to which employees are entitled on the basis of agreements concluded with the AIFM.

(6) The AIFM's supervisory board shall adopt and regularly verify the appropriateness of the adopted remuneration policies and practices, while the AIFM's management board shall ensure, at least annually, a comprehensive and independent review of the compliance of actual remuneration with these policies and practices.

(7) The Agency shall prescribe in more detail the necessary features of the remuneration policy.

Article 65

(Basic principles for defining remuneration policies and practices)

(1) In defining remuneration policies and practices, the AIFM shall take into account the following principles:

1. the remuneration policy shall be consistent with and promote sound and effective risk management and shall not encourage risk-taking that is inconsistent with the risk levels of AIFs or the instruments of incorporation of the AIFs managed by the AIFM;

2. the remuneration policy shall be in line with the business strategy, objectives, values and interests of the AIFM and the AIFs it manages or the investors in such AIFs, and includes measures to avoid conflicts of interest;

3. employees who perform control functions shall receive remuneration with respect to the achievement of objectives linked to their functions, independent of the performance of the business areas that they control;

4. the variable remuneration component shall be based on a combination of an assessment of the performance of an individual and their business-organisational unit or the AIF and the overall operating results of the AIFM;

5. at least 50%, or less if the management of AIFs accounts for less than 50% of the total portfolio managed by the AIFM, of the variable remuneration of the individuals referred to in paragraph (3) of the preceding Article shall consist of units or shares of the AIF concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments;

6. the AIFM shall defer a substantial portion, and in any event at least 40%, of the variable remuneration of the individuals referred to in paragraph (3) of the preceding Article over a period that is appropriate in view of the life cycle and redemption policy of the AIF concerned and which shall be three to five years, unless the life cycle of the AIF concerned is shorter;

7. the variable remuneration, including the deferred portion referred to in the preceding point, is paid or falls due for payment only if it is sustainable according to the financial situation of the AIFM as a whole, and justified according to the performance of the AIFM, the business unit and the individual concerned;

8. each individual referred to in paragraph (3) of the preceding Article shall undertake not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their variable remuneration arrangements;

9. payments to the individuals referred to in paragraph (3) of the preceding Article in connection with the early termination of their employment contract shall reflect the performance of those individuals over a specific period and shall not reward them for failures or possible breaches at the AIFM.

(2) The AIFM shall take into account the principles referred to in the preceding paragraph in a manner and to the extent appropriate to its size, internal organisational structure, and the nature, scale and complexity of the activities that it performs.

(3) The assessment of the performance of the individuals referred to in paragraph (3) of the preceding Article, which is used to calculate variable remuneration components or pools of variable remuneration components, shall take into account all types of current and future risks and forms the basis for the potential alignment of variable remuneration with risks. The assessment is set in a multi-year framework in order to ensure that the actual payment of performance-based components of remuneration is spread over a period that takes account of the underlying life cycle of the AIF and its business risks.

(4) The provisions of this Act relating to variable remuneration shall apply to the individuals referred to in paragraph (3) of the preceding Article, unless another act determines stricter criteria for variable remuneration for individual cases than those applicable under this Act.

Article 66

(Remuneration committee)

(1) A significant AIFM shall establish a remuneration committee.

(2) In defining an AIFM as significant, the following shall be taken into account:

1. the size of the AIFM or the size of the AIFs, EU AIFs or non-EU AIFs managed by the AIFM;
2. the characteristics of the internal organisation; and
3. the nature, scope and complexity of the AIFM's activities.

(3) The remuneration committee referred to in paragraph (1) of this Article shall have a chair and at least two members who serve as members of the supervisory board of the AIFM.

(4) The remuneration committee shall serve as an advisory body to the supervisory board and the management board and shall perform the following tasks:

1. carrying out technical and independent assessments of remuneration policies and practices, and formulating initiatives for measures to improve the management of risks to which the AIFM is exposed;
2. drawing up the proposed decisions of the supervisory board regarding remuneration, including those that have implications for the risk and risk management of the AIFM;
3. controlling the remuneration of members of senior management who perform risk management functions and ensuring the compliance of operations.

(5) In drafting the proposals referred to in the preceding paragraph, the remuneration committee shall take into account the long-term interests of the shareholders, investors and other stakeholders.

(6) Where the AIFM does not have a remuneration committee, the tasks referred to in paragraph (4) of this Article shall be performed by the supervisory board.

Article 67

(Conflicts of interest)

(1) An AIFM shall take measures to identify conflicts of interests that may arise in the course of managing AIFs between:

1. the AIFM, including its managers, employees or any person linked to the AIFM by control, and the AIF, EU AIF or non-EU AIF managed by the AIFM or the investors in that AIF;
2. the AIF, EU AIF or non-EU AIF or investors in that AIF, and another AIF, EU AIF or non-EU AIF or the investors in that other AIF;

3. the AIF, EU AIF or non-EU AIF or investors in that AIF, and other clients of the AIFM;
4. the AIF, EU AIF or non-EU AIF or the investors in that AIF, and a UCITS managed by the AIFM or the investors in that UCITS; or
5. two clients of the AIFM.

(2) The AIFM shall maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the AIFs, EU AIFs or non-EU AIFs it manages or those of their investors.

(3) The AIFM shall segregate, within its operation, tasks and responsibilities that may be regarded as incompatible with each other or that may potentially generate systematic conflicts of interest. The AIFM shall assess whether its operating conditions also involve other material conflicts of interest and disclose them to the investors in the AIFs, EU AIFs or non-EU AIFs it manages.

(4) The types of conflicts of interests and the reasonable steps the AIFM is expected to take in terms of structures and organisational and administrative procedures in order to identify, prevent, manage, monitor and disclose conflicts of interest are determined in Section 2, Chapter III of Regulation (EU) No 231/2013.

Article 68

(Non-neutralised conflicts of interest)

Where organisational arrangements made by the AIFM to identify, prevent, manage and monitor conflicts of interest are not sufficient to prevent, with reasonable confidence, the risks of damage to investors' interests, the AIFM shall clearly disclose the general nature or sources of conflicts of interest to the investors before undertaking any services on their behalf, and develop appropriate policies and procedures.

Article 69

(Using the services of a prime broker)

(1) Where an AIFM on behalf and for the account of an AIF, EU AIF or non-EU AIF it manages uses the services of a prime broker, the AIFM shall enter into a written contract with the prime broker that sets out all the allowed forms of transfer and reuse of AIF assets in accordance with the rules or instruments of incorporation of the AIF on behalf and for the account of which the contract is entered into.

(2) The AIFM shall inform the depositary of the content of the contract referred to in the preceding paragraph.

(3) In the selection and appointment of a prime broker, the AIFM shall exercise due skill, care and diligence.

Article 70

(Risk management systems and the risk management function)

(1) The AIFM shall establish and operate appropriate risk management systems as defined by Article 38 of Regulation (EU) No 231/2013 in order to identify, measure, manage and appropriately monitor all risks relevant to the investment strategy of each AIF, EU AIF or non-EU AIF and to which each AIF is or is likely to be exposed.

(2) The AIFM shall review the appropriateness of the risk management systems at least once a year in accordance with Article 41 of Regulation (EU) No 231/2013 and appropriately adapt them whenever necessary.

(3) The AIFM shall establish and maintain a permanent risk management function in accordance with Article 39 of Regulation (EU) No 231/2013.

(4) In accordance with Articles 42 and 43 of Regulation (EU) No 231/2013, the risk management function shall be functionally and hierarchically separated from other operating units of the AIFM, including operating units that perform portfolio management functions.

(5) In reviewing the functional and hierarchical separation referred to in the preceding paragraph, the Agency shall take into account the principle of proportionality, on the understanding that the AIFM shall, in any event, be able to demonstrate that the measures adopted to manage conflicts of interest allow for the independent performance of the risk management function as determined by Article 43 of Regulation (EU) No 231/2013 and that the risk management process complies with this Act and is effective.

(6) The AIFM shall adopt, implement and maintain an adequate and documented risk management policy as determined by Article 40 Regulation (EU) No 231/2013.

(7) In managing risks, the AIFM shall not solely or mechanistically rely on credit ratings issued by credit rating agencies for assessing the creditworthiness of issuers of financial instruments and other institutions in which assets of AIFs, EU-AIFs or non-EU AIFs and of entities to which each AIF is or is likely to be exposed are invested.

(8) Taking into account the nature, scale and complexity of the risk management of AIFs, EU AIFs or non-EU AIFs, the Agency shall assess whether the AIFM complies with the preceding paragraph and, where appropriate, instruct the AIFM to reduce sole and mechanistic reliance on such credit ratings.

(9) The AIFM shall:

1. implement an appropriate, documented and regularly updated due diligence process when investing on behalf and for the account of the AIF, EU AIF or non-EU AIF in order to ensure that the selected investments comply with the investment strategy, objectives and risk profile of each AIF;

2. ensure that the risks associated with each investment position of the AIF and their overall effect on the risk profile of the AIF, EU AIF or non-EU AIF can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures;

3. ensure that the risk profile of the AIF, EU AIF or non-EU AIF shall correspond to the size and portfolio structure of the AIF and investment strategies and objectives as determined in the rules or instruments of incorporation, prospectus and other offering documents of the AIF, EU AIF or non-EU AIF.

Article 71

(Special rules for the use of leverage)

(1) For each AIF, EU AIF or non-EU AIF it manages, the AIFM shall set:

1. a maximum level of leverage that the AIFM may employ on behalf and for the account of the AIF, EU AIF or non-EU AIF;

2. the conditions for the reuse of collateral or the granting of guarantees under leveraging arrangements.

(2) When setting the leverage and conditions referred to in the preceding paragraph, the AIFM shall, in particular, take into account the following:

1. the type of the AIF, EU AIF or non-EU AIF;

2. the investment strategy of the AIF, EU AIF or non-EU AIF;

3. the sources of leverage of the AIF, EU AIF or non-EU AIF;

4. any other interlinkage or relevant relationships between the AIF, EU AIF or non-EU AIF and other financial institutions, which could pose systemic risk;

5. the need to limit the exposure to any single counterparty;

6. the extent to which the leverage is collateralised;

7. the asset-liability ratio;

8. the proportion, type and extent of the activities of the AIFM on the markets concerned.

Article 72

(Liquidity management)

(1) The AIFM shall, for each AIF, EU AIF or non-EI AUF that it manages that is not an unleveraged closed-ended AIF, establish an appropriate liquidity management system and adopt procedures that enable it to monitor the liquidity risk of the AIF and to ensure that the liquidity profile of the investments of the AIF complies with its underlying obligations in accordance with Section 4 of Chapter III of Regulation (EU) No 231/2013.

(2) The AIFM shall regularly conduct stress tests, under normal and exceptional liquidity conditions, that enable it to assess and monitor the liquidity risk of each AIF, EU AIF or non-EU AIF.

(3) The AIFM shall, for each AIF, EU AIF or non-EU AIF that it manages, ensure the alignment of the investment strategy, the liquidity profile and the redemption policy in accordance with Article 49 of Regulation (EU) No 231/2013.

Article 73

(Investment in securitisation positions)

The AIFM may invest the assets of the AIF, EU AIF or non-EU AIF that it manages in securitisation positions if the conditions referred to in Section 5 of Chapter III of Regulation (EU) No 231/2013 are met.

2.4.4.2 Organisational requirements

Article 74

(General principles)

(1) The AIFM shall establish and implement a sound and reliable management system and, in so doing, shall use adequate and appropriate human and technical resources that are necessary for the proper management of AIFs, EU AIFs or non-EU AIFs, taking into account the nature of the AIFs managed by the AIFM in accordance with Section 6 of Chapter III of Regulation (EU) No 231/2013.

(2) The management system shall include:

1. sound administrative and accounting procedures;
2. control and safeguard arrangements for electronic data processing;
3. an adequate internal control system.

(3) The internal control system referred to in point 3 of the preceding paragraph shall, in particular, include and provide the following:

1. rules for personal transactions by employees of the AIFM;
2. rules for the holding or management of investments in order to invest on its own account;
3. ensuring that each transaction involving the AIFs, EU AIFs or non-EU AIFs may be reconstructed according to its origin, the parties to it, its nature, and the time and place at which it was effected;
4. ensuring that the assets of the AIFs, EU AIFs or non-EU AIFs are invested in accordance with the rules or instruments of incorporation of the AIFs, EU AIFs or non-EU AIFs and the regulations governing the operation of the AIFs, EU AIFs or non-EU AIFs.

Article 75

(Independent valuation and the calculation of the net asset value)

(1) The AIFM shall, for each AIF, EU AIF or non-EU AIF that it manages, establish and implement appropriate procedures for a proper and independent valuation of the assets and liabilities and for the calculation of the net asset value in accordance with this Act, the regulations governing the operation of the AIFs, EU AIFs or non-EU AIFs and the rules or instruments of incorporation of the AIFs, EU AIFs or non-EU AIFs.

(2) More detailed criteria concerning the procedures for the valuation of the assets of AIFs that shall be complied with by the AIFM are determined in Section 7 of Chapter III of Regulation (EU) No 231/2013.

(3) The Agency shall prescribe in detail the valuation of the assets of AIFs that have no legal personality, the calculation of the net asset value and the calculation of the value per unit of AIFs.

Article 76

(The frequency of asset valuation)

(1) The AIFM shall, at least once a year, calculate the net asset value and the value per unit of the AIFs, EU AIFs or non-EU AIFs that it manages.

(2) The valuation of units of open-ended AIFs, EU AIFs or non-EU AIFs shall be carried out under the conditions referred to in the preceding paragraph and within the time limits appropriate to the investments held by such AIFs and their issuance and redemption frequency.

(3) The valuation of the closed-ended AIFs, EU AIFs or non-EU AIFs shall also be carried out in the event of an increase or decrease in the capital of the relevant AIF under the conditions referred to in paragraph (1) of this Article.

(4) The frequency of the valuation of assets held by the open-ended AIFs, EU AIFs or non-EU AIFs referred to in paragraph (2) of this Article is defined in more detail in Article 74 of Regulation (EU) No 231/2013.

Article 77

(Informing investors)

(1) In the rules or instruments of incorporation of AIFs, EU AIFs or non-EU AIFs, the AIFM shall define in more detail the manner of and time limits for informing investors of the valuation of assets and the calculated value per unit of assets.

(2) The AIFM shall inform investors of the valuation of assets and the calculated value per unit within the time limits and in the manner determined in the relevant rules or instruments of incorporation of the AIF.

Article 78

(Valuation of assets and liabilities)

(1) The valuation of the assets and liabilities of an AIF, EU AIF or non-EU AIF may be performed by:

1. an external valuer, provided that the conditions referred to in Article 79 of this Act are met;
2. the AIFM itself, provided that it meets the conditions referred to in Article 82 of this Act.

(2) The AIFM or external valuer shall perform the valuation of assets and liabilities impartially and with all due skill, care and diligence.

Article 79

(Valuation performed by an external valuer)

(1) An external valuer shall be a legal or natural person independent of the AIF, EU AIF or non-EU AIF managed by the AIFM, the AIFM and of any other persons with close links to the AIF, EU AIF or non-EU AIF managed by the AIFM or to the AIFM.

(2) Where the valuation of assets and liabilities is performed by an external valuer, the AIFM shall be able to demonstrate to the Agency at any time that:

1. the external valuer is registered with an appropriate professional association or is subject to relevant laws or rules of professional conduct;

2. the external valuer is at any time able to provide sufficient professional guarantees as regards being able to effectively perform the relevant valuation function in accordance with this Act and other regulations governing the AIFM's operation in the Republic of Slovenia;

3. the appointment of the external valuer is in compliance with the provisions of Articles 58 and 59 of this Act and Section 8 of Chapter III of Regulation (EU) No 231/2013.

(3) The depositary of the AIF, EU AIF or non-EU AIF may not be appointed as an external valuer of an AIF for which it performs depositary functions unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as an external valuer and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors in the AIF.

Article 80

(Prohibition on delegating the valuation function to a third party)

The external valuer may not delegate the power to perform the valuation function to a third party.

Article 81

(Notification of the Agency)

(1) An AIFM shall notify the Agency of the appointment of the external valuer.

(2) The AIFM shall include with the notification evidence of meeting the conditions referred to in paragraph (2) of Article 79 of this Act.

(3) If the Agency finds that the appointed external valuer does not meet the conditions referred to in paragraph (2) of Article 79 of this Act, it may require that another external valuer be appointed instead.

Article 82

(Valuation performed by an AIFM itself)

An AIFM may perform the valuation of the assets of the AIF, provided that it separates the performance of the valuation function from the services referred to in subpoint a) of point 1 of Article 57 of this Act and that the remuneration policy and other measures ensure that conflicts of interest are properly managed and that undue influence upon the employees is prevented.

Article 83

(Verification of a valuation)

Where the valuation function is performed by an AIFM itself, the Agency may require that the valuation procedures or valuations of assets and liabilities be verified by an external valuer or an auditor.

Article 84

(Responsibility for valuation)

(1) An AIFM shall be responsible for the proper valuation of the assets and liabilities of the AIFs, EU AIFs or non-EU AIFs, the accuracy of the calculation of the net asset value and the value per unit of the AIFs, EU AIFs or non-EU AIFs and the publication of the net asset value and value per unit, irrespective of whether the AIFM has authorised an external valuer to perform the valuation function or not.

(2) The external valuer shall be liable to the AIFM for any losses suffered by the AIFM as a result of the external valuer's negligence or intentional failure to perform its tasks.

2.4.5 Protection of confidential information

Article 85

(Confidential information)

An AIFM shall treat as confidential and protect all the information, facts and circumstances regarding individual holders of units of AIFs or individual clients available to it, irrespective of the manner in which this information has been obtained.

Article 86

(The obligation to safeguard confidential information)

(1) Members of the management and supervisory boards of an AIFM, its shareholders or partners, employees or other persons who have access to the confidential information referred to in preceding Article in connection with their work at the AIFM or the provision of services for the AIFM, may not disclose this information to third parties or use them by themselves or enable third parties to use them. The obligation to safeguard the information referred to in the preceding sentence shall not terminate upon the termination of the status of a shareholder, the status of a partner, or the employment or contractual relationship.

(2) The preceding paragraph shall not apply in the following cases:

1. when the holder of units of the AIF or a client expressly agrees in writing with the disclosure of individual confidential information;

2. when such information is required by the Agency, a court or another competent authority for the purposes of a procedure carried out in accordance with its powers, and a request has been submitted in writing for the supply of such information;

3. when such information is submitted to parent undertakings in connection with supervision in accordance with Section 6.7 of this Act or in accordance with the law governing financial conglomerates, and

4. in other cases provided by law.

(3) The depositary shall safeguard confidential information in accordance with the provisions of the law governing banking relating to the protection of confidential information.

Article 87

(Use of confidential information)

The Agency or other authorities and persons may use the information acquired pursuant to paragraph (2) of the preceding Article solely for the purpose for which the information has been acquired, and in cases provided by law.

2.4.6 Capital adequacy

Article 88

(Capital adequacy)

An AIFM shall ensure that it always holds adequate own funds considering the services it provides, the value of the assets under management and the risks to which it is exposed when providing these services.

Article 89

(Own funds of an AIFM)

(1) The own funds of an AIFM shall comprise the following items:

1. paid-in initial capital and capital reserves that are available without restriction during regular operation to absorb any losses and, in the event of bankruptcy or liquidation, are paid after all other claims;

2. profit reserves;

3. net profit or loss from previous periods;

4. revaluation surpluses;

5. other items that, in accordance with their characteristics and purpose, are similar to the items referred to in points 1 to 4 of this paragraph.

(2) In the calculation of own funds, the following shall be considered to be deduction items:

1. own shares or business interests that are not recognised as deductions from own funds;

2. intangible long-term assets;

3. the net loss of the financial year or a net loss from previous years;

4. other items that, in accordance with their characteristics and purpose, are similar to the items referred to in points 1 to 3 of this paragraph.

Article 90

(The minimum level of own funds)

(1) An AIFM's own funds shall at all times be equal to or exceed the highest of the following values:

1. 25% of the AIFM's fixed costs for the preceding financial year increased by:

a) own funds in accordance with paragraph (7) of Article 62 of this Act or

a) any own funds in accordance with paragraph (8) of Article 62 of this Act;

2. the sum of own funds requirements for credit and market risks under paragraph (1) of Article 193 of the ZTFI in connection with the law governing banking that arise from the provision of management and non-core services.

(2) Notwithstanding the preceding paragraph, the AIFM's own funds shall never be less than the initial capital calculated in accordance with Article 62 of this Act.

Article 91

(Prohibition on the distribution of profits)

(1) An AIFM may not pay out profits either in the form of an interim dividend or a dividend, or in the form of a payment deriving from participation in profit by the management board, the supervisory board or employees when the AIFM's own funds are below the minimum level of own funds, or when, due to the pay-out of profits, the AIFM's own funds would be reduced to a level below the minimum level of own funds.

(2) The prohibition under the preceding paragraph shall apply until the AIFM ensures an adequate level of own funds.

Article 92

(Measures taken by the management board to ensure the minimum level of own funds)

(1) If the level of an AIFM's own funds falls short of the minimum level of own funds determined in Article 90 of this Act due to increased capital requirements, or for other reasons, the management board of the AIFM shall take measures falling within its competence to ensure the minimum level of own funds or shall propose measures falling within the competence of other bodies of the AIFM.

(2) The AIFM's management board shall report without delay to the Agency on the measures or proposed measures referred to in the preceding paragraph.

Article 93

(Rules on the own funds of an AIFM)

The Agency may determine:

1. the detailed characteristics and types of items referred to in Article 89 that are taken into account in the calculation of the own funds of an AIFM;

2. the items of fixed costs incurred by an AIFM;

3. the time limits for, the manner of, and the detailed content of reporting on the AIFM's own funds.

2.4.7 Books of account and business reports of an AIFM and auditing

Article 94

(Books of account and the annual report of the AIFM)

The books of account and the annual report of an AIFM and auditing shall be subject to general rules determined by the law governing companies and the law governing auditing.

2.4.8 (Informing investors)

Article 95

(The annual report of an AIF, EU AIF or non-EU AIF)

(1) An AIFM shall, for each of the AIFs or EU AIFs that it manages and for each of the AIFs, EU AIFs or non-EU AIFs that it markets in the Member States, have available an annual report drawn up in accordance with this Act and Articles 103 to 107 of Regulation (EU) No 231/2013.

(2) The annual report referred to in the preceding paragraph shall include the following:

1. the balance sheet;

2. the profit-and-loss account;
 3. a report on the activities during the financial year;
 4. a report on any material changes in the information listed in paragraph (1) of Article 97 of this Act during the financial year;
 5. information on the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid to the staff, and the number of beneficiaries, and, where relevant, the carried interest paid;
 6. information on the amount of remuneration paid for the financial year broken down by senior management and members of staff whose tasks and activities have a material impact on the risk profile of the AIF, EU AIF or non-EU AIF.
- (3) The annual report referred to in paragraph (1) of this Article shall be made available to the Agency, the competent authorities of the EU AIF and investors no later than six months following the end of the financial year.
- (4) The AIFM shall provide a copy of the annual report to the investors in the AIF, EU AIF or non-EU AIF on request.
- (5) If the AIF or EU AIF is a listed company, it shall draw up and publish the annual report in accordance with the ZTIF or other regulation of the Member State adopted for the transposition of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38), and the AIFM shall additionally provide the information referred to in paragraph (2) of this Article that is not included in the annual report to investors in the AIF or the EU AIF on request no later than four months following the end of the financial year.
- (6) The additional information referred to in the preceding paragraph may be provided either as an additional part of the annual financial report or as a separate document.
- (7) The accounting information included in the annual report shall be prepared in accordance with the Slovenian accounting standards in the case of an AIF, or in accordance with the accounting standards of the relevant Member State in the case of an EU AIF, or in accordance with the accounting standards of the relevant third country in the case of a non-EU AIF, and in accordance with the accounting rules determined in the rules or instruments of incorporation of the AIF, EU AIF or non-EU AIF.

Article 96

(Auditing of the annual report of an AIF, EU AIF or non-EU AIF)

- (1) The accounting information of an AIF, EU AIF or non-EU AIF provided in the annual report shall be audited by an auditor in the manner and under the conditions determined by the law governing auditing or the regulation of the Member State adopted for the transposition of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).
- (2) The auditor's report on accounts, including any auditor's qualifications, shall be reproduced in full in the annual report of the AIF, EU AIF or non-EU AIF.
- (3) Notwithstanding paragraph (1) of this Article, the annual accounts of a non-EU AIF that is managed by the AIFM and marketed in the Member States shall be audited by an auditor in accordance with international auditing standards that are in force in the country where the non-EU AIF has its registered office.

Article 97

(Disclosures to investors in an AIF, EU AIF or non-EU AIF)

- (1) An AIFM shall, for each of the AIFs or EU AIFs that it manages and for each of the AIFs, EU AIFs or non-EU AIFs that it markets in the Member States, make available to AIF investors, in accordance with the rules or instruments of incorporation of the relevant AIF, EU AIF or non-EU AIF, the following information before they invest in the AIF:

1. a description of the investment strategy and objectives of the AIF, information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds, a description of the types of assets in which the AIF may invest, the asset management techniques that may be employed in the AIF's management and all associated risks, any applicable investment restrictions, the circumstances in which the AIF

may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage that the AIFM is entitled to employ on behalf and for the account of the AIF;

2. a description of the procedures by which the AIF may change its investment strategy or investment policy;

3. a description of the main legal implications of the contractual relationship entered into for the purpose of investing in the AIF, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established;

4. the identity of the AIFM, the AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights;

5. a description of how professional liability risks are covered as determined in paragraphs (8) and (9) of Article 62 of this Act;

6. information on any delegated AIF, EU AIF or non-EU AIF portfolio management services, delegated depositary functions, persons to whom the aforementioned services and functions have been delegated, and any conflicts of interest that may arise from such delegations;

7. a description of procedures for the valuation of assets and liabilities and of the methodology for setting the price per unit of AIFs, EU AIFs or non-EU AIFs, including the methods used in valuing hard-to-value assets in accordance with Articles 75 to 84 of this Act;

8. a description of the AIF's liquidity risk management, including the redemption rights in both normal and exceptional circumstances, and the existing redemption arrangements with investors;

9. a description of all fees, charges and expenses that are directly or indirectly borne by investors and of the maximum amounts thereof;

10. a description of how the AIFM ensures the fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM;

11. the latest annual report of the AIF, EU AIF or non-EU AIF;

12. the procedure and conditions for the issue and sale of units of the AIF, EU AIF or non-EU AIF;

13. the latest calculated net asset value per unit of the AIF or the latest market price of the unit of the AIF, EU AIF or non-EU AIF;

14. where available, the historical performance of the AIF;

15. the identity of the prime broker, a description of any material arrangements with the prime broker, the way conflicts of interest are managed, the provision in the contract with the depositary on the possibility of the transfer of AIF assets to another person and the reuse of AIF assets, and information on any transfer of liability to the prime broker;

16. information on when and how the information referred to in paragraphs (6) and (7) of this Article will be disclosed.

(2) Investors in the AIF, EU AIF or non-EU AIF shall be informed of any material changes to the information referred to in the preceding paragraph.

(3) The AIFM shall inform the investors in the AIF, EU AIF or non-EU AIF before they invest in the AIF of any possibility of discharging the depositary of liability in accordance with paragraph (6) of Article 124 of this Act.

(4) The AIFM shall, as soon as possible, also inform investors of any changes with respect to the depositary liability referred to in the preceding paragraph.

(5) Where the AIF is required to publish a prospectus in accordance with the ZTFI or the law governing investment funds and management companies, and the EU AIF in accordance with the regulation of the relevant Member State adopted for the transposition of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (OJ L 345, 31.12.2003, p. 64; hereinafter: Directive

2003/71/EC), and the non-EU AIF in accordance with the law of the third country, the information referred to in paragraphs (1) and (3) of this Article may be added as additional information to the prospectus, if not contained in the prospectus, or disclosed separately.

(6) The AIFM shall, for each of the AIFs or EU AIFs that it manages and for each of the AIFs, EU AIFs or non-EU AIFs that it markets in the Member States, in accordance with Article 108 of Regulation (EU) No 231/2013, periodically disclose to investors:

1. the proportion of the AIF's assets that are subject to special arrangements arising from their illiquid nature;
2. any new measures to manage the liquidity of the AIF;
3. the current risk profile of the AIF and the risk management systems employed by the AIFM to manage risks to which the AIF is or is likely to be exposed;

(7) An AIFM managing AIFs or EU AIFs employing leverage or marketing in the Member States units of AIFs, EU AIFs or non-EU AIFs employing leverage shall, in accordance with Article 109 of Regulation (EU) No 231/2013, disclose on a regular basis:

1. any changes to the maximum level of leverage that the AIFM may employ on behalf and for the account of such an AIF as well as conditions for the reuse of collateral or any guarantee granted under leveraging arrangements;
2. the total amount of leverage employed by such an AIF.

2.4.9 The obligations of AIFMs managing AIFs that acquire a major holding in non-listed companies and issuers

Article 98

(Control)

In this Subsection, control shall mean:

1. for non-listed companies, 50% of the voting rights of a non-listed company;
2. for issuers, the percentage defined as the takeover threshold by the law governing takeovers in the country where the issuer has its registered office .

Article 99

(Confidentiality of information)

In this Subsection, the provisions of Article 68 of the Worker Participation in Management Act (*Uradni list RS*, No 42/07 – official consolidated text and 45/08 – the ZArbit) and Article 38 of the Employment Relationship Act (*Uradni list RS*, Nos 21/13 and 78/13 – corr.) shall apply with regard to all information submitted to employees' representatives.

Article 100

(Scope of application)

(1) This Subsection shall apply to the following:

1. an AIFM managing one or more AIFs, irrespective of the country where the AIFs are established, which either individually or jointly on the basis of an agreement aimed at acquiring control of another company acquire control of a non-listed company, subject to Article 101 of this Act;
2. an AIFM cooperating with one or more other AIFMs on the basis of an agreement pursuant to which the AIFs managed by those AIFMs, irrespective of the country where the AIFs are established, jointly acquire control of a non-listed company, subject to Article 101 of this Act.

(2) This Subsection shall not apply to the investments of an AIFM in non-listed companies that:

1. are considered micro, small and medium-sized enterprises in accordance with the law governing companies;

2. have the nature of a special purpose vehicle established to purchase, hold or administer real estate.

(3) Notwithstanding paragraphs (1) and (2) of this Article, Article 102 of this Act shall also apply to an AIFM managing AIFs, EU AIFs or non-EU AIFs that acquire a share in a non-listed company that is not a controlling share pursuant to Article 98 of this Act.

Article 101

(Calculation of voting rights)

(1) When calculating the percentage of voting rights held by the relevant AIF, EU AIF or non-EU AIF, in addition to the voting rights held directly by the relevant AIF, EU AIF or non-EU AIF, the voting rights of the following shall be taken into account:

1. any undertaking controlled by the AIF, EU AIF or non-EU AIF; and
2. a natural or legal person acting in its own name but for the account of the AIF or of an undertaking controlled by the AIF, EU AIF or non-EU AIF.

(2) The percentage of voting rights shall be calculated on the basis of all the shares to which voting rights are attached regardless of whether the voting right has been suspended.

Article 102

(Notification of the acquisition of a major holding in a non-listed company)

(1) The threshold for major holdings shall be the proportion of voting rights in a particular non-listed company representing 10%, 20%, 30%, 50% and 75% of all voting rights in that non-listed company.

(2) The AIFM that manages the AIF, EU AIF or non-EU AIF shall notify the Agency of the proportion of voting rights in a non-listed company held by the AIF, EU AIF or non-EU AIF when that proportion reaches, exceeds or falls below the major holding thresholds.

Article 103

(Notification of the acquisition of control of a non-listed company)

(1) When an AIF, EU AIF or non-EU AIF acquires, individually or subject to paragraph (1) of Article 100 and Article 101 of this Act, control over a non-listed company, the AIFM managing such an AIF shall notify the following of the acquisition of control by the AIF:

1. the non-listed company;
2. the shareholders whose identities and addresses are available to the AIFM or can be made available by the non-listed company or through a register to which the AIFM has or can obtain access; and
3. the Agency.

(2) The notification referred to in the preceding paragraph shall include the following information:

1. the amount of the acquired holding and the amount of participation in the voting rights;
2. the conditions subject to which control was acquired, including information on the identity of the different shareholders involved, any natural person or legal entity entitled to exercise voting rights on their behalf and, if applicable, the chain of undertakings through which voting rights are effectively held;
3. the date on which control was acquired.

(3) In its notification sent to the non-listed company, the AIFM shall require that the management board of the company inform the employees' representatives or, where there are none, the employees themselves, without undue delay, of the acquisition of control by the AIF, EU AIF or non-EU AIF managed by the AIFM and of the information referred to in the preceding paragraph. The AIFM shall make its best effort to ensure that the employees' representatives or, where there are none, the employees themselves, are duly informed by the management board in accordance with this Article.

Article 104

(Time limits for notification)

An AIFM shall make the notifications referred to in Articles 102 and 103 of this Act as soon as possible, but no later than 10 working days after the date on which the AIF, EU AIF or non-EU AIF reaches, exceeds or falls below the relevant threshold referred to in paragraph (1) of Article 102 or acquires control of the non-listed company.

Article 105

(Application of provisions of the ZTFI)

When the AIFM is obliged to notify the non-listed company of the acquisition of a major holding pursuant to Article 118 of the ZTFI in connection with paragraph (2) of Article 117 of the ZTFI, the AIFM may combine the notification referred to in Article 102 or 103 of this Act with the notification of the acquisition of a major holding under the ZTFI. In this case, the notification sent to the non-listed company shall contain all the information required under this Act and the ZTFI.

Article 106

(Disclosure in the event of the acquisition of control)

(1) When an AIF, EU AIF or non-EU AIF acquires, individually or subject to paragraph (1) of Article 100 and Article 101 of this Act, control over a non-listed company, the AIFM managing such an AIF shall make the information referred to in paragraph (2) of this Article available to:

1. the non-listed company;
2. the shareholders whose identities and addresses are available to the AIFM or can be made available by the company or through a register to which the AIFM has or can obtain access; and
3. the Agency.

(2) The information made available by the AIFM in accordance with the preceding paragraph shall include:

1. the identity of the AIFMs that either individually or in agreement with other AIFMs manage the AIFs, EU AIFs or non-EU AIFs that have acquired control;
2. the policy for preventing and managing conflicts of interest, in particular between the AIFM, the AIF, EU AIF or non-EU AIF and the company, including information on the specific safeguards established to ensure that any agreement between the AIFM and/or the AIF, EU AIF or non-EU AIF and the company is concluded at arm's length; and
3. the policy for external and internal communication relating to the company, in particular, as regards employees.

(3) The AIFM shall require that the management board of the non-listed company inform the employees' representatives or, where there are none, the employees themselves, without undue delay of the information referred to in the preceding paragraph. The AIFM shall make its best effort to ensure that the employees' representatives or, where there are none, the employees themselves, are duly informed by the management board in accordance with this Article.

(4) The provisions of this Article shall also apply to the acquisition of control over an issuer as determined by point 2 of Article 98 of this Act, and paragraphs (1) and (2) of Article 100 of this Act shall apply, *mutatis mutandis*, to the proportion of voting rights in the issuer held by the AIF.

Article 107

(Disclosure of business intentions)

(1) When an AIF, EU AIF or non-EU AIF acquires, individually or subject to paragraph (1) of Article 100 and Article 101 of this Act, control over a non-listed company, the AIFM managing such an AIF shall ensure that the AIF, EU AIF or non-EU AIF or the AIFM acting on behalf of the AIF, EU AIF or non-EU AIF discloses its intentions with regard to the future business of the non-listed company and the likely repercussions on employment, including any material change in the conditions of employment, to:

1. the non-listed company and

2. the shareholders of the non-listed company whose identities and addresses are available to the AIFM or can be made available by the non-listed company or through a register to which the AIFM has or can obtain access.

(2) The AIFM managing the relevant AIF, EU AIF or non-EU AIF shall require and make its best effort to ensure that the management board of the non-listed company makes available the information determined in the preceding paragraph to the employees' representatives or, where there are none, the employees of the non-listed company themselves.

Article 108

(Disclosure with regard to financing)

When an AIF, EU AIF or non-EU AIF acquires, individually or subject to paragraph (1) of Article 100 and Article 101 of this Act, control over a non-listed company, the AIFM managing such an AIF shall provide the Agency and investors in the AIF with information on the financing of the acquisition of control.

Article 109

(Annual report of an AIF, EU AIF or non-EU AIF exercising control over a non-listed company)

(1) When an AIF, EU AIF or non-EU AIF acquires, individually or subject to paragraph (1) of Article 100 and Article 101 of this Act, control over a non-listed company, the AIFM managing such an AIF shall:

1. request and make its best effort to ensure that the annual report of the non-listed company is drawn up in accordance with paragraph (2) of this Article and that it is made available by the management board of the non-listed company to the employees' representatives or, where there are none, to the employees themselves within the period in which such annual report has to be drawn up in accordance with the law of the country where the non-listed company has its registered office; or

2. for each such AIF, EU AIF or non-EU AIF, include the information referred to in paragraph (2) of this Article relating to the non-listed company in the annual report referred to in Article 95 of this Act.

(2) The additional information to be included in the annual report of the company or of the AIF, EU AIF or non-EU AIF in accordance with the preceding paragraph shall include at least:

1. a fair review of the development of the company's business representing the situation at the end of the period covered by the annual report;

2. any important events that have occurred since the end of the financial year;

3. the company's likely future development;

4. the information concerning the acquisition of own shares prescribed by the ZGD-1 in the part transposing Article 24(2) of Directive 2012/30/EU of the European Parliament and of the Council of 25 October 2012 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 54 of the Treaty on the Functioning of the European Union, in respect of the formation of public limited liability companies and the maintenance and alteration of their capital, with a view to making such safeguards equivalent (OJ L 315, 14.11.2012, p. 74; hereinafter: Directive 2012/30/EU) or by the regulation of the Member State adopted for the transposition of Directive 2012/30/EU in the part transposing Article 24(2) of the aforementioned Directive.

(3) The AIFM managing the AIF, EU AIF or non-EU AIF referred to in paragraph (1) of this Article shall:

1. require and make its best effort to ensure that the management board of the non-listed company makes available the information referred to in point 2 of paragraph (1) of this Article relating to the company concerned to the employees' representatives of the company concerned or, where there are none, to the employees themselves within six months following the end of the financial year of the AIF, EU AIF or non-EU AIF; or

2. make available the information referred to in point 1 of paragraph (1) of this Article to the investors in the AIF, EU AIF or non-EU AIF in so far as already available, within six months following the end of the financial year of the AIF, EU AIF or non-EU AIF and, in any event, no later than the date on which the annual report of the non-listed company is drawn up in accordance with the law of the country where the non-listed company has its registered office.

Article 110

(Asset stripping)

(1) When an AIF, EU AIF or non-EU AIF acquires, individually or subject to paragraph (1) of Article 100 and Article 101 of this Act, control over a non-listed company, the AIFM managing such an AIF shall, for a period of 24 months following the acquisition of control of the company:

1. not be allowed to facilitate, support or instruct any distribution, capital reduction, share redemption or acquisition of own shares by the company as defined by paragraph (2) of this Article;

2. in so far as the AIFM is authorised to vote on behalf of the AIF, EU AIF or non-EU AIF at the meetings of the competent bodies of the company, not be allowed to vote in favour of the distribution, capital reduction, share redemption or acquisition of own shares by the company as defined by paragraph (2) of this Article;

3. in any event, make its best effort to prevent distributions, capital reductions, share redemptions or the acquisition of own shares by the company as defined by paragraph (2) of this Article.

(2) The obligations imposed on the AIFM pursuant to the preceding paragraph shall relate to the following:

1. any distribution to shareholders made on the closing date of the last financial year when the net assets as determined in the company's annual accounts are or would become lower than the amount of the subscribed capital plus those reserves that may not be distributed under law or articles of association, on the understanding that where the uncalled part of the subscribed capital is not included in the assets shown in the balance sheet, this amount shall be deducted from the amount of subscribed capital;

2. any distribution to shareholders the amount of which would exceed the amount of profits for the financial year plus any profits brought forward and sums drawn from reserves intended for distribution, less any losses brought forward and sums placed into reserve in accordance with law or articles of association;

3. the extent to which acquisitions of own shares are permitted, the acquisitions by the company, including shares previously acquired by the company and held by it, and shares acquired by a person acting in his own name and for the account of the company that would have the effect of reducing the net assets below the amount stated in point 1 of this paragraph.

(3) For the purposes of the preceding paragraph:

1. the term "distribution" referred to in points 1 and 2 shall include, in particular, the payment of dividends and of interest relating to shares;

2. the provisions on capital reductions shall not apply to a reduction in the subscribed capital, the purpose of which is to offset losses incurred or create a non-distributable reserve, provided that the amount of such reserve does not exceed 10% of the reduced subscribed capital;

3. the restrictions referred to in point 3 shall be subject to paragraph (1) of Article 247 of the ZGD-1, with the exception of the seventh indent thereof, or to the regulation of the Member State adopted for the transposition of Directive 2012/30/EU in the part transposing points (b) to (h) of Article 22(1) of that Directive.

(4) The provisions of this Article shall also apply to the acquisition of control over an issuer as determined by point 2 of Article 98 of this Act, and Article 100 of this Act shall apply, *mutatis mutandis*, to the proportion of voting rights in the issuer held by the AIF, EU AIF or non-EU AIF.

2.4.10 (Depositary functions with regard to the management of AIFs)

Article 111

(General provisions)

(1) The AIFM shall entrust the assets of the AIF, EU AIF or non-EU AIF that it manages to the depositary for safekeeping.

(2) The AIF, EU AIF or non-EU AIF may only have one depositary.

(3) The AIFM may not act as a depositary for the AIF, EU AIF or non-EU AIF.

Article 112

(Depositary of an AIF)

(1) For AIFs, the depositary functions referred to in Article 115 of this Act may be performed by:

1. a bank that has its registered office in the Republic of Slovenia and is authorised by the Bank of Slovenia to carry out depositary functions;

2. a credit institution that has its registered office in a Member State and is authorised by the competent authority of the Member State and has a branch in the Republic of Slovenia;

3. a brokerage company that has its registered office in the Republic of Slovenia and is authorised by the Agency to provide the service of safekeeping and administration of financial instruments for the account of clients, and has the minimum level of own funds calculated on the basis of the application, *mutatis mutandis*, of the law governing banking in connection with Article 193 of the ZTFI, and initial capital of at least EUR 730,000.

4. an investment firm that has its registered office in a Member State and a branch in the Republic of Slovenia and meets the following conditions:

a) it is authorised by the competent authority to provide the service of safekeeping and administration of financial instruments for the account of clients in accordance with the regulation of the Member State adopted for the transposition of Directive 2004/39/EC;

b) it calculates own funds requirements in accordance with the regulation of the Member State adopted for the transposition of Article 20 of Directive 2006/49/EC; and

c) it has initial capital of at least EUR 730,000.

(2) The Bank of Slovenia shall authorise a bank referred to in point 1 of the preceding paragraph to carry out depositary functions after obtaining the opinion of the Agency.

(3) Notwithstanding paragraph (1) of this Article, the prime broker of the AIF may act as a depositary for the AIF only if:

1. it has functionally and hierarchically separated the performance of its depositary functions from its tasks as prime broker, and

2. it has in place appropriate procedures to identify, manage, monitor and disclose conflicts of interest.

(4) Notwithstanding paragraph (1) of this Article, in relation to an AIF whose investors are not permitted to exercise any redemption rights for a period of at least five years from the date of the initial investment and that, in accordance with its core investment policy, generally invests its assets in investment properties or non-listed companies, depositary functions may be carried out by a notary referred to in the law governing notaries unless otherwise provided by law for a particular type of AIF and notwithstanding the provisions of the law governing notaries.

Article 113

(Depositary of an EU AIF)

In relation to an EU AIF, depositary functions may be carried out by an entity that is appointed to act as a depositary in accordance with the regulation of the Member State adopted for the transposition of Directive 2011/61/EU and that is established in the home Member State of the AIF.

Article 114

(Depositary of a non-EU AIF)

(1) For a non-EU AIF that is managed by an AIFM or a non-EU AIFM whose Member State of reference is the Republic of Slovenia, the depositary may be:

1. an entity referred to in paragraph (1) of Article 112 of this Act;

2. a credit institution or another entity equivalent to the entities referred to in paragraph (1) of Article 112 of this Act that is established in the same country as the non-EU AIF, provided that the conditions referred to paragraph (2) of this Article are met.

(2) The appointment of a depositary established in a third country shall be subject to the following conditions:

1. The Agency, the competent authority of the depositary established in a third country and the competent authorities of the Member States in which units of the non-EU AIF will be marketed have signed a cooperation agreement to facilitate the exchange of all data and information required for supervision;

2. the depositary shall be subject to effective prudential regulation, including minimum capital requirements, and supervision that have the same effect as EU law and are effectively enforced in accordance with Article 84 of Regulation (EU) No 231/2013;

3. the third country is not listed as a "Non-Cooperative Country and Territory" by the Financial Action Task Force (hereinafter: the FATF);

4. the Republic of Slovenia, the Member States in which the units of the non-EU AIF are intended to be marketed and the third country have signed an agreement that fully complies with the standards determined by Article 26 of the OECD Model Tax Convention on Income and on Capital and, together with any multilateral tax agreements, ensures the effective exchange of information in tax matters;

5. the depositary shall by contract be liable to the investors in the non-EU AIF or to the non-EU AIF as determined in paragraphs (1) to (5) of Article 124 of this Act, and shall expressly agree to comply with the provisions of Article 123 of this Act.

(3) Any disagreements between the Agency and the competent authorities of the Member States as to the application of points 1, 3 or 5 of the preceding paragraph shall be settled in accordance with Article 19 of Regulation (EU) No 1095/2010.

Article 115

(Depositary functions)

(1) The depositary shall perform, on the basis of a contract for the performance of depositary functions, the following functions:

1. monitoring of the AIF's cash flows in accordance with Article 116 of this Act;
2. providing the service of safekeeping the AIF's assets in accordance with Article 117 of this Act;
3. ensuring that the sale, issue, re-purchase, redemption and cancellation of units of the AIF are carried out in accordance with this Act and other regulations governing the operation of AIFs and the AIF rules or instruments of incorporation;
4. ensuring that the value of the units of the AIF is calculated in accordance with this Act and other regulations governing the operation of AIFs or the AIF rules or instruments of incorporation;
5. carrying out the instructions of the AIFM, unless they conflict with this Act and other regulations governing the operation of AIFs or the AIF rules or instruments of incorporation;
6. ensuring that, in transactions concluded by the AIFM for the account of the AIF, any consideration is remitted within the usual time limits;
7. ensuring that the AIF's income is applied in accordance with this Act and other regulations governing the operation of AIFs or the AIF rules or instruments of incorporation.

(2) In performing the functions referred to in the preceding paragraph, the depositary shall act in accordance with Articles 85 to 97 of Regulation (EU) No 231/2013.

Article 116

(Depositary functions relating to the monitoring of the AIF's cash flows)

(1) Each AIF shall have a cash account opened in the name of the AIF or in the name of the AIFM acting on behalf of the AIF or in the name of the depositary acting on behalf of the AIF at:

1. a central bank;
2. a bank that has its registered office in the Republic of Slovenia;
3. a credit institution authorised by the competent authority in accordance with the regulation of the Member State adopted for the transposition of Directive 2013/36/EU;
4. a bank that has its registered office in a third country that is authorised by the competent authority;

5. another entity equivalent to the institutions referred to in points (1) to (4) of this paragraph that is subject to effective prudential regulation and supervision that have the same effect as EU law and are effectively enforced in accordance with the principles determined by Article 16 of Directive 2006/73/EC if such requirements exist in the market concerned.

(2) The AIFM shall inform the depositary of all opened accounts in accordance with Article 85(2) of Regulation (EU) No 231/2013.

(3) Assets other than the assets of the AIF shall not be booked on the cash account of the AIF.

(4) The depositary shall monitor the AIF's cash flows in accordance with Article 86 of Regulation (EU) No 231/2013.

(5) In performing the functions referred to in the preceding paragraph, the depositary shall, in particular, ensure that all payments for the issue of units of the AIF have been received and booked on the cash account of the AIF or the cash account of the AIFM acting on behalf of the AIF or the cash account of the depositary acting on behalf of the AIF.

Article 117

(Depositary functions relating to the safekeeping of the AIF's assets)

(1) The depositary shall hold in custody all financial instruments of the AIF that can be registered in a financial instruments account opened at the depositary and all financial instruments of the AIF that have been issued as written documents.

(2) The financial instruments referred to in the preceding paragraph shall be registered within segregated accounts opened in the name of the AIF or the AIFM acting on behalf of the AIF in accordance with the principles of the protection of financial instruments determined by the Decision on conditions for providing investment and other services for brokerage companies (*Uradni list RS*, Nos 106/07, 5/08, 80/11 and 20/14) so that they can be clearly identified as belonging to the AIF at all times.

(3) With regard to other assets not held in custody by the depositary, the depositary shall verify the ownership of the AIF or the AIFM acting on behalf of the AIF of such assets in accordance with Article 90 of Regulation (EU) No 231/2013.

(4) The depositary shall maintain and regularly update a record of assets of which the AIF or the AIFM acting on behalf of the AIF holds ownership.

(5) For the purpose of verifying ownership as referred to in paragraph (3) of this Article, the AIFM shall submit to the depositary appropriate documents and information unless such information can be obtained by the depositary from other records.

Article 118

(Contracts for the performance of depositary functions)

(1) An AIFM shall, for each of the AIFs, EU AIFs and non-EU AIFs that it manages, conclude a written contract for the performance of depositary functions with the depositary, which shall, *inter alia*, regulate the flow of information deemed necessary to allow the depositary to perform its functions in accordance with this Act and other regulations governing the operation of a depositary.

(2) The contract for the performance of depositary functions shall include at least the particulars referred to in Article 83 of Regulation (EU) No 231/2013.

Article 119

Authorisation to conclude a contract for the performance of depositary functions for an APIF)

(1) Prior to the conclusion of a contract for the performance of depositary functions for an APIF, it shall be necessary to obtain authorisation from the Agency to conclude such a contract.

(2) The text of the contract shall be included with the request for authorisation to conclude a contract for the performance of depositary functions.

(3) The Agency shall grant authorisation to conclude a contract for the performance of depositary functions if:

1. the contract is in accordance with this Act and Regulation (EU) No 231/2013 and

2. the depositary is one of the entities referred to in points 1 to 4 of paragraph (1) of Article 112 of this Act.

(4) When an AIFM managing an APIF has filed an application for authorisation to manage an APIF, the process of decision-making on the authorisation to conclude a contract for the performance of depositary functions shall be joined with the process of decision-making on the authorisation to manage an APIF.

(5) The provisions of this Article shall apply, *mutatis mutandis*, to the modifications of the contract for the performance of depositary functions.

Article 120

(Rules of conduct of the depositary)

(1) In performing their respective tasks, the depositary and the AIFM shall act honestly, fairly, professionally, independently and in the interests of the AIF and the investors in the AIF.

(2) A depositary shall not carry out activities with regard to the AIF or the AIFM acting on behalf of the AIF that may create conflicts of interest between the AIF, the investors in the AIF, the AIFM and itself, unless the depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks and has established appropriate procedures to identify, manage, monitor and disclose potential conflicts of interest.

(3) The depositary shall not reuse the assets referred to in Article 117 without the prior consent of the AIF or the AIFM acting on behalf of the AIF.

Article 121

(Prohibited transactions and investments by the depositary)

(1) A depositary shall be prohibited, unless otherwise provided by this Act, from concluding a legal transaction the subject of which is or would become an investment in the AIF for which the depositary performs depositary functions.

(2) The prohibition referred to in the preceding paragraph shall not apply to transactions the subject of which is the investments of the AIF and that are concluded in the regulated securities market, provided that the parties to such a transaction were not and cannot be known to each other in advance.

(3) Notwithstanding paragraph (1) of this Article, the AIFM and the depositary may conclude money deposits and transactions the subject of which is the first sale of securities or money market instruments as defined by the ZTFI if they are issued by the depositary, on condition that:

1. the depositary of the AIF does not have a qualifying holding in the AIFM;

2. the depositary and the AIFM define, the former in the rules referred to in paragraph (6) of this Article and the latter in the rules adopted to limit conflicts of interest, the possible forms of conflicts of interest in the event of such investments of the AIF, and ways of limiting such conflicts of interests;

3. such deposits or transactions are concluded under general market conditions or under conditions more favourable for the AIF, taking into account the related expenses and commissions and other investment opportunities.

(4) A depositary may not acquire units of the AIF for which it performs depositary functions.

(5) A natural person managing the assets of the depositary may not perform depositary functions under this Act.

(6) The depositary shall adopt rules to limit the transfer of information relating to the assets of the investment fund among the entities referred to in the preceding paragraph and to limit potential conflicts of interests that may arise during the performance of depositary functions for the investment fund in relation to other services and activities and the assets of the depositary, and in relation to capital ties between the depositary and other entities, and the depositary's ownership structure.

Article 122

(Detailed rules regarding procedural acts)

(2) The depositary and the AIFM shall be authorised to file claims and objections on behalf and for the account of the AIF in all judicial proceedings and proceedings before other state authorities concerning the rights, obligations or assets of the AIF.

(2) Where in the proceedings referred to in the preceding paragraph the depositary's procedural acts conflict with the procedural acts of the AIFM, the procedural acts that are more favourable for the AIF shall be applied.

(3) The AIFM shall immediately inform the depositary of the initiation of any proceedings referred to in paragraph (1) of this Article and shall regularly report on the progress of the proceedings.

(4) In the proceedings referred to in paragraph (1) of this Article, the AIFM shall not be allowed to dispose of claims, reach a court settlement or withdraw a legal remedy without the consent of the depositary.

Article 123

(Delegation of depositary functions)

(1) The depositary may not delegate to third parties the tasks referred to in paragraph (1) of Article 117 of this Act carried out as part of its depositary functions.

(2) Notwithstanding the preceding paragraph, the depositary may delegate to third parties one or more tasks referred to in Article 117 of this Act, subject to the following conditions:

1. the tasks are not delegated with the intention of avoiding the provisions of this Act;
2. the depositary can justify that there is an objective reason for the delegation;
3. the depositary exercises all due skill, care and diligence in the selection and the appointment of any third party to whom it wants to delegate some of its tasks, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of the selected third party and of the arrangements of the third party in respect of the performance of the tasks delegated to it as provided in Article 98 of Regulation (EU) No 231/2013;
4. the depositary ensures that the third party meets the following conditions at all times during the performance of the tasks delegated to it:
 - a) the third party has an organisational structure and expertise that are adequate and proportionate to the nature and complexity of the assets of the AIF or the AIFM acting on behalf of the AIF;
 - b) the performance of the tasks referred to in paragraphs (1) and (2) of Article 117 is subject to effective prudential regulation, including minimum capital requirements, and supervision and to an external periodic audit to verify whether the third party to whom tasks are delegated has financial instruments in its possession;
 - c) the assets of the depositary's clients shall be segregated from the assets of the depositary and the assets of the third party to which tasks are delegated in such a way that they can at any time be clearly identified as belonging to clients of a particular depositary as determined by Article 99 of Regulation (EU) No 231/2013;
 - d) the third party cannot make use of the assets without the prior consent of the AIF or the AIFM acting on behalf of the AIF and prior notification of the depositary;
 - e) the third party complies with the general obligations and prohibitions determined by Articles 117 and 120 of this Act.

(3) Notwithstanding point 4(b) of the preceding paragraph, where the law of a third country requires that certain financial instruments be held in custody by an entity from that country and no entity satisfies the requirements determined by point 4(b) of the preceding paragraph, the depositary may delegate its functions to such an entity only to the extent required by the law of the third country and only for as long as there are no other entities that satisfy the requirements determined by point 4(b) of the preceding paragraph, provided that:

1. the investors in the relevant AIF are duly informed prior to their investment that the delegation of depositary functions to such an entity is required due to the legislative constraints of the third country and the circumstances justifying the delegation;
2. the AIF, or the AIFM on behalf of the AIF, has explicitly instructed the depositary to delegate the custody of such financial instruments to such an entity.

(4) The entity to whom the depositary has delegated depositary functions may, in turn, sub-delegate those functions to a third party, subject to the requirements referred to in paragraph (2) of this Article; in such a case, paragraphs (4) and (5) of Article 124 of this Act shall apply *mutatis mutandis*.

(5) The use of settlement systems services for the settlement of stock exchange transactions in securities in Member States and the use of services of comparable systems in third countries shall not be considered a delegation of depositary functions.

Article 124

(The depositary's liability)

(1) The depositary shall be liable to the AIF or to the investors in the AIF for:

1. the loss of financial instruments, as determined by Article 100 of Regulation (EU) No 231/2013, held in custody by the depositary in accordance with paragraph (1) of Article 117 of this Act or held in custody by a third party to whom the depositary has delegated depositary functions in accordance with the preceding Article; and

2. for all other damage suffered by the investors in the AIF as a result of the depositary's negligent or intentional failure to properly fulfil its obligations pursuant to this Act or other regulation governing the operation of a depositary.

(2) In the event of the loss of a financial instrument referred to in point 1 of the preceding paragraph, the depositary shall, as soon as possible, return a financial instrument of identical type or the corresponding amount to the AIF or the AIFM acting on behalf of the AIF.

(3) Notwithstanding paragraph (1) of this Article, the depositary shall not be liable if it can prove that the loss referred to in point 1 of paragraph (1) of this Article has arisen as a result of an external event beyond its control, the consequences of which would have been unavoidable despite all its actions as determined by Article 101 of Regulation (EU) No 231/2013.

(4) The depositary shall also be liable for the damage caused to the AIF or the investors in the AIF as a result of the delegation of depositary functions pursuant to the preceding Article, subject to Article 102 of Regulation (EU) No 231/2013.

(5) Notwithstanding the preceding paragraph, the depositary shall not be liable for the loss of a financial instrument referred to in point 1 of paragraph (1) of this Article arising from the delegation of depositary functions to a third party if it can prove that:

1. all the requirements referred to in paragraph (2) of the preceding Article are met;

2. the depositary and the third party to which the depositary functions were delegated have concluded a written contract expressly stating that:

a) the liability of the depositary is transferred to the third party to which the depositary functions were delegated, and

b) the AIF, or the AIFM acting on behalf of the AIF, may make a claim against the third party to whom the depositary functions were delegated in respect of damage arising from the loss of financial instruments, or the depositary may make such a claim on their behalf;

3. a contract for the performance of the depositary functions referred to in Article 118 of this Act expressly allows discharge of the depositary's liability and lists the objective reasons for contracting such discharge.

(6) Where the law of a third country requires that certain financial instruments be held in custody by an entity from this country and there is no entity from this country that satisfies the requirements determined by point 4(b) of paragraph (2) of the preceding Article, discharge of the depositary's liability shall be possible provided that the following conditions are met:

1. the rules or instruments of incorporation of the AIF concerned expressly allow for discharge of the depositary's liability under the conditions determined by this paragraph;

2. the investors in the relevant AIF have been duly informed prior to their investment in the AIF of the possibility that the depositary may be discharged of liability and of the conditions for such discharge;

3. the AIF or the AIFM on behalf of the AIF explicitly instructed the depositary to delegate the custody of financial instruments to an entity from a third country that does not satisfy the requirements determined by point 4(b) of paragraph (2) of the preceding Article;

4. a contract for the performance of depositary functions referred to in Article 118 of this Act expressly allows discharge of the depositary's liability;

5. the depositary and the entity from a third party that does not satisfy the requirements determined by point 4(b) of paragraph (2) of the preceding Article have concluded a written contract that transfers the liability of the depositary to that entity and makes it possible for the AIF or the AIFM acting on behalf of the AIF to make a compensation claim against that entity for damages, or for the depositary to make such a claim on their behalf.

(7) A claim for damages shall be made by the AIFM on behalf and for the account of the AIF or the investor in the AIF, depending on the arrangements governing the relations between the AIFM, the depositary and the investor in the AIF.

Article 125

(Reporting by the depositary on matters relevant to the performance of the Agency's tasks)

(1) The depositary shall make available to the Agency, on request, reports and all information relevant to the performance of its tasks.

(2) If the reports and information referred to in the preceding paragraph are also of relevance to other competent authorities, the Agency shall make available the reports and information received to the competent authorities without delay.

(3) The Agency shall prescribe the manner of reporting referred to in paragraph (1) of this Article.

2.4.11 The provision of AIF management services in the Republic of Slovenia

2.4.11.1 The provision of AIF management services in the Republic of Slovenia by AIFMs

Article 126

(Application for authorisation to provide AIF management services)

(1) An AIFM that meets the requirements determined by paragraph (2) of Article 38 of this Act shall be obliged to obtain authorisation from the Agency to provide AIF management services.

(2) The AIFM shall include the following documents with its application for authorisation to provide AIF management services:

1. a copy of the articles of association or of the instruments of incorporation that is in compliance with the provisions of the law governing companies;

2. a list of persons who will effectively conduct the business of the AIFM, together with their areas of competence, evidence showing that these persons are of sufficiently good repute and have sufficient knowledge and experience also in relation to the conduct of the business of the AIFs, EU AIFs or non-EU AIFs that are to be managed by the AIFM, and the names of the persons who will be on the management board of the AIFM;

3. a list of holders of qualifying holdings in the AIFM, including the name of each holder, the permanent or temporary residence for natural persons and the registered office and registered name for legal persons, and information on the number and amount of shares or the size of the shareholding;

4. the programme of operations and an outline of the organisational structure, including an explanation of how it ensures compliance of its business with the provisions of this Act relating to the delegation of AIF management services or transactions to a third party, the initial capital of the AIFM, the operating rules of the AIFM, capital adequacy, notification of investors, obligations of AIFMs managing AIFs that acquire a major holding in non-listed companies and issuers, depositary functions in relation to the management of AIFs and reporting to the Agency, and, where relevant, the provisions governing the management of EU AIFs by the AIFM, the management of non-EU AIFs by the AIFM, and the marketing of units of AIFs, EU AIFs and non-EU AIFs in the Republic of Slovenia, a Member State or a third country;

5. a description of the remuneration system referred to in Article 64 of this Act;

6. any contracts regarding the delegation referred to in paragraph (2) of Article 58 of this Act and any power to perform individual AIF management services or transactions that the delegate may sub-delegate to a third party referred to in Article 60 of this Act.

(3) For each of the AIFs, EU AIFs or non-EU AIFs it manages or intends to manage, the AIFM shall include the following information with the application referred to in the preceding paragraph:

1. information on the investment strategies of the AIFs, EU AIFs or non-EU AIFs, including information on the underlying funds of the fund of funds;
2. information on the AIFM's policy as regards the use of leverage;
3. the risk profiles and other characteristics of the AIFs, EU AIFs or non-EU AIFs;
4. information on the countries in which the EU AIFs or non-EU AIFs that are managed or will be managed by the AIFM are established;
5. information on where the master AIF is established if the AIF, EU AIF or non-EU AIF is a feeder AIF;
6. the rules or instruments of incorporation of the AIF, EU AIF or non-EU AIF;
7. information on the arrangements made for the conclusion of a contract for the performance of the depositary functions referred to in Article 118 of this Act;
8. any additional information that the AIFM is obliged to make available to investors for each AIF, EU AIF or non-EU AIF in accordance with paragraph (1) of Article 97 of this Act.

(4) An AIFM that is authorised to manage a particular type of AIF, EU AIF or non-EU AIF shall not be required to provide documents that it already submitted to the Agency when applying for authorisation to manage a different type of AIF, provided that the information contained in the documents has not changed by the date of submission of the application.

(5) When applying for authorisation to provide AIF management services, a management company shall not be required to provide documents that it has already submitted to the Agency, provided that the information contained in the documents has not changed by the date of submission of the application.

(6) The Agency shall prescribe in detail the content and form of the documents referred to in paragraphs (2) and (3) of this Article, taking into account the ESMA guidelines.

Article 127

(Decision-making regarding authorisation to provide AIF management services)

(1) The Agency shall grant authorisation to provide AIF management services if:

1. the submitted documents show that the AIFM will be able to comply with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia;
2. the AIFM has sufficient initial capital and own funds in accordance with Article 62 of this Act;
3. the holders of qualifying holdings in the AIFM are suitable and, considering the impact of individual holders of qualifying holdings on the AIFM's management, the sound and prudent management of the AIFM will not be threatened;
4. evidence shows that the persons who will effectively conduct the business of the AIFM are of sufficiently good repute and are sufficiently experienced also in relation to the conduct of the business of the AIFs, EU AIFs or non-EU AIFs that are to be managed by the AIFM;
5. at least two members of the management board meet the conditions and requirements referred to in the preceding point;
6. the AIFM has its registered office and head office in the Republic of Slovenia.

(2) The Agency shall specify the type of AIFs that the AIFM is allowed to manage in the operative part of the decision granting the AIFM authorisation to provide AIF management services.

(3) Authorisation to provide AIF management services shall apply to the AIF management services referred to in points 1 and 2 of Article 57 of this Act.

(4) Authorisation to provide AIF management services shall be valid for all Member States.

Article 128

(Obligation to consult other competent authorities)

Before granting authorisation to an AIFM to provide AIF management services, the Agency shall be obliged to consult the competent authority of the relevant Member State if that AIFM is:

1. a subsidiary of an EU AIFM, an EU credit institution, an EU investment firm, an EU management company or an EU insurance undertaking;

2. a subsidiary of the parent undertaking of an EU AIFM, of an EU credit institution, of an EU investment firm, of an EU management company or of an EU insurance undertaking;

3. a company controlled by the same natural or legal person of a Member State as that which controls another EU AIFM, an EU credit institution, an EU investment firm, an EU management company or an EU insurance undertaking.

Article 129

(The time limit for decision-making)

(1) The Agency shall decide on an application for authorisation to provide AIF management services within three months of the submission of a complete application.

(2) The Agency may extend the time limit referred to in the preceding paragraph by three months if this is necessary due to the specific circumstances of the case and after it has notified the applicant accordingly.

(3) An application for authorisation to provide AIF management services is deemed complete if it contains all the documents and information referred to in points 1 to 5 of paragraph (2) and points 1 to 5 of paragraph (3) of Article 126 of this Act.

Article 130

(Commencement of the performance of AIF management services)

An AIFM that has been authorised to provide AIF management services may start to manage a particular type of AIF as soon as the authorisation to manage this type of AIF has been granted, but not earlier than 1 month after having submitted any missing documents and the information referred to in point 6 of paragraph (2) and points 6 to 8 of paragraph (3) of Article 126 of this Act.

Article 131

(Reasons for the refusal of authorisation to provide AIF management services)

(1) The Agency shall refuse an application for authorisation to provide AIF management services when the applicant fails to meet the conditions referred to in paragraph (1) of Article 127 of this Act.

(2) The Agency shall refuse an application for authorisation to provide AIF management services where the exercise of supervision over the AIFM would be impeded or prevented by any of the following:

1. close links between the AIFM and other persons;

2. the provisions of the laws and other regulations of a third country governing the legal status of the person from a third country with which the AIFM has close links; or

3. difficulties involved in the enforcement of the laws and other regulations of a third country governing the legal status of persons with which the AIFM has close links.

Article 132

(Notification of changes to material facts or circumstances)

(1) If an AIFM that is authorised to provide AIF management services intends to change any of the facts or circumstances referred to in paragraph (2) or (3) of Article 126 of this Act, it shall notify the Agency before making any such change.

(2) The Agency shall decide on the admissibility of the intended changes within one month of receipt of the notification referred to in the preceding paragraph.

(3) The AIFM may implement the planned changes if, within the time limit referred to in the preceding paragraph, the Agency does not issue a decision prohibiting or restricting the implementation of these changes by the AIFM.

(4) The Agency may extend the time limit referred to in paragraph (2) of this Article by one month if this is necessary due to the specific circumstances of the case and after it has notified the applicant accordingly.

Article 133

(Termination of authorisation to provide AIF management services)

(1) Authorisation to provide AIF management services shall be terminated in the following cases:

1. where the AIFM does not start to manage AIFs, EU AIFs or non-EU AIFs within one year of being granted authorisation;

2. where the management board of the AIFM notifies the Agency in writing that the AIFM renounces the authorisation;

3. where the AIFM does not provide services for the management of AIFs, EU AIFs or non-EU AIFs for more than six months; or

4. upon the issuance of a decision by the competent court to initiate bankruptcy or compulsory liquidation proceedings against the AIFM.

(2) If the reasons referred to in the preceding paragraph exist, the Agency shall issue a decision establishing that the authorisation has been terminated.

(3) The AIFM may not enter into any new transactions in relation to the performance of AIF management services:

1. in the cases referred to in points 1 and 3 of paragraph (1) of this Article: from the date the authorisation is terminated;

2. in the case referred to in point 2 of paragraph (1) of this Article: after the notification has been submitted to the Agency;

3. in the case referred to in point 4 of paragraph (1) of this Article: from the date when the bankruptcy or compulsory liquidation proceedings initiated against the AIFM become effective.

Article 134

(Notifying ESMA of authorisations to provide AIF management services)

The Agency shall, on a quarterly basis, notify ESMA of the issued and withdrawn authorisations to provide AIF management services and the authorisations to provide AIF management services that have been terminated.

2.4.11.2 Management of AIFs in the Republic of Slovenia by an EU AIFM

Article 135

(Management of AIFs in the Republic of Slovenia by an EU AIFM)

(1) An EU AIFM may, under the conditions determined by this Subsection, directly or through a branch provide the following services in the Republic of Slovenia:

1. management of AIFs;

2. provision of the portfolio management services or non-core services referred to in Subsection 2.4.14. of this Act for which it is authorised by the competent authority of its home Member State.

(2) An EU AIFM may manage only those types of AIFs in the Republic of Slovenia that it is allowed to manage in its home Member State.

(3) If an EU AIFM establishes a branch in the Republic of Slovenia, Article 63, Articles 67 to 69, and Articles 165 and 167 of this Act shall apply to the operation of such a branch.

Article 136

(Commencement of the performance of services)

An EU AIFM may start to manage AIFs in the Republic of Slovenia directly or may establish a branch in the Republic of Slovenia and manage AIFs through the branch when it is notified by the competent authority of its home Member State that the competent authority has submitted to the Agency the notification and documents containing the information referred to in paragraphs (1) and (2) of Article 155 of this Act, together with its statement that the EU AIFM concerned is authorised to manage a particular type of AIF.

2.4.11.3 Provision of AIF management services in the Republic of Slovenia by a non-EU AIFM

2.4.11.3.1 General provisions for the provision of AIF management services in the Republic of Slovenia by a non-EU AIFM

Article 137

(Provision of AIF management services in the Republic of Slovenia by a non-EU AIFM)

(1) A non-EU AIFM may manage AIFs or market units of AIFs, EU AIFs or non-EU AIFs in the Republic of Slovenia if it acquires prior authorisation to manage AIFs in the Republic of Slovenia or if it acquires such authorisation in another Member State of reference on the basis of the regulation of the Member State adopted for the transposition of Directive 2011/61/EU.

(2) The operation of a non-EU AIFM whose Member State of reference is the Republic of Slovenia shall be in compliance with the provisions of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia, with the exception of Subsections 2.4.12.1., 4.2.1. and 4.2.2. of this Act.

(3) Notwithstanding the preceding paragraph of this Article, a non-EU AIFM shall not be obliged to comply with the provisions of this Act and of other regulations governing the business of AIFMs in the Republic of Slovenia with regard to which it has authorisation from the Agency in accordance with Article 144 of this Act.

Article 138

(Legal representative)

(1) A non-EU AIFM shall appoint a legal representative in its Member State of reference.

(2) The legal representative established in the Member State of reference of the non-EU AIFM shall represent the non-EU AIFM in the Member State and shall be the contact point of the non-EU AIFM responsible for any official correspondence between the competent authorities and the non-EU AIFM and between the EU investors in the relevant AIF managed by that non-EU AIFM and the non-EU AIFM.

(3) The legal representative and the non-EU AIFM shall ensure that the management of AIFs and the marketing of units of AIFs, EU AIFs or non-EU AIFs are in compliance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia or regulations governing the operation of AIFs.

Article 139

(Member State of reference)

(1) The Member State of reference shall be determined as follows:

1. if the non-EU AIFM intends to manage one or several AIFs in the Republic of Slovenia, and does not intend to market them in accordance with Subsections 4.2.7., 4.2.8. and 4.2.9. of this Act, the Member State of reference is the Republic of Slovenia;

2. if the non-EU AIFM intends to manage one or several EU AIFs established in the same Member State, and does not intend to market them in accordance with Subsections 4.2.7., 4.2.8. and 4.2.9. of this Act, the Member State of reference is the home Member State of that or those AIFs;

3. if the non-EU AIFM intends to manage one or several AIFs or EU AIFs established in the Republic of Slovenia and in one or several Member States, and does not intend to market them in accordance with Subsections 4.2.7., 4.2.8. and 4.2.9. of this Act, the Member State of reference is either:

- a) the Republic of Slovenia or the Member State where most of the AIFs or EU AIFs are established; or
- b) the Republic of Slovenia or the Member State where the largest amount of assets are being managed;

4. if the non-EU AIFM intends to market only one AIF or EU AIF in the Republic of Slovenia or in only one Member State, the Member State of reference is determined as follows:

a) if the AIF or EU AIF is authorised by the Agency or by the competent authority of the Member State of the AIF, or registered with the competent authority of the Member State of the AIF, the Member State of reference is the Republic of Slovenia or the Member State in which the non-EU AIFM intends to market the AIF or the EU AIF;

a) if the AIF or EU AIF is not authorised by the Agency or by the competent authority of the Member State of the AIF, or is not registered with the competent authority of the Member State of the AIF, the Member State of reference is the Republic of Slovenia or the Member State in which the non-EU AIFM intends to market the AIF or the EU AIF;

5. if the non-EU AIFM intends to market one non-EU AIF only in the Republic of Slovenia, the Member State of reference is the Republic of Slovenia;

6. if the non-EU AIFM intends to market one non-EU AIF only in one Member State, the Member State of reference is the Member State in which the non-EU AIFM intends to market that non-EU AIF;

7. if the non-EU AIFM intends to market only one AIF or EU AIF only in the Republic of Slovenia or in one or several Member States, the Member State of reference is determined as follows:

a) if the AIF or EU AIF is authorised by the Agency or the competent authority of the Member State of the AIF, or is registered with the competent authority of the Member State of the AIF, the Member State of reference is the Republic of Slovenia or the home Member State of the AIF, or the Republic of Slovenia or one of the Member States in which the non-EU AIF intends to develop effective marketing, or

a) if the AIF or EU AIF is not authorised by the Agency or by the competent authority of the Member State of the AIF, or is not registered with the competent authority of the Member State of the AIF, the Member State of reference is the Republic of Slovenia or the Member State in which the non-EU AIFM intends to develop effective marketing;

8. if the non-EU AIFM intends to market only one non-EU AIF in the Republic of Slovenia and in one or several Member States, the Member State of reference is one of these Member States;

9. if the non-EU AIFM intends to market several AIFs or EU AIFs in the Republic of Slovenia and in one or several Member States, the Member State of reference is determined as follows:

a) if the AIFs or EU AIFs are all authorised by the Agency or by the same competent authority of the EU AIF or are registered with the same competent authority of the Member State of the AIF, the Member State of reference is the Republic of Slovenia or the Member State that is the home Member State of those EU AIFs, or the Republic of Slovenia or the Member State in which the non-EU AIFM intends to develop effective marketing for most of those AIFs or EU AIFs;

b) if none of the AIFs or EU AIFs are authorised by the Agency or by the same competent authority of the EU AIF or are not registered with the same competent authority of the Member State of the AIF, the Member State of reference is the Republic of Slovenia or the Member State in which the non-EU AIFM intends to develop effective marketing for most of those AIFs or EU AIFs;

10. if the non-EU AIFM intends to market several AIFs, EU AIFs and non-EU AIFs, or only several non-EU AIFs in the Republic of Slovenia and in several Member States, the Member State of reference is the Republic of Slovenia or the Member State where the non-EU AIFM intends to develop effective marketing for most of those AIFs, EU AIFs or non-EU AIFs.

(2) The non-EU AIFM shall be able to prove its intention to develop effective marketing in the Republic of Slovenia or in a particular Member State by disclosing its marketing strategy to the Agency or the competent authority of the Member State.

Article 140

(Determination of the Member State of reference)

(1) If, on the basis of the criteria referred to in paragraph (1) of the preceding Article, the Republic of Slovenia and one or several Member States may be determined as the Member State of reference, a non-EU AIFM intending to provide AIF management services in the Republic of Slovenia or market units of AIFs, EU AIFs or non-EU AIFs shall submit a request for the determination of the Member State of reference to the Agency and the competent authorities of the Member States that are possible Member States of reference as provided by Regulation (EU) No 448/2013.

(2) The Agency and the competent authorities of the Member States shall determine the Member State of reference within one month of receipt of the request referred to in the preceding paragraph.

(3) If the Republic of Slovenia is appointed as the Member State of reference, the Agency shall, no later than seven days from the appointment, notify the non-EU AIFM that its Member State of reference is the Republic of Slovenia.

(4) If a non-EU AIFM submits a request referred to in paragraph (1) of this Article and is not informed by the Agency or other competent authority of the decision regarding the Member State of reference within one month of the submission of the request, the non-EU AIFM may itself choose its Member State of reference in accordance with the preceding Article.

(5) Where the Agency disagrees with the determination of the Member State of reference by the AIFM, it may refer the matter to ESMA, which may act in accordance with Article 19 of Regulation (EU) No 1095/2010.

2.4.11.3.2 (Provision of AIF management services by a non-EU AIFM whose Member State of reference is the Republic of Slovenia)

Article 141

(Acquiring authorisation to provide AIF management services in the Republic of Slovenia)

(1) A non-EU AIFM that intends to manage AIFs or market units of AIFs, EU AIFs or non-EU AIFs in the Republic of Slovenia, and whose Member State of reference, determined in accordance with the preceding Article, is the Republic of Slovenia, shall be obliged to submit an application for authorisation to provide AIF management services to the Agency.

(2) The following documents shall be included with an application referred to in the preceding paragraph:

1. the documents or evidence referred to in paragraph (2) of Article 126 of this Act;
2. the documents or evidence referred to in paragraph (3) of Article 126 of this Act for those AIFs that the non-EU AIFM intends to manage, and for those AIFs, EU AIFs or non-EU AIFs that the non-EU AIFM intends to market in Member States;
3. if the Republic of Slovenia was determined as the Member State of reference by the non-EU AIFM itself in accordance with Article 139 of this Act, the justification for such determination;
4. the registered name and registered office of the legal representative of the non-EU AIFM;

(3) The provisions of Subsection 2.4.11.1. of this Act shall, *mutatis mutandis*, apply to the granting of authorisation referred to in this Article, unless otherwise provided by this Subsection.

(4) The non-EU AIFM's application for authorisation to provide AIF management services shall be deemed to be complete if, in addition to the documents and information referred to in paragraph (3) of Article 129 of this Act, it contains the documents referred to in points 2 and 3 of paragraph (2) of this Article, with the exception of the documents and information referred to in point 6 of paragraph (2) of Article 126 of this Act and points 6 to 8 of paragraph (3) of Article 126 of this Act, and the documents referred to in paragraph (2) of Article 144 of this Act.

Article 142

(Assessment of the determination of the Republic of Slovenia as the Member State of reference)

(1) If the Member State of reference is determined by the AIFM itself in accordance with paragraph (4) of Article 140, the Agency shall, after receiving the application for authorisation to provide AIF management services referred to in paragraph (2) of the preceding Article, assess whether the determination of the Republic of Slovenia as the Member State of reference is in compliance with paragraph (1) of Article 139 of this Act.

(2) If the Agency assesses that the determination of the Republic of Slovenia as the Member State of reference is in compliance with paragraph (1) of Article 139 of this Act, it shall notify ESMA thereof and request its opinion on the assessment. The Agency shall include with the request the justification for determining the Member State of reference and the information on the marketing strategy submitted to the Agency by the non-EU AIFM.

(3) Notwithstanding paragraph (1) of Article 129 of this Act, the time limit for granting authorisation to provide AIF management services shall not run from the date when the Agency requests ESMA to provide its opinion on the assessment referred to in the preceding paragraph until the date of receipt of this opinion, but for no longer than one month from the date of submitting the request for an opinion.

(4) The Agency shall refuse an application for authorisation to provide AIF management services referred to in paragraph (2) of the preceding Article if the determination of the Republic of Slovenia as the Member State of reference is not in compliance with paragraph (1) of Article 139 of this Act.

Article 143

(Decision contrary to ESMA's opinion)

If the Agency intends to grant the non-EU AIFM authorisation to provide AIF management service despite ESMA's opinion that the Republic of Slovenia is not the Member State of reference, the Agency shall notify its intention to ESMA and the competent authorities of the Member States where the non-EU AIFM intends to market units of AIFs, EU AIFs or non-EU AIFs that it manages, and give reasons for its decision.

Article 144

(Authorisation for the limited application of the Act)

(1) A non-EU AIFM may, together with an application for authorisation to provide AIF management services, submit an application for authorisation for the limited application of the provisions of this Act and of other regulations governing the operation of AIFs in the Republic of Slovenia.

(2) The non-EU AIFM shall include the following documents with its request for authorisation for the limited application of the provisions of this Act and of other regulations governing the operation of AIFs in the Republic of Slovenia:

1. a list of provisions of this Act for which compliance by the non-EU AIFM is impossible because they are in conflict with the regulations of the relevant third country governing the operation of non-EU AIFMs or the operation of non-EU AIFs that are marketed in the Republic of Slovenia or a Member State;

2. a written statement based on the technical standards developed by ESMA, supported by a legal opinion, that the law of the country of the non-EU AIFM has the same regulatory purpose and offers the same level of protection to investors as the provisions of this Act for which compliance by the non-EU AIFM is impossible as these provisions are in conflict with the regulations of the relevant third country, and that the non-EU AIFM complies with these provisions.

(3) The Agency shall allow a limited application of the provisions of this Act and of other regulations governing the business of AIFMs for a non-EU AIFM if that non-EU AIFM can demonstrate that:

1. compliance by the non-EU AIFM with the provisions of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia is impossible because they are in conflict with the regulations of the relevant third country governing the operation of non-EU AIFMs or the operation of non-EU AIFs;

2. the regulations of the third country in which the non-EU AIFM has its registered office have the same regulatory purpose and offer the same level of protection to investors as the provisions of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia;

3. it complies with the regulations of the third country referred to in the preceding point.

(4) If the Agency believes that the non-EU AIFM's request for the limited application of the provisions of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia is justified, the Agency shall notify ESMA of the request and include the documents referred to in paragraph (2) of this Article with its notification.

(5) Notwithstanding paragraph (1) of Article 129 of this Act, the time limit for granting authorisation to provide AIF management services shall not run from the date when the Agency sends the notification referred to in the preceding paragraph to ESMA until the date of receipt of ESMA's opinion.

(6) If the Agency intends to grant the non-EU AIFM limited application of the provisions of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia despite ESMA's opinion that the non-EU AIFM's request is not justified, the Agency shall notify its intention to ESMA and the competent authorities of the Member States in which the non-EU AIFM intends to market units of AIFs, EU AIFs or non-EU AIFs that it manages, and give reasons for its decision.

(7) If the non-EU AIFM submits an application for authorisation for the limited application of the provisions of this Act and of other regulations governing the operation of AIFs in the Republic of Slovenia, the Agency shall decide simultaneously on this request and on the application for authorisation to provide AIF management services.

Article 145

(Conditions for granting authorisation to a non-EU AIFM)

(1) The Agency shall grant a non-EU AIFM authorisation to provide AIF management services if the non-EU AIFM meets the conditions referred to in points 1 to 5 of paragraph (1) of Article 127 of this Act and provided that:

1. the Member State of reference is determined in accordance with paragraph (1) of Article 139 of this Act, and the application is justified by the disclosure of the marketing strategy, and the Agency has carried out the procedure referred to in Articles 142 and 143 of this Act;

2. the non-EU AIFM has appointed a legal representative who is a natural person domiciled in the Republic of Slovenia and has a higher education degree in law or economics, or a legal person with its registered office in the Republic of Slovenia that employs at least one person who has a higher education degree in law or economics;

3. the legal representative, together with the non-EU AIFM, is the contact person of the non-EU AIFM for investors, ESMA, the Agency and other relevant competent authorities of Member States, and is equipped to verify the compliance of the non-EU AIFM with this Act and with other regulations governing the operation of AIFMs in the Republic of Slovenia;

4. the Agency, the competent authority of the Member States where the non-EU AIFM intends to manage EU AIFs, and the competent authority of the non-EU AIFM have concluded cooperation agreements to facilitate the exchange of all data and information required for supervision;

5. the home country of the non-EU AIFM is not listed as a "Non-Cooperative Country and Territory" by the FATF;

6. the Republic of Slovenia and the home country of the non-EU AIFM have signed an agreement that fully complies with the standards determined by Article 26 of the OECD Model Tax Convention on Income and on Capital and that, together with any multilateral tax agreements, ensures the effective exchange of information in tax matters;

7. the laws and other regulations of the third country governing AIFMs or limitations in the supervisory and investigatory powers pursuant to this Act do not prevent the Agency from exercising effective supervision over the non-EU AIFM.

(2) If it becomes clear during the decision-making process or if the submitted evidence shows that the AIFM will be able to comply with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia, the Agency shall also take into consideration the authorisation for the limited application of the Act referred to in the preceding Article.

(3) If the competent authority of the relevant EU AIF and the competent authority of the non-EU AIFM fail to conclude a cooperation agreement referred to in point 4 of paragraph (1) of this Article within a reasonable time, the Agency may inform ESMA thereof.

Article 146

(Notification of ESMA regarding authorisations)

(1) The Agency shall notify ESMA of any authorisation to provide AIF management services granted to a non-EU AIFM, of any changes thereto, and of any withdrawal of such authorisation.

(2) The Agency shall notify ESMA of an application for authorisation to provide AIF management services and of the Agency's reasons for the refusal of a non-EU AIFM's application for authorisation to provide AIF management services, and shall include with such notification information that allows the identification of the non-EU AIFM and justification for the refusal to grant the authorisation.

(3) Where the Agency disagrees with the granting of authorisation to a non-EU AIF by the competent authority of a Member State it may notify ESMA thereof.

Article 147

(Change of the Member State of reference)

(1) Where a non-EU AIFM changes its marketing strategy within two years of its initial authorisation, and that change affects the circumstances that were taken into account in the determination of the Republic of Slovenia as the Member State of reference, the non-EU AIFM shall submit a request to change the Member State of reference with the Agency.

(2) The request to change the Member State of reference shall include:

1. an indication of the new Member State of reference;
2. information on the registered office and registered name of the new legal representative;
3. the new marketing strategy.

(3) After receiving the request referred to in the preceding paragraph, the Agency shall verify whether the determination of the new Member State of reference is justified and in compliance with paragraph (1) of Article 139 of this Act.

(4) The Agency shall notify ESMA of the change of the Member State of reference and include its assessment and the new marketing strategy with its notification. ESMA shall issue its opinion on the matter and shall notify the Agency and the competent authority of the new Member State of reference thereof.

(5) After receipt of ESMA's opinion, the Agency shall issue a decision on the change of the Member State of reference and submit it to the non-EU AIFM and its legal representative in the Republic of Slovenia.

(6) The Agency shall notify ESMA of the issued decision and its content. If the Agency does not comply with ESMA's opinion in its decision, it shall give reasons for the non-compliance.

(7) The Agency shall submit the decision on the change of the Member State of reference to the competent authority of the new Member State of reference. In addition to that decision, it shall also submit a copy of the decision granting authorisation to provide AIF management services and all other documents relating to the supervision of the non-EU AIFM. From the date of submission of the decision and all the documents, the Agency shall no longer be responsible for the supervision of the non-EU AIFM.

(8) The Agency shall submit its decision in which it does not comply with ESMA's opinion to the competent authorities of the Member States where the non-EU AIFM markets units of AIFs, EU AIFs or non-EU AIFs and to the competent authorities of the EU AIFs managed by the non-EU AIFM, if any exist.

Article 148

(Failure to comply with the duty to change the Member State of reference)

(1) The Agency shall require that a non-EU AIFM submit a request to change the Member State of reference if the non-EU AIFM, within two years after its initial authorisation to provide AIF management services:

1. fails to follow the presented marketing strategy;
2. provides false information in relation to the presented marketing strategy;
3. fails to submit a request to change the Member State of reference in accordance with the preceding Article.

(2) If the non-EU AIFM fails to act in accordance with the preceding paragraph, the Agency shall withdraw its authorisation to provide AIF management services in accordance with Subsection 6.6.6. of this Act.

Article 149

(Change of the Member State of reference after the two-year period)

(1) A non-EU AIFM that changes its marketing strategy after the two-year period of its initial authorisation to provide AIF management services may submit a request to change the Member State of reference.

(2) Article 147 of this Act shall apply, *mutatis mutandis*, to the request referred to in the preceding paragraph.

Article 150

(Notification of ESMA regarding the change of the Member State of reference)

Where the Agency disagrees with the change of the Member State of reference of a non-EU AIFM, it may notify ESMA thereof.

Article 151

(Application of regulations in the event of a dispute)

(1) Any dispute between the Agency and a non-EU AIFM shall be settled by the competent court in the Republic of Slovenia by application of the regulations in force in the Republic of Slovenia.

(2) Any disputes between a non-EU AIFM or a non-EU AIF and the investors in that non-EU AIF from the Republic of Slovenia shall be settled by the competent court in the Republic of Slovenia by application of the regulations in force in the Republic of Slovenia.

2.4.11.3.3 Management of AIFs by a non-EU AIFM whose Member State of reference is not the Republic of Slovenia

Article 152

(Management of AIFs by a non-EU AIFM whose Member State of reference is not the Republic of Slovenia)

(1) A non-EU AIFM that has been authorised in a Member State to manage AIFs may also manage AIFs, either directly or through a branch, in the Republic of Slovenia.

(2) A non-EU AIFM may establish and manage only those types of AIFs in the Republic of Slovenia for which it has been authorised in its Member State of reference.

(3) A non-EU AIFM may start to manage AIFs in the Republic of Slovenia directly or may establish a branch in the Republic of Slovenia and manage AIFs through the branch when it is notified by the competent authority of its Member State of reference that the competent authority has submitted to the Agency the notification and documents containing the information referred to in paragraphs (1) and (2) of Article 155 of this Act.

2.4.12 Management of EU AIFs

Article 153

(Management of EU AIFs)

An AIFM and a non-EU AIFM whose Member State of reference is the Republic of Slovenia may manage EU AIFs in accordance with this Subsection.

2.4.12.1 (Management of EU AIFs by an AIFM)

Article 154

(General provisions)

(1) An AIFM may, under the conditions determined by this Subsection, directly or through a branch provide the following services in the host Member State:

1. management of EU AIFs;
2. provision of the portfolio management services or non-core services referred to in Subsection 2.4.14. of this Act for which it is authorised by the Agency.

(2) An AIFM may manage only those types of AIFs in the host Member State that it is allowed to manage in the Republic of Slovenia.

(3) If an AIFM establishes a branch in the host Member State, the regulations of the host Member State shall apply in relation to the operation of such a branch regarding the content of Article 63, Articles 67 to 69, and Articles 165 and 167 of this Act.

Article 155

(Notification with regard to the management of EU AIFs)

(1) An AIFM that intends to manage EU AIFs shall notify the Agency thereof and:

1. indicate the host Member State in which it intends to manage EU AIFs or provide portfolio management services or non-core services;
2. submit a programme of operations stating in particular the services that it intends to perform and identifying the EU AIFs it intends to manage.

(2) If an AIFM intends to establish a branch, it shall submit to the Agency the following information in addition to that referred to in the preceding paragraph:

1. the organisational structure of the branch;
2. the address in the home Member State of the AIF at which documentation may be obtained;
3. information on the persons authorised to manage the branch.

Article 156

(Forwarding of documentation to the competent authority of the host Member State)

(1) The Agency shall, within 1 month of receiving the complete documentation from an AIFM that intends to manage EU AIFs directly, or within 2 months of receiving the complete documentation from an AIFM that intends to manage EU AIFs through a branch, forward the complete documentation to the competent authority of the host Member State of the AIFM, except where:

1. the AIFM does not manage or will not manage EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or
2. the AIFM does not comply with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia.

(2) Together with the documentation referred to in the preceding paragraph, the Agency shall submit a statement to the competent authority of the host Member State of the AIFM to the effect that the AIFM is authorised to provide AIF management services and shall notify the AIFM accordingly.

(3) The AIFM may start managing EU AIFs from the date of receipt of the notification from the Agency.

(4) The Agency shall notify the AIFM of the reasons referred to in points 1 and 2 of paragraph (1) of this Article due to which the Agency has refused to forward the documentation to the competent authority of the host Member State.

Article 157

(Notification of amendments to documents)

(1) If the operations of an AIFM change to the extent that they no longer satisfy the information requirement referred to in Article 155 of this Act, the AIFM shall notify the Agency thereof in writing at least one month before the occurrence of such changes or on the next business day following their occurrence.

(2) The Agency shall inform the AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the AIFM would no longer manage an EU AIF in accordance with this Act and other regulations governing the AIFM's operations in the Republic of Slovenia; or
2. the AIFM would not be able to comply with the requirements of this Act and of other regulations governing the AIFM's operations in the Republic of Slovenia.

(3) If in spite of the Agency's notification referred to in the preceding paragraph the AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act.

(4) If the changes referred to in paragraph (1) of this Article are in compliance with this Act, the Agency shall inform the competent authority of the host Member State of the AIFM without delay.

2.4.12.2. Management of an EU AIF by a non-EU AIFM when the Republic of Slovenia is its Member State of reference

Article 158

(General provisions)

(1) A non-EU AIFM may manage an EU AIF under the terms and conditions determined by this Subsection if the Republic of Slovenia is its Member State of reference.

(2) A non-EU AIFM may provide only those services in a host Member State that it is allowed to provide in the Republic of Slovenia.

Article 159

(Notification regarding the management of an EU AIF outside the Member State of reference)

(1) A non-EU AIFM that intends to manage an EU AIF shall notify the Agency thereof and:

1. indicate the host Member State in which the non-EU AIFM intends to manage an EU AIF;
2. submit a programme of operations including, *inter alia*, a description of the services that it intends to provide and a list of the EU AIFs it intends to manage.

(2) If a non-EU AIFM intends to establish a branch in the host Member State, it shall submit to the Agency the following information in addition to that referred to in the preceding paragraph:

1. the organisational structure of the branch;
2. the address in the home Member State at which the documentation about the subsidiary may be obtained;
3. data regarding the persons authorised to manage the branch.

Article 160

(Forwarding of documentation to the competent authority of the host Member State)

(1) The Agency shall forward to the competent authority of a non-EU AIFM's host Member State the complete documentation within one month of receipt of the complete documentation from a non-EU AIFM that intends to manage an EU AIF directly or within two months of receipt of the complete documentation from a non-EU AIFM that intends to manage an EU AIF through a branch, except in the following cases:

1. if the non-EU AIFM does not manage or will not manage the EU AIF in accordance with this Act and other regulations governing the non-EU AIFM's operations in the Republic of Slovenia; or
2. if the non-EU AIFM does not comply with the requirements of this Act and of other regulations governing the non-EU AIFM's operations in the Republic of Slovenia.

(2) Together with the documentation referred to in the preceding paragraph, the Agency shall send to the competent authority of the host Member State a statement that the non-EU AIFM is authorised to provide AIF management services and shall notify the non-EU AIFM and ESMA accordingly.

(3) A non-EU AIFM may start managing an EU IAF from the date of receipt of the notification from the Agency.

(4) The Agency shall notify a non-EU AIFM of the reasons referred to in points 1 and 2 of paragraph (1) of this Article due to which the Agency has refused to forward the documentation to the competent authority of the host Member State.

Article 161

(Notification of amendments to documents)

(1) If the operations of a non-EU AIFM change to the extent that they no longer satisfy the information requirement referred to in Article 159 of this Act, the AIFM shall notify the Agency thereof in writing at least one month before the occurrence of such changes or on the next business day following their occurrence.

(2) The Agency shall inform the non-EU AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the non-EU AIFM would no longer manage the EU AIF in accordance with this Act and other regulations governing the non-EU AIFM's operations in the Republic of Slovenia; or

2. the non-EU AIFM would not comply with the requirements of this Act and of other regulations governing the non-EU AIFM's operations in the Republic of Slovenia.

(3) If in spite of the Agency's notification referred to in the preceding paragraph the non-EU AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act.

(4) If the changes referred to in paragraph (1) of this Article are in compliance with this Act, the Agency shall inform the competent authority of the host Member State of the non-EU AIFM without delay.

2.4.13. Management of a non-EU AIF by an AIFM

Article 162

(Conditions for AIFMs that manage non-EU AIFs not marketed in the Republic of Slovenia or in a Member State)

(1) An AIFM may manage a non-EU AIF that is not marketed in the Republic of Slovenia or in a Member State if:

1. the AIF operates in accordance with the provisions of this Act and other regulations, with the exception of the provisions governing depositary services and the provisions governing the annual report of AIFs and

2. the Agency and the competent authority of the non-EU AIF have entered into a cooperation agreement to facilitate the exchange of data and information required for supervision.

(2) Section 3 of Chapter V of Regulation (EU) No 345/2013 shall apply to the cooperation agreements referred to in point 2 of the preceding paragraph.

2.4.14. Management services and non-core services

2.4.14.1. General provisions

Article 163

(Portfolio management services and non-core services)

(1) In addition to the services for the management of AIFs, an AIFM can also provide the following services under the conditions referred to in paragraph (6) of Article 55 of this Act:

1. portfolio management services;

2. non-core services:

a) investment advice;

b) depositary and administrative services relating to investment fund units;

c) reception and transmission of orders in relation to one or more financial instruments.

(2) The Agency shall prescribe the detailed conditions to be met by an AIFM that provides portfolio management services and/or non-core services; these conditions shall essentially be the same as the conditions applicable to brokerage companies that provide the services referred to in paragraphs (1) and (2) of this Article in accordance with the provisions of the ZTFI.

(3) An AIFM that provides portfolio management services and/or non-core services shall be entered in the register of authorisations issued for the purpose of providing investment services in accordance with the act governing the financial instruments market.

Article 164

(Application of the act governing the financial instruments market)

(1) Paragraph (2) of Article 34, Articles 200 to 204, Articles 206 to 219, Articles 221 to 239 and Articles 243 to 269 of the ZTFI shall apply, *mutatis mutandis*, to an AIFM that provides the services referred to in paragraph (1) of the preceding paragraph.

(2) The provisions of Chapter 5 of the ZTFI shall apply, *mutatis mutandis*, to an AIFM that provides the services referred to in paragraph (1) of the preceding paragraph.

(3) An AIFM that provides the services referred to in paragraph (1) of the preceding paragraph shall report to the Agency in accordance with Articles 275 and 276 of the ZTFI and the Agency's regulations referred to in points 1 and 2 of paragraph (1) of Article 277 of the ZTFI.

Article 165

(Investor-compensation scheme)

The provisions of the ZTFI on investor-compensation schemes and the ensuing regulations shall govern services for the management of financial instruments and depositary services for investment fund units.

2.4.14.2. Portfolio management services

Article 166

(Authorisation to provide portfolio management services)

(1) An AIFM shall obtain an authorisation from the Agency to provide the portfolio management services referred to in point 1 of paragraph (1) of Article 163 of this Act before starting to provide these services.

(2) An AIFM may provide portfolio management services if authorised to manage AIFs.

(3) The provisions of point 4 of paragraph (2) of Article 126 and points 1 and 2 of paragraph (1) of Article 127 of this Act shall apply, *mutatis mutandis*, to the authorisation to provide portfolio management, and the provisions of Articles 281 to 283 of this Act to the withdrawal of such authorisation.

(4) Article 133 shall apply, *mutatis mutandis*, to the termination of an authorisation to provide portfolio management services.

(5) An authorisation to provide portfolio management services shall also terminate when an AIFM's authorisation to provide portfolio management services is terminated or finally withdrawn.

Article 167

(Application of the ZTFI to the provision of portfolio management services)

(1) Articles 240 to 242 of the ZTFI shall apply, *mutatis mutandis*, to an AIFM providing the services referred to in point 1 of paragraph (1) of Article 163.

(2) Notwithstanding the provisions of the preceding paragraph, an AIFM shall obtain an explicit written authorisation from its client when it intends to acquire, on behalf of the client, the AIF unit it manages.

2.4.14.3 Non-core services

Article 168

(Authorisation to provide non-core services)

(1) An AIFM shall obtain authorisation from the Agency to provide the non-core services referred to in point 2 of paragraph (1) of Article 163 of this Act before starting to provide these services.

(2) An AIFM may provide non-core services if authorised to provide portfolio management services.

(3) The provisions of point 4 of paragraph (2) of Article 126 and points 1 and 2 of paragraph (1) of Article 127 of this Act shall apply, *mutatis mutandis*, to the authorisation to provide services under paragraph (1) of this Article, and the provisions of Articles 281 to 283 of this Act to the withdrawal of such authorisation.

(4) Article 133 of this Act shall apply, *mutatis mutandis*, to the termination of the authorisation to provide non-core services.

(5) The authorisation to provide non-core services shall also terminate when an AIFM's authorisation to provide portfolio management services is terminated or finally withdrawn.

(6) The operative part of the Agency's decision to grant an authorisation to perform non-core services shall indicate the services for the performance of which the authorisation is being issued.

2.5. (Change of activity, liquidation, compulsory composition and bankruptcy of an AIFM)

2.5.1. Change of activity and liquidation of an AIFM

Article 169

(Cessation of the provision of AIF management services due to a change of an AIFM's activities)

(1) The general meeting of an AIFM or, if the AIFM does not have a general meeting, the AIFM's members may adopt a decision to change the AIFM's activity so that the AIFM no longer provides management services for AIFs (hereinafter: "decision to change activity"), provided that the AIFM has previously transferred all AIFs, EU AIFs or non-EU AIFs or has liquidated these funds so that the AIFM no longer manages any fund as of the adoption of the decision to change the AIFM's activity.

(2) The AIFM's management shall notify the Agency of the change in writing on the next business day following the adoption of the decision to change activity.

(3) Upon receipt of the notification referred to in the preceding paragraph, the Agency shall remove the AIFM from the register of AIFMs referred to in Article 39 of this Act.

(4) Upon receipt of the notification referred to in paragraph (2) of this Article, the Agency shall issue to the AIFM referred to in point 1 of paragraph (1) of this Article a decision establishing that the AIFM's authorisation to manage AIFs has been terminated.

(5) When the decision referred to in the preceding paragraph becomes final, the AIFM shall file an application for registration of the decision to change activity in the court register and, to this end, also submit the Agency's decision referred to in the preceding paragraph.

(6) If the Agency intends to issue a decision referred to in paragraph (4) of this Article to an AIFM with a branch in a Member State, it shall notify the competent authority of that Member State thereof before issuing the decision. The notification shall also indicate the legal consequences and the actual effects of the issued decision.

(7) When the issuance of the decision referred to in paragraph (4) of this Article cannot be delayed, the Agency shall notify the competent authority of the Member State thereof immediately after the issuance of the decision.

Article 170

(Resolution of the general meeting to liquidate an AIFM)

(1) The general meeting of an AIFM or, if the AIFM does not have a general meeting, the AIFM's members may pass a resolution to dissolve and to commence liquidation proceedings (hereinafter: "resolution to liquidate") for the AIFM provided that the AIFM has previously transferred all AIFs, EU AIFs or non-EU AIFs or has liquidated these funds so that the AIFM no longer manages any fund as of the adoption of the resolution to liquidate.

(2) Unless otherwise provided in this Subsection, the provisions of the act governing liquidation proceedings for the AIFM's legal form of establishment shall apply to the AIFM's liquidation.

(3) If an AIFM has a subsidiary, the resolution to liquidate shall be published by the liquidator in the form of a summary in the daily newspaper circulated in the entire territory of the Member State in which the AIFM has a subsidiary.

(4) Following the adoption of the resolution to liquidate, the AIFM may only perform transactions that are necessary for the implementation of its liquidation.

Article 171

(Notification of claims by creditors from a Member State)

(1) A creditor from a Member State may submit notice of a claim against the liquidation estate in the Slovenian language or in the official language of the Member State in which the creditor has residence or a registered office.

(2) The liquidator may require creditors to submit a Slovenian translation of the notification of their claims.

Article 172

Change of activity or liquidation of an AIFM providing the portfolio management services and non-core services referred to in Subsection 2.4.14. of this Act.

In addition to the provisions of this Act, the change of activity or liquidation of an AIFM providing the portfolio management services and non-core services referred to in Subsection 2.4.14. of this Act shall be subject, *mutatis mutandis*, to the provisions of the ZTFI on the change of activity or liquidation of a brokerage company.

2.5.2. Compulsory settlement

Article 173

(Prohibition of compulsory composition)

Compulsory composition proceedings may not be commenced against the AIFM referred to in points 1 and 3 of paragraph (1) of Article 38 of this Act.

2.5.3. Bankruptcy of an AIFM

Article 174

(Application of provisions relating to bankruptcy proceedings)

(1) Unless otherwise provided in this Act, the provisions of the act governing insolvency proceedings shall apply to bankruptcy proceedings against an AIFM.

(2) The court shall also serve the decision to initiate bankruptcy proceedings against an AIFM on the Agency.

(3) In addition to the provisions of this Act, the bankruptcy of an AIFM providing the portfolio management services and non-core services referred to in Subsection 2.4.14. of this Act shall be subject, *mutatis mutandis*, to the provisions of the ZTFI on the bankruptcy of brokerage companies.

3. Specialised investment funds (SIFs)

3.1. General provisions

Article 175

(SIF definition)

(1) An SIF is an AIF:

1. whose sole purpose is to invest investors' funds in accordance with a predetermined investment policy in various types of investments for the sole benefit of unit holders of the SIF;

2. that is managed by a manager referred to in paragraph (1) of Article 178 of this Act; and

3. that has acquired SIF status in accordance with a decision of the Agency.

(2) An SIF shall not be a venture capital company whose status has been granted in accordance with the act governing venture capital companies.

Article 176

(Legal form of an SIF)

(1) An SIF may be established as:

1. a limited partnership, a dual company, a limited liability company, a public limited company, a partnership limited by shares or a European public limited liability company according to the act governing commercial companies;

2. a separate portfolio of assets under this Act.

(2) An SIF established as a separate portfolio of assets has no legal personality and represents a portfolio of assets that is separate from the portfolio of assets held by the AIFM that manages the SIF and from other assets managed by the AIFM.

(3) An SIF established as a separate portfolio of assets cannot manage itself.

Article 177

(SIF name)

(1) The part of the name of an SIF that designates the activity of the commercial company and the abbreviated SIF name shall include the indication "specialni investicijski sklad " or "SIS".

(2) An entity whose registered name contains the words "specialni investicijski sklad " or derivatives of these words or the abbreviation "SIS" may not be entered in the register of companies if it has not yet been granted the status of an SIF.

(3) The designation "specialni investicijski sklad" or "SIS" may be entered in the court register as a part of or an addition to the fund's name only by submitting to the registering court the Agency's decision granting the SIF such status.

(4) If the Agency withdraws the status of an SIF, the SIF shall file an application to change its name in the court register within 10 days of the finality of the decision withdrawing its status and thus bring its name into line with the provisions of this Article.

(5) When the name "specialni investicijski sklad" or its abbreviated form "SIS" are used in the translation into a foreign language, the elements of the name referred to in this Article may also be translated into that language.

Article 178

(AIFMs that may manage an SIF)

(1) An SIF may be managed by:

1. An AIFM authorised to provide AIF management services;
2. an EU AIFM in accordance with Subsection 2.4.11.2 of this Act;
3. a non-EU AIFM in accordance with Subsection 2.4.11.3 of this Act;
4. an SIFM referred to in point 3 of paragraph (1) of Article 38 of this Act;
5. a management company.

(2) The provisions of this Chapter pertaining to an SIFM shall also apply to all entities referred to in the preceding paragraph.

(3) Notwithstanding paragraph (1) of this Article, an SIF not constituting a separate portfolio of assets may manage itself by applying, *mutatis mutandis*, the provisions of Section 2.3. of this Act on SIFMs, except the provisions of Article 50 of this Act.

(4) When an SIF is managed by a manager referred to in points 1, 2 or 3 of paragraph (1) of this Article, it shall be governed by the provisions of this Chapter unless otherwise provided by the provisions of this Act governing the aforementioned SIFMs.

Article 179

(SIF depositary)

In connection with the provision of depositary services for SIFs, the provisions of Subsection 2.4.10. of this Act shall apply, *mutatis mutandis*, to the SIFM referred to in paragraph (1) of the preceding Article.

3.2. (Granting and termination of SIF status)

Article 180

(Application for SIF status)

(1) The SIFM referred to in paragraph (1) of Article 178 of this Act shall file an application for SIF status with the Agency before starting to manage the SIF.

(2) An already established AIF may be granted SIF status in accordance with the provisions of this Article provided that such AIF brings its operations into line with the provisions of this Chapter.

(3) The following shall be included with an application for SIF status:

1. the SIF's instruments of incorporation;
2. the tender document for the SIF;
3. the contract for the management of the SIF, if any exists;
4. the contract for the provision of depositary services;

(5) the contract concluded for transferring portfolio management services and the contract for transferring administrative services to other persons, or draft contracts, if any exist;

6. other documents revealing that the SIFM meets the conditions required by law for a manager of an SIF for which the authorisation procedure is pending.

(4) The Agency shall have the right to request the future SIFM to provide additional data necessary to assess whether the SIFM meets the requirements determined by this Act and the regulations issued on the basis thereof.

(5) The future SIFM need not resubmit the documents referred to in paragraph (3) of this Article if the Agency is already in possession of these documents in accordance with other provisions of this Act and if there have been no changes regarding these documents before the date of submission thereof.

Article 181

(Granting of SIF status)

(1) The Agency shall grant an AIF the status of an SIF if:

1. the SIF's instruments of incorporation are in conformity with the provisions of this Act;
2. the SIF's legal form is in conformity with the provisions of this Act;
3. an SIF management contract has been concluded with a manager referred to in paragraph (1) of Article 178 of this Act;
4. the SIF management contract includes all the elements required by Article 183 of this Act;
5. the contract for the provision of depositary services is in conformity with the provisions of this Act;
6. the tender document is in conformity with the provisions of this Act.

(2) Article 129 of this Act shall apply, *mutatis mutandis*, in connection with the time limit for the Agency's decision to grant SIF status.

Article 182

(An SIF's instruments of incorporation)

1. An SIF's instruments of incorporation shall be:

1. the articles of association of an SIF established as a public limited company, a European public limited company, a partnership limited by shares or an investment company with variable capital (hereinafter: investment company);

2. the instruments of incorporation of an SIF established as a limited partnership, a dual company, or a limited liability company;

3. the rules for an SIF established as a separate portfolio of assets.

(2) In addition to the content of each legal form of organisation of an SIF provided by the relevant act, the instruments of incorporation of an SIF established in accordance with points 1 and 2 of the preceding paragraph shall contain at least the following:

1. the SIF name as it appears in the tender documents and any public notices, the type of SIF and its duration;
2. the name and the registered office of the SIFM;
3. the name and the registered office of the SIF depositary;
4. investment rules including the investment strategy of the SIF and a description of the policy regarding the use of financial leverage;
5. if an SIF is a feeder, the name and registered office of the master fund;
6. a definition of the fees and expenses associated with an investment in the SIF;
7. the method of payment for SIF units, including the terms and conditions and restrictions on payments for fund units with non-cash contributions;
8. the policy of redemptions of and payments for SIF units specifying the following:
 - a) whether the SIF will provide for real-time redemption of fund units or will it redeem the units upon the expiry of the period for which the SIF has been established;
 - b) the unit redemption period, if any;
 - c) the possible obligation of holders of fund units to make a prior announcement of the submission of a request for the redemption of SIF units;
 - d) any conditions and circumstances under which an SIF may suspend the sale or the redemption of fund units and the conditions when a temporary partial redemption of fund units may be introduced, and the manner of implementing such measures;
9. when relevant, the use of the SIF's income and/or net profit and, in the case of the distribution of income to holders of fund units, also:
 - a) the time limits and the acquisition of data on holders of SIF units;
 - b) a description of the distribution of such income;
 - c) the tax consequences of such distribution for holders of SIF units and the SIF itself;
10. the method of notifying the holders of SIF units;
11. the rules for valuing an SIF's assets;
12. the reasons for SIF liquidation and a description of the liquidation procedure;
13. other rights of holders of SIF units and the manner of exercising these rights;
14. the circumstances and the procedure for amending an SIF's instruments of incorporation and management contract and the associated rights of the holders of SIF units.

(3) The instruments of incorporation of an SIF established in accordance with point 3 of paragraph (1) of this Article shall include at least the same elements as those referred to in the preceding paragraph.

(4) The SIFM shall notify the Agency of the amendment of the SIF's instruments of incorporation.

Article 183

(Management contract of an SIF)

(1) If an SIF's legal form or its instruments of incorporation provide for a contract on the management of the SIF, the future SIFM shall undertake to act in accordance with this Act, the regulations adopted pursuant thereto and the SIF's instruments of incorporation, and the SIF shall be obliged to remunerate the manager for services rendered in the amount and within the time limits determined by the instruments of incorporation and to reimburse the manager for other costs associated with managing the SIF as determined by the instruments of incorporation.

(2) The management contract shall also determine the procedure for its amendment and the method of exercising the rights of the holders of SIF units in this procedure.

(3) The management contract shall be concluded in writing.

(4) The provisions of the management contract that are contrary to this Act, the regulations adopted pursuant thereto and the SIF's instruments of incorporation shall be void.

(5) The management contract shall be concluded for an indefinite period.

Article 184

(Termination of the management contract)

(1) The management contract shall also determine the conditions, the method and the procedure for terminating the contract for managing the SIF.

(2) If an SIF's legal form and/or its instruments of incorporation provide for a general meeting, the termination of the management contract shall be decided upon by the SIF's general meeting. To be validly adopted, the resolution to terminate the management contract shall be passed by the majority required to validly amend the SIF's instruments of incorporation.

(3) If an SIF's legal form and/or its instruments of incorporation do not provide for a general meeting, the SIF's instruments of incorporation shall provide for a procedure for terminating the management contract by the SIF and for the method of exercising the rights of holders of the SIF's units in such procedure.

(4) The proposed resolution referred to in paragraphs (2) and (3) of this Article shall be supported by the opinion of the depositary.

Article 185

(Tender document)

(1) Information included in the tender document shall be in conformity with the SIF's instruments of incorporation and other binding documents and contracts that govern the SIF's management and operations.

(2) The tender document shall indicate the possibilities of accessing data on the SIF and the method of notifying investors of the SIF's operations and major business events.

Article 186

(Termination of SIF status)

(1) An SIF that no longer meets the conditions for SIF status referred to in paragraph (1) of Article 181 of this Act shall notify the Agency thereof within five business days of the failure to meet the aforementioned conditions.

(2) If an SIF fails to meet the conditions for SIF status within two months of the identified failure to comply referred to in the preceding paragraph, the Agency shall issue a decision revoking the SIF's status.

(3) The Agency shall also issue the decision referred to in the preceding paragraph in the process of supervision carried out on an *ex officio* basis when it issues a decision instructing an SIFM that has failed to comply with the conditions referred to in paragraph (1) of Article 181 of this Act to remedy the breach, and the SIFM fails to remedy it or repeatedly violates the rules on investment and/or management of the SIF's assets referred to in Section 3.3. of this Act.

(4) The Agency shall issue a decision terminating the status of an SIF at the request of the SIF.

3.3. Investments by SIFs

Article 187

(Investments by SIFs)

- (1) An SIF shall make investments on the principle of risk spreading.
- (2) An SIF's exposure to a particular person or group shall not exceed 30% of the net asset value.
- (3) A derogation from the restriction referred to in the preceding paragraph shall be permitted for a maximum of two years from the date of acquisition of SIF status, and with regard to a possible further increase in the SIF's capital, for a maximum of seven months from such capital increase.
- (4) The Agency may set additional conditions and criteria for an SIF's investments and the general terms and conditions for calculating the share of an SIF's assets and exposure.

Article 188

(Guarantees and loans granted)

- (1) No guarantees or other forms of security may be issued and no loans other than loans in a foreign currency for managing an SIF's exchange risk may be granted to third parties if the collateral for these loans is a loan granted in the same amount but in another (local) currency from an SIF's own funds.
- (2) Notwithstanding the preceding paragraph, an SIF whose investment strategy is focused on financing micro, small and medium-sized enterprises may also grant them loans or provide them with mezzanine capital if the manager of such SIF and the SIF itself meet the detailed conditions and criteria set by the Agency for an SIFM and an SIF itself.
- (3) The term 'mezzanine capital' referred to in the preceding paragraph is a form of debt capital that is typically converted into equity capital in the event of incomplete or untimely repayment by the borrower.
- (4) Notwithstanding paragraph (1) of this Article, an SIF may lend its own funds to its special purpose entities subject to express provisions detailed in the SIF's instruments of incorporation.
- (5) The term 'special purpose entity' denotes a company that is established as a limited liability company or a public limited company in accordance with the act governing commercial companies and whose sole member or shareholder is an SIF that assumes the SIF's risks.
- (6) Any transactions contrary to this Article shall have no legal effect for an SIF.

3.4 Payment for and redemption of SIF units

Article 189

(Payment for SIF units)

SIF units may be paid for in cash or, when an SIF's instruments of incorporation so determine, also in assets that are permitted to be the SIF's investment.

Article 190

(Redemption of SIF units)

SIF units may only be redeemed in cash.

Article 191

(Accounting period for the calculation of the net asset value of an SIF)

- (1) The accounting period for the calculation of the net asset value of an SIF may not exceed 12 months.
- (2) An SIF's net asset value shall be calculated at least for each accounting period as at the date of calculating the payments for and redemptions of SIF units.

Article 192

(The net asset value of an SIF established as a separate portfolio of assets)

(1) The net asset value of an SIF established as a separate portfolio of assets shall total EUR 1,000,000 within 12 months following the status recognition date.

(2) An SIF's instruments of incorporation shall determine the procedure in the event of a decline in the net asset value below the minimum amount referred to in the preceding paragraph and the method of exercising the rights of holders of SIF units in such procedure.

Article 193

(The initial capital of an SIF established as a separate portfolio of assets)

(1) The initial capital of an SIF established as a separate portfolio of assets shall not be less than EUR 1,000,000.

(2) Before an SIF's status is recognised, its capital should be subscribed in full and at least 5% of it should be paid in.

(3) The status of an SIF may be recognised under the suspensive condition that is met when an SIF's capital is subscribed in full and paid in the amount determined in paragraph (2) of this Article. The Agency shall issue a decision granting the SIF status under a suspensive condition specifying the time limit for the fulfilment of this condition, which shall not exceed six months.

3.5. SIF documents and disclosures to investors

Article 194

(The annual report of an SIF and the auditing thereof)

The provisions of Articles 95 and 96 of this Act shall apply, *mutatis mutandis*, to the annual report of an SIF and the auditing thereof.

Article 195

(Disclosures to investors)

The provision of Article 97 of this Act shall apply, *mutatis mutandis*, to disclosures to investors.

3.6. Changes in the legal status and liquidation of an SIF

Article 196

(Changes in legal status)

(1) The following provisions shall apply, *mutatis mutandis*, to the procedure for changing the legal status of an SIF:

1. the provisions of the act governing commercial companies shall apply to an SIF established as a company;
2. the provisions of the act governing investment funds and management companies that are regarded as alternative mutual funds, with the exception of the provisions relating to informing the public, shall apply to an SIF established as a separate portfolio of assets.

(2) In the case of changes in status that also involve the participation of AIFs that do not have the status of an SIF according to this Chapter, the status of an SIF is determined for each entity established after the status change separately, provided that it meets the conditions for obtaining the status of an SIF under this Act.

Article 197

(Liquidation of an SIF)

(1) An SIF shall be liquidated in the cases specified by the SIF's instruments of incorporation.

(2) The following provisions shall apply, *mutatis mutandis*, to the procedure for liquidating an SIF:

1. the provisions of the act governing commercial companies shall apply to an SIF established as a company;

2. the provisions of the act governing investment funds and management companies relating to the liquidation of an alternative mutual fund, with the exception of the provisions relating to informing the public, shall apply to an SIF established as a separate portfolio of assets.

Article 198

(Notifying the Agency of changes in the legal status and liquidation of an SIF)

An SIFM shall notify the Agency of the procedure referred to in Articles 196 and 197 of this Act within 15 business days following the initiation of the procedure based on a decision of the SIFM or SIF.

4. (MARKETING OF UNITS OF AIFs, EU AIFs OR NON-EU AIFs)

4.1. General provisions on marketing

Article 199

(Marketing of units of AIFs, EU AIFs and non-EU AIFs with regard to the target group of investors)

(1) The units of AIFs, EU AIFs and non-EU AIFs may be marketed in the Republic of Slovenia only to professional investors.

(2) Notwithstanding the preceding paragraph, units of AIFs and EU AIFs may also be marketed to non-professional investors provided that the terms and conditions of the act governing investment funds and management companies have been satisfied.

4.2. Marketing of units of AIFs, EU AIFs or non-EU AIFs by an AIFM authorised to provide AIF, EU AIF and non-EU AIF management services

Article 200

(Use of the term "AIFM")

In Section 4.2. of this Act, the term "AIFM" shall mean an AIFM authorised by the Agency to provide AIF management services.

4.2.1 Marketing of AIF and EU AIF units by an AIFM in the Republic of Slovenia

Article 201

(Marketing of AIF and EU AIF units in the Republic of Slovenia)

(1) An AIFM can market units of an AIF or an EU AIF that it manages provided that the terms and conditions of this Subsection are met.

(2) Notwithstanding the preceding paragraph, an AIFM may only market units of a feeder AIF established in the Republic of Slovenia or a Member State if the master AIF is established in the Republic of Slovenia or in a Member State and is managed by an AIFM or EU AIFM.

Article 202

(Notification of the marketing of AIF and EU AIF units)

(1) An AIFM shall notify the Agency before starting to market AIF and EU AIF units.

(2) The notification referred to in the preceding paragraph shall include the following:

1. a programme of operations identifying the AIFs and EU AIFs the AIFM intends to market and information on where the EU AIFs are established;

2. the rules or instruments of incorporation of the AIFs or EU AIFs;

3. information on the depositaries of the AIFs or EU AIFs;

4. information on the AIFs or EU AIFs available to investors;

5. information on where the master AIF is established if the AIF is a feeder AIF;

6. any additional information referred to in paragraph (1) of Article 97 of this Act for each AIF or EU AIF;

7. information on arrangements made for the marketing of AIFs and EU AIFs in accordance with Article 199 of this Act, including in cases where the AIFM or EU AIF will be relying on the activities of independent entities to provide investment services for the AIF.

(3) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

Article 203

(Approval of the notification of the marketing of AIF and EU AIF units)

(1) The Agency shall approve the notification of the marketing of AIF and EU AIF units within 20 business days of receipt of the complete documents referred to in the preceding paragraph unless:

1. the AIFM does not manage or will not manage AIFs and EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the AIFM does not comply with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia.

(2) The Agency shall notify the AIFM of the reasons referred to in point 1 and 2 of paragraph (1) of this Article due to which the Agency has refused to approve the notification.

(3) The AIFM may start marketing AIF and EU AIF units from the date of approval of the notification by the Agency.

(4) If an AIFM issues notice of the marketing of EU AIF units, the Agency shall inform the competent EU AIFM authority of the approval of marketing notification.

Article 204

(Notification of changes in facts and circumstances)

(1) If an AIFM intends to make changes regarding any fact or circumstance referred to in Article 202 of this Act, it shall notify the Agency in writing at least one month before implementing any such change.

(2) In the event of unplanned changes regarding any fact or circumstance referred to in Article 202 of this Act, the AIFM shall notify the Agency thereof no later than the following business day.

(3) The Agency shall inform the AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the AIFM does not manage or will not manage AIFs and EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the AIFM does not comply with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia.

(4) If in spite of the Agency's notification referred to in the preceding paragraph the AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act and prohibit the marketing of the AIF and EU AIF units as necessary.

(5) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

4.2.2 Marketing of AIF and EU AIF units by an AIFM in a Member State

Article 205

(Marketing of AIF and EU AIF units by an AIFM in a Member State)

(1) An AIFM can market units of an AIF or an EU AIF that it manages provided that the terms and conditions of this Subsection are met.

(2) Notwithstanding the preceding paragraph, an AIFM may only market units of a feeder AIF established in the Republic of Slovenia or a Member State if the master AIF is established in the Republic of Slovenia or in a Member State and is managed by an AIFM or EU AIFM.

Article 206

(Notification of the marketing of AIF and EU AIF units)

(1) An AIFM shall notify the Agency before starting to market AIF and EU AIF units.

(2) The notification referred to in the preceding paragraph shall include the following:

1. a programme of operations identifying the AIFs and EU AIFs the AIFM intends to market and information on where the EU AIFs are established;

2. the rules or instruments of incorporation of the AIFs or EU AIFs;

3. information on the depositaries of the AIFs or EU AIFs;

4. information on the AIFs or EU AIFs available to investors;

5. information on where the master AIF is established if the AIF is a feeder AIF;

6. any additional information referred to in paragraph (1) of Article 97 of this Act for each AIF or EU AIF;

7. a list of the Member States in which it intends to market AIF and EU AIF units;

8. information on arrangements made for the marketing of AIFs and, where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including cases where the AIFM will be relying on the activities of independent entities to provide investment services for the AIF.

(3) The marketing referred to in point 8 of the preceding paragraph shall be in accordance with the regulations governing the marketing of AIF and EU AIF units in a Member State.

(4) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

Article 207

(Approval of the notification of the marketing of AIF and EU AIF units)

(1) The Agency shall send the complete documents referred to in paragraph (2) of the preceding paragraph to the competent authority of the Member State in which an AIFM intends to market the units of an AIF or an EU AIF within 20 business days of receipt of the complete notification documents referred to in paragraph (2) of the preceding Article if:

1. the AIFM manages or will manage AIFs and EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the AIFM complies with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia.

(2) Together with the documentation referred to in the preceding paragraph, the Agency shall submit a statement to the effect that the AIFM is authorised to provide AIF management services in accordance with a specific investment strategy.

(3) The Agency may also send the documents referred to in paragraph (1) of this Article and the statement referred to in the preceding paragraph to the competent authority of the Member State by email.

(4) The Agency shall notify the AIFM of the sending of the notification documents and statement to the competent authority of the Member State without delay.

(5) The AIFM may start marketing AIF and EU AIF units in the host Member State of the AIFM from the date of receipt of the notification from the Agency.

(6) When EU AIF units are to be marketed, the Agency shall inform the competent authority of the EU AIFM that the marketing notification has been sent.

(7) The AIFM's notification referred to in paragraph (1) of this Article and the Agency's statement referred to in paragraph (2) of this Article shall be in the English language.

(8) If the Agency establishes that the conditions referred to in points 1 and 2 of paragraph (1) of this Article have not been met, it shall refuse to send the notification documents and notify the AIFM without delay of the reasons for its decision.

Article 208

(Notification of changes in facts and circumstances)

(1) If an AIFM intends to make significant changes regarding any fact or circumstance referred to in Article 206 of this Act, it shall notify the Agency in writing at least one month before implementing any such change.

(2) In the event of unplanned changes regarding any fact or circumstance referred to in Article 206 of this Act, the AIFM shall notify the Agency thereof no later than the following business day.

(3) The Agency shall inform the AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the AIFM would not manage AIFs and EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the AIFM would no longer be able to comply with the requirements of this Act and of other regulations governing the AIFM's operations in the Republic of Slovenia.

(4) If in spite of the Agency's notification referred to in the preceding paragraph the AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act and prohibit the marketing of the AIF and EU AIF units as necessary.

(5) If the aforementioned changes are in compliance with this Act, the Agency shall notify the competent authority of the host Member State of the AIFM thereof without delay.

(6) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

4.2.3. Marketing of non-EU AIF units by an AIFM in the Republic of Slovenia

Article 209

(Marketing of non-EU AIF units by an AIFM in the Republic of Slovenia)

(1) An AIFM can market to professional investors the units of a non-EU AIF it manages or the units of a feeder AIF established in the Republic of Slovenia or in a Member State whose master AIFM is a non-EU AIF, provided that the terms and conditions of this Subsection are met.

Article 210

(Notification of the marketing of non-EU AIF units)

(1) An AIFM shall notify the Agency before starting to market non-EU AIF units.

(2) The notification referred to in the preceding paragraph shall include the following:

1. a programme of operations identifying the non-EU AIFs the AIFM intends to market and information on where the non-EU AIFs are established;

2. the rules or instruments of incorporation of the non-EU AIFs;

3. information on the depositaries of the non-EU AIFs;
4. information on the non-EU AIFs available to investors;
5. information on where the master AIF is established if the AIF is a feeder AIF;
6. any additional information referred to in paragraph (1) of Article 97 of this Act for each non-EU AIF;
7. information on the arrangements established to prevent units of the non-EU AIFs from being marketed to retail investors, including in cases where the AIFM will be relying on the activities of independent entities to provide investment services for the non-EU AIFs.

(3) The marketing of a non-EU AIF's units shall be subject to the following conditions:

1. the Agency and the competent authority of a non-EU AIF have entered into a cooperation agreement to facilitate the exchange of data and information required for supervision;

2. the home country of the non-EU AIFM is not listed as a "Non-Cooperative Country and Territory" by the FATF;

3. the Republic of Slovenia, the Member States in which the units of the non-EU AIF are intended to be marketed and the third country have signed an agreement that fully complies with the standards determined by Article 26 of the OECD Model Tax Convention on Income and on Capital and, together with any multilateral tax agreements, ensures the effective exchange of information in tax matters;

(4) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

Article 211

(Approval of the notification of the marketing of non-EU AIF units)

(1) The Agency shall approve the notification of the marketing of AIF and EU AIF units within 20 business days of receipt of the complete documents referred to in paragraph (2) unless:

1. the AIFM does not manage or will not manage non-EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the AIFM does not comply with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia.

(2) The Agency shall notify the AIFM of the reasons referred to in point 1 and 2 of paragraph (1) of this Article due to which the Agency has refused to approve the notification.

(3) The AIFM may start marketing the non-EU AIF units from the date of approval of the notification by the Agency.

(4) The Agency shall notify ESMA of the approval of the marketing of the non-EU AIF units.

Article 212

(Notification of changes in facts and circumstances)

(1) If an AIFM intends to make significant changes regarding any fact or circumstance referred to in paragraph (2) of Article 210 of this Act, it shall notify the Agency in writing at least one month before implementing any such change.

(2) In the case of unplanned changes regarding any fact or circumstance referred to in paragraph (2) of Article 210 of this Act, the AIFM shall notify the Agency thereof no later than the following business day.

(3) The Agency shall inform the AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the AIFM does not manage or will not manage non-EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the AIFM does not comply with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia.

(4) If in spite of the Agency's notification referred to in the preceding paragraph the AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act and prohibit the marketing of the non-EU AIF units as necessary.

(5) In the event of suspension of the marketing of non-EU AIF units, the Agency shall notify ESMA thereof without delay.

(6) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

4.2.4. Marketing of non-EU AIF units by an AIFM in a Member State)

Article 213

Marketing of non-EU AIF units by an AIFM in a Member State)

(1) An AIFM can market units of non-EU AIFs provided that the terms and conditions of this Subsection are met.

(2) The non-EU AIFs referred to in the preceding paragraph shall also include feeder AIFs that are established in the Republic of Slovenia or in a Member State and invest their funds in non-EU master AIFs.

Article 214

(Notification of the marketing of non-EU AIF units)

(1) An AIFM shall notify the Agency of each non-EU AIF whose units it intends to market in a Member State before starting to market such units in a Member State.

(2) The notification referred to in the preceding paragraph shall include the following:

1. a programme of operations identifying the non-EU AIFs the AIFM intends to market and information on where the non-EU AIFs are established;

2. the rules or instruments of incorporation of the non-EU AIFs;

3. information on the depositaries of the non-EU AIFs;

4. information on the non-EU AIFs available to investors;

5. information on where the master AIF is established if the AIF is a feeder AIF;

6. any additional information referred to in paragraph (1) of Article 97 of this Act for each non-EU AIF;

7. a list of the Member States in which it intends to market non-EU AIF units;

8. information on arrangements made for the marketing of non-EU AIFs and, where relevant, information on the arrangements established to prevent units or shares of the non-EU AIFs from being marketed to retail investors, including in cases where the AIFM will be relying on the activities of independent entities to provide investment services for the AIF.

(3) The marketing referred to in point 8 of the preceding paragraph shall be organised in accordance with a Member State's regulations on the marketing of the units of AIFs, EU AIFs and non-EU AIFs.

(4) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

Article 215

(Approval of the notification of the marketing of non-EU AIF units)

(1) The Agency shall send the complete documents referred to in paragraph (2) of the preceding paragraph to the competent authority of the Member State in which an AIFM intends to market the units of a non-EU AIF within 20 business days of receipt of the complete notification documents referred to in paragraph (2) of the preceding Article if:

1. the AIFM manages or will manage non-EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the AIFM complies with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia.

(2) Together with the documentation referred to in the preceding paragraph, the Agency shall submit a statement to the effect that the AIFM is authorised to provide AIF management services in accordance with a specific investment strategy.

(3) The Agency may also send the documents referred to in paragraph (1) of this Article and the statement referred to in the preceding paragraph to the competent authority of the Member State by email.

(4) The Agency shall notify the AIFM of the sending of the notification documents and statement to the competent authority of the Member State without delay.

(5) The Agency shall notify ESMA of the approval of the marketing of non-EU AIF units.

(6) The AIFM may start marketing non-EU AIF units in the host Member State of the AIFM from the date of receipt of the notification from the Agency.

(7) The AIFM's notification referred to in paragraph (1) of this Article and the Agency's statement referred to in paragraph (2) of this Article shall be in the English language.

(8) If the Agency establishes that the conditions referred to points 1 and 2 of paragraph (1) of this Article have not been met, it shall refuse to send the notification documents and notify the AIFM without delay of the reasons for its decision.

Article 216

(Notification of changes in facts and circumstances)

(1) If an AIFM intends to make significant changes regarding any fact or circumstance referred to in paragraph (2) of Article 214 of this Act, it shall notify the Agency in writing at least one month before implementing any such change.

(2) In the event of unplanned changes regarding any fact or circumstance referred to in paragraph (2) of Article 214 of this Act, the AIFM shall notify the Agency thereof no later than the following business day.

(3) The Agency shall inform the AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the AIFM would not manage non-EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the AIFM does not comply with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia.

(4) If in spite of the Agency's notification referred to in the preceding paragraph, the AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act and prohibit the marketing of the non-EU AIF units as necessary.

(5) In the event of the suspension of the marketing of non-EU AIF units, the Agency shall notify ESMA thereof without delay.

(6) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

4.2.5. Marketing of AIF and EU AIF units by an EU AIFM in the Republic of Slovenia

Article 217

(Marketing of AIF and EU AIF units by an EU AIFM in the Republic of Slovenia)

(1) An EU AIFM may market the units of the AIFs and EU AIFs it manages to professional investors in the Republic of Slovenia.

(2) Notwithstanding the preceding paragraph, an EU AIFM may also market the units of AIFs and EU AIFs to retail investors provided that the relevant terms and conditions of the act governing investment funds and management companies have been satisfied.

(3) An EU AIFM may start marketing EU AIF units in the Republic of Slovenia from the day when the competent authority of the EU AIFM notifies the EU AIFM that the notification documents referred to in Article 206 of this Act have been transmitted to the Agency.

4.2.6. Marketing of non-EU AIF units by an EU AIFM in the Republic of Slovenia

Article 218

(Marketing of non-EU AIF units by an EU AIFM)

(1) An EU AIFM may market the units of a non-EU AIF it manages to professional investors in the Republic of Slovenia.

(2) An EU AIFM may start marketing non-EU AIF units from the day when the competent authority of the EU AIFM notifies the EU AIFM that the notification documents referred to in Article 214 of this Act have been transmitted to the Agency.

4.2.7. Marketing of AIF and EU AIF units in the Republic of Slovenia by a non-EU AIFM whose Member State of reference is the Republic of Slovenia

Article 219

(Marketing of AIF and EU AIF units in the Republic of Slovenia by a non-EU AIFM whose Member State of reference is the Republic of Slovenia)

(1) A non-EU AIFM whose Member State of reference is the Republic of Slovenia can market units of an AIF or an EU AIF that it manages provided that the terms and conditions of this Subsection are met.

Article 220

(Notification of the marketing of AIF and EU AIF units in the Republic of Slovenia)

(1) A non-EU AIFM shall notify the Agency before starting to market AIF and EU AIF units in the Republic of Slovenia.

(2) The non-EU AIFM's notification referred to in the preceding paragraph shall include the following:

1. a programme of operations identifying the AIFs and EU AIFs the AIFM intends to market and information on where the EU AIFs are established;

2. the rules or instruments of incorporation of the AIFs or EU AIFs;

3. information on the depositaries of the AIFs or EU AIFs;

4. information on the AIFs or EU AIFs available to investors;

5. information on where the master AIF is established if the AIF is a feeder AIF;

6. any additional information referred to in paragraph (1) of Article 97 of this Act for each AIF or EU AIF;

7. information on arrangements made for the marketing of the AIFs and EU AIFs in accordance with Article 199 of this Act, including in cases where the AIFM or EU AIF will be relying on the activities of independent entities to provide investment services for the AIF.

(3) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

Article 221

(Approval of the notification of the marketing of AIF and EU AIF units)

(1) The Agency shall approve the notification of the marketing of AIF and EU AIF units within 20 business days of receipt of the complete documents referred to in paragraph (2) of the preceding Article unless:

1. the non-EU AIFM does not manage or will not manage the AIFs and EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the non-EU AIFM does not comply with the requirements of this Act and of other regulations governing the non-EU AIFM's operations in the Republic of Slovenia.

(2) The Agency shall notify the non-EU AIFM of the reasons referred to in points 1 and 2 of paragraph (1) of this Article due to which the Agency refused to approve the notification.

(3) A non-EU AIFM may start marketing AIF and EU AIF units in the Republic of Slovenia from the date of approval of the notification by the Agency.

(4) If a non-EU AIFM issues notice of the marketing of EU AIF units, the Agency shall notify ESMA and the competent authorities of the EU AIFM of the approval of marketing notification.

Article 222

(Notification of changes in facts and circumstances)

(1) If a non-EU AIFM intends to make significant changes regarding any fact or circumstance referred to in paragraph (2) of Article 220 of this Act, it shall notify the Agency in writing at least one month before implementing any such change.

(2) In the event of unplanned changes regarding any fact or circumstance referred to in paragraph (2) of Article 220 of this Act, a non-EU AIFM shall notify the Agency thereof no later than the following business day.

(3) The Agency shall inform the non-EU AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the non-EU AIFM does not manage or will not manage the AIFs and EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the non-EU AIFM would no longer comply with the requirements of this Act and of other regulations governing the AIFM's operations in the Republic of Slovenia.

(4) If in spite of the Agency's notification referred to in the preceding paragraph, the non-EU AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act and prohibit the marketing of the AIF and EU AIF units as necessary.

(5) In the event of the suspension of the marketing of the AIF and EU AIF units, the Agency shall notify thereof ESMA and the competent authority of the host Member State of the AIFM in which the AIF and EU AIF units are marketed without delay.

(6) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

4.2.8. (Marketing of AIF and EU AIF units in a Member State by a non-EU AIFM whose Member State of reference is the Republic of Slovenia)

Article 223

(Marketing of AIF and EU AIF units by an AIFM in a Member State)

A non-EU AIFM whose Member State of reference is the Republic of Slovenia can market units of an AIF or an EU AIF that it manages provided that the terms and conditions of this Subsection are met.

Article 224

(Marketing of AIF and EU AIF units in Member States by a non-EU AIFM)

(1) A non-EU AIFM whose Member State of reference is the Republic of Slovenia shall notify the Agency before starting to market AIF and EU AIF units in a Member State.

(2) The non-EU AIFM's notification referred to in the preceding paragraph shall include the following:

1. a programme of operations identifying the AIFs and EU AIFs the AIFM intends to market and information on where the EU AIFs are established;

2. the rules or instruments of incorporation of the AIFs or EU AIFs;

3. information on the depositary of the AIFs or EU AIFs;

4. information on the AIFs or EU AIFs available to investors;

5. information on where the master AIF is established if the AIF is a feeder AIF;

6. any additional information referred to in paragraph (1) of Article 97 of this Act for each AIF or EU AIF;

7. a list of the Member States in which it intends to market AIF and EU AIF units;

8. information on arrangements made for the marketing of AIFs and, where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including cases where the AIFM will be relying on the activities of independent entities to provide investment services for the AIF.

(3) The marketing referred to in point 8 of the preceding paragraph shall be in accordance with the regulations governing the marketing of AIF and EU AIF units in a Member State.

(4) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

Article 225

(Approval of the notification of the marketing of AIF and EU AIF units)

(1) The Agency shall send the complete documents referred to in paragraph (2) of the preceding paragraph to the competent authority of the Member State in which the non-EU AIFM intends to market the units of an AIF and EU AIF within 20 business days of receipt of the complete notification documents referred to in paragraph (2) of the preceding Article if:

1. the non-EU AIFM manages or will manage AIFs and EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. if the non-EU AIFM complies with the requirements of this Act and of other regulations governing the non-EU AIFM's operations in the Republic of Slovenia.

(2) Together with the documentation referred to in the preceding paragraph, the Agency shall submit a statement to the effect that the non-EU AIFM is authorised to provide AIF management services in accordance with a specific investment strategy.

(3) The Agency may also send the documents referred to in paragraph (1) of this Article and the statement referred to in the preceding paragraph to the competent authority of the Member State by email.

(4) The Agency shall notify the non-EU AIFM of the sending of the notification documents and statement to the competent authority of the Member State without delay.

(5) The non-EU AIFM may start marketing the AIF and EU AIF units in the host Member State of the non-EU AIFM from the date of approval of the notification by the Agency.

(6) When EU AIF units are to be marketed, the Agency shall inform ESMA and the competent authority of the EU AIFM that the notification documents have been sent.

(7) The AIFM's notification referred to in paragraph (1) of this Article and the Agency's statement referred to in paragraph (2) of this Article shall be in the English language.

(8) If the Agency establishes that the conditions referred to in points 1 and 2 of paragraph (1) of this Article have not been met, it shall refuse to send the notification documents and notify the non-EU AIFM without delay of the reasons for its decision.

Article 226

(Notification of changes in facts and circumstances)

(1) If a non-EU AIFM intends to make significant changes regarding any fact or circumstance referred to in paragraph (2) of Article 224 of this Act, it shall notify the Agency in writing at least one month before implementing any such change.

(2) In the event of unplanned changes regarding any fact or circumstance referred to in paragraph (2) of Article 224 of this Act, the non-EU AIFM shall notify the Agency thereof no later than the following business day.

(3) The Agency shall inform the non-EU AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the non-EU AIFM does not manage or will not manage the AIFs and EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the non-EU AIFM would no longer comply with the requirements of this Act and of other regulations governing the AIFM's operations in the Republic of Slovenia.

(4) If in spite of the Agency's notification referred to in the preceding paragraph, the non-EU AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act and prohibit the marketing of the AIF and EU AIF units as necessary.

(5) In the event of the suspension of the marketing of the AIF and EU AIF units, the Agency shall notify thereof ESMA and the competent authority of the host Member State of the non-EU AIFM in which the AIF and EU AIF units are marketed without delay.

(6) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

4.2.9. Marketing of non-EU AIF units in the Republic of Slovenia by a non-EU AIFM whose Member State of reference is the Republic of Slovenia

Article 227

(Marketing of non-EU AIF units in the Republic of Slovenia by a non-EU AIFM whose Member State of reference is the Republic of Slovenia)

A non-EU AIFM whose Member State of reference is the Republic of Slovenia may market the units of a non-EU AIF that it manages to professional investors in the Republic of Slovenia in accordance with this Section.

Article 228

(Notification of the marketing of non-EU AIF units)

(1) A non-EU AIFM shall notify the Agency before starting to market non-EU AIF units in the Republic of Slovenia.

(2) The non-EU AIFM's notification referred to in the preceding paragraph shall include the following:

1. a programme of operations identifying the non-EU AIFs the non-EU AIFM intends to market and information on where the non-EU AIFs are established;

2. the rules or instruments of incorporation of the non-EU AIFs;

3. information on the depositaries of the non-EU AIFs;
4. information on the non-EU AIFs available to investors;
5. information on where the master AIF is established if the AIF is a feeder AIF;
6. any additional information referred to in paragraph (1) of Article 97 of this Act for each non-EU AIF;
7. information on the arrangements established to prevent units of the non-EU AIFs from being marketed to retail investors, including in cases where the non-EU AIFM will be relying on the activities of independent entities to provide investment services for the non-EU AIF.

(3) The marketing of a non-EU AIF's units shall be subject to the following conditions:

1. the Agency and the competent authority of a non-EU AIF have entered into a cooperation agreement to facilitate the exchange of data and information required for supervision;

2. the home country of the non-EU AIFM is not listed as a "Non-Cooperative Country and Territory" by the FATF;

3. the Republic of Slovenia and a third country that is the home country of the non-EU AIFM have signed an agreement that fully complies with the standards determined by Article 26 of the OECD Model Tax Convention on Income and on Capital and that, together with any multilateral tax agreements, ensures the effective exchange of information in tax matters;

(4) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

Article 229

(Approval of the notification of the marketing of non-EU AIF units)

(1) The Agency shall approve the notification of the marketing of non-EU AIF units within 20 business days of receipt of the complete documents referred to in paragraph (2) of the preceding paragraph unless:

1. the non-EU AIFM does not manage or will not manage non-EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the non-EU AIFM does not comply with the requirements of this Act and of other regulations governing the non-EU AIFM's operations in the Republic of Slovenia.

(2) The Agency shall notify the non-EU AIFM of the reasons referred to in points 1 and 2 of paragraph (1) of this Article due to which the Agency refused to approve the notification.

(3) The non-EU AIFM may start marketing the non-EU AIF units from the date of approval of the notification by the Agency.

(4) The Agency shall notify ESMA of the approval of the marketing of the non-EU AIF units.

Article 230

(Notification of changes in facts and circumstances)

(1) If a non-EU AIFM intends to make significant changes regarding any fact or circumstance referred to in paragraph (2) of Article 228 of this Act, it shall notify the Agency in writing at least one month before implementing any such change.

(2) In the case of unplanned changes regarding any fact or circumstance referred to in paragraph (2) of Article 228 of this Act, the non-EU AIFM shall notify the Agency thereof no later than the following business day.

(3) The Agency shall inform the non-EU AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the non-EU AIFM does not manage or will not manage non-EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. the non-EU AIFM does not comply with the requirements of this Act and of other regulations governing the non-EU AIFM's operations in the Republic of Slovenia.

(4) If in spite of the Agency's notification referred to in the preceding paragraph the non-EU AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act and prohibit the marketing of the non-EU AIF units as necessary.

(5) In the event of suspension of the marketing of non-EU AIF units, the Agency shall notify ESMA thereof without delay.

4.2.10. Marketing of non-EU AIF units in the Republic of Slovenia by a non-EU AIFM whose Member State of reference is the Republic of Slovenia

Article 231

(Marketing of non-EU AIF units by a non-EU AIFM in a Member State)

A non-EU AIFM whose Member State of reference is the Republic of Slovenia can market units of a non-EU AIF that it manages provided that the terms and conditions of this Subsection are met.

Article 232

(Notification of the marketing of non-EU AIF units)

(1) A non-EU AIFM shall notify the Agency before starting to market non-EU AIF units in a Member State.

(2) The non-EU AIFM's notification referred to in the preceding paragraph shall include the following:

1. a programme of operations identifying the non-EU AIFs the non-EU AIFM intends to market and information on where the non-EU AIFs are established;

2. the rules or instruments of incorporation of the non-EU AIFs;

3. information on the depositaries of the non-EU AIFs;

4. information on the non-EU AIFs available to investors;

5. information on where the master AIF is established if the AIF is a feeder AIF;

6. any additional information referred to in paragraph (1) of Article 97 of this Act for each non-EU AIF;

7. a list of the Member States in which it intends to market the non-EU AIF units;

8. information on arrangements made for the marketing of non-EU AIFs and, where relevant, information on the arrangements established to prevent units or shares of the non-EU AIFs from being marketed to retail investors, including in cases where the AIFM will be relying on the activities of independent entities to provide investment services for the AIF.

(3) The marketing referred to in point 8 of the preceding paragraph shall be in accordance with the regulations governing the marketing of AIF and EU AIF units in a Member State.

(4) The marketing of a non-EU AIF's units shall be subject to the following conditions:

1. The Agency and the competent authority of the non-EU AIF have entered into a cooperation agreement to facilitate the exchange of data and information required for supervision;

2. the home country of the non-EU AIFM is not listed as a "Non-Cooperative Country and Territory" by the FATF;

3. the Republic of Slovenia, the Member States in which the units of the non-EU AIF are intended to be marketed and the third country have signed an agreement that fully complies with the standards determined by Article 26 of the OECD Model Tax Convention on Income and on Capital and, together with any multilateral tax agreements, ensures the effective exchange of information in tax matters;

(5) The Agency shall prescribe the detailed content of the notification and documents referred to in paragraphs (1) and (2) of this Article when this is required for the adoption of the legal acts of the European Union in accordance with Article 15 of Regulation 1095/2010/EU.

Article 233

(Approval of the notification of the marketing of non-EU AIF units)

(1) The Agency shall send the complete documents referred to in paragraph (2) of the preceding paragraph to the competent authority of the Member State in which the non-EU AIFM intends to market the units of a non-EU AIF within 20 business days of receipt of the complete notification documents referred to in paragraph (2) of the preceding Article if:

1. the non-EU AIFM manages or will manage non-EU AIFs in accordance with this Act and other regulations governing the operation of AIFMs in the Republic of Slovenia; or

2. if the non-EU AIFM complies with the requirements of this Act and of other regulations governing the non-EU AIFM's operations in the Republic of Slovenia.

(2) Together with the documentation referred to in the preceding paragraph, the Agency shall submit a statement to the effect that the non-EU AIFM is authorised to provide AIF management services in accordance with a specific investment strategy.

(3) The Agency may also send the documents referred to in paragraph (1) of this Article and the statement referred to in the preceding paragraph to the competent authority of the Member State by email.

(4) The Agency shall notify the non-EU AIFM of the sending of the notification documents and statement to the competent authority of the Member State without delay.

(5) The Agency shall notify ESMA of the approval of the marketing of non-EU AIF units.

(6) The non-EU AIFM may start marketing the non-EU AIF units in the host Member State of the non-EU AIFM from the date of approval of the notification by the Agency.

(7) The non-EU AIFM's notification referred to in paragraph (1) of this Article and the Agency's statement referred to in paragraph (2) of this Article shall be in the English language.

(8) If the Agency establishes that the conditions referred to in points 1 and 2 of paragraph (1) of this Article have not been met, it shall refuse to send the notification documents and notify the non-EU AIFM without delay of the reasons for its decision.

Article 234

(Notification of changes in facts and circumstances)

(1) If a non-EU AIFM intends to make significant changes regarding any fact or circumstance referred to in paragraph (2) of Article 232 of this Act, it shall notify the Agency in writing at least one month before implementing any such change.

(2) In the event of unplanned changes regarding any fact or circumstance referred to in paragraph (2) of Article 232 of this Act, the non-EU AIFM shall notify the Agency thereof no later than the following business day.

(3) The Agency shall inform the non-EU AIFM without delay that it should not introduce the planned changes if as a result thereof:

1. the non-EU AIFM would not manage the non-EU AIF in accordance with this Act and other regulations governing the non-EU AIFM's operations in the Republic of Slovenia; or

2. the non-EU AIFM does not comply with the requirements of this Act and of other regulations governing the non-EU AIFM's operations in the Republic of Slovenia.

(4) If in spite of the Agency's notification referred to in the preceding paragraph the non-EU AIFM introduces the planned changes or if the circumstances referred to in the preceding paragraph arise due to an unplanned change, the Agency shall act in accordance with the provisions of Chapter 6 of this Act and prohibit the marketing of the non-EU AIF units as necessary.

(5) In the event of the suspension of the marketing of the non-EU AIF units, the Agency shall notify thereof ESMA and the competent authority of the host Member State of the non-EU AIFM in which the non-EU AIF units are marketed without delay.

4.2.11. (Marketing of AIF and EU AIF units in the Republic of Slovenia by a non-EU AIFM whose Member State of reference is the Republic of Slovenia)

Article 235

(Marketing of AIF and EU AIF units by a non-EU AIFM)

(1) A non-EU AIFM may market the units of the AIFs and EU AIFs it manages to professional investors in the Republic of Slovenia if it acquires prior authorisation to manage AIFs in the Member State of reference on the basis of the regulation of the Member State adopted for the transposition of Directive 2011/61/EU.

(2) The non-EU AIFM may start marketing AIF and EU AIF units from the day when the competent authority of the non-EU AIFM's Member State of reference notifies the non-EU AIFM that the notification documents referred to in Article 224 of this Act have been transmitted to the Agency.

(3) A non-EU AIFM shall manage AIFs and EU AIFs in accordance with this Act and other regulations governing the marketing of AIF units in the Republic of Slovenia.

4.2.12. Marketing of non-EU AIF units in the Republic of Slovenia by a non-EU AIFM whose Member State of reference is not the Republic of Slovenia

Article 236

(Marketing of non-EU AIF units by a non-EU AIFM)

(1) A non-EU AIFM may market non-EU AIF units that it manages to professional investors in the Republic of Slovenia if it acquires prior authorisation to manage AIFs in the Member State of reference on the basis of the regulation of the Member State adopted for the transposition of Directive 2011/61/EU.

(2) A non-EU AIFM may start marketing non-EU AIF units from the day when the competent authority of the non-EU AIFM's Member State of reference notifies the non-EU AIFM that the notification documents referred to in Article 232 of this Act have been transmitted to the Agency.

(3) A non-EU AIFM shall market the units of the non-EU AIF in accordance with this Act and other regulations governing the marketing of AIF units in the Republic of Slovenia.

5. AIF ADMINISTRATORS

5.1. General provision

Article 237

(AIF Administrators)

(1) An AIF administrator shall be a legal entity providing the services referred to in point 2 of Article 57 of this Act to an AIF and has been authorised to provide such services by the Agency.

(2) An AIF administrator shall provide its services on the basis of a contract with an AIFM or an AIF itself.

(3) In addition to the services referred to in paragraph (1) of this Article, an AIF administrator may also provide other related services, i.e. it may provide these services to entities other than AIFs. In this case, the measures for preventing, controlling and monitoring conflicts of interests shall specifically regulate the procedures and arrangements for controlling conflicts of interests arising from such operations of the AIF administrator.

(4) The provisions of this Act relating to the performance of a particular service to an AIF by its administrator and other regulations issued on the basis thereof shall apply to the services referred to in paragraph (1) of this Article.

5.2. Operating conditions of AIF administrators

Article 238

(Obtaining authorisation to provide the services referred to in point 2 of Article 57 of this Act)

An AIF administrator who has filed an application for authorisation to provide the services referred to in point 2 of Article 57 of this Act shall also submit the following documents:

1. a copy of the articles of association or of the instruments of incorporation that is in compliance with the provisions of the law governing companies;
2. a list of the senior managers together with evidence demonstrating that they are of sufficiently good repute and have sufficient knowledge and experience in the provision of the administrative services that the administrator intends to provide to an AIF;
3. the programme of operations and an outline of the organisational structure;
4. information on agreements on the delegation of the provision of services referred to in point 2 of Article 57 of this Act.

Article 239

(Deciding on authorisation to provide services by an AIF administrator)

(1) The Agency shall grant an AIF administrator an authorisation to provide services if:

1. the submitted documents show that the AIF administrator will be able to comply with the requirements of this Act and of other regulations governing the operation of AIFs in the Republic of Slovenia;
2. the AIF administrator has sufficient equity capital in accordance with Article 241 of this Act;
3. the submitted evidence demonstrates that the senior management of the AIF administrator are of sufficiently good repute and have sufficient knowledge and experience in the provision of the administrative services that the administrator intends to provide to an AIF;
4. the AIF administrator has its registered office and head office in the Republic of Slovenia.

(2) The Agency shall specify the type of administrative services referred to in point 2 of Article 57 of this Act for which the authorisation is issued in the operative part of its decision. An AIF administrator that already has the authorisation to provide some administrative services and has submitted a new application for authorisation to provide a different type of administrative service shall, in the new procedure, not be required to provide documents that it has already provided to the Agency, provided that no changes have been made to the documents by the date of submission of the application.

Article 240

(Refusal to grant an authorisation to provide services by an AIF administrator)

The Agency shall refuse the application of an AIF administrator for authorisation to provide services when the applicant fails to meet the conditions referred to in paragraph (1) of the preceding Article.

Article 241

(Initial capital of the AIF administrator)

(1) The minimum amount of the initial capital of an AIF administrator shall be EUR 50,000.

Article 242

(Transfer of the performance of services and transactions to an AIF administrator)

The provisions of Article 51 of this Act shall apply, *mutatis mutandis*, to the transfer of the performance of services and transactions to an AIF administrator.

Article 243

(Operating rules of AIF administrators)

(1) An AIF administrator shall establish and implement a sound and reliable management system and, in so doing, use appropriate human and technical resources that are necessary for the proper performance of administrative services, taking into account the administrative services provided and the nature and volume of the assets of the AIFs for which administrative services are provided.

(2) An AIF administrator shall maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the AIFs for which the AIF administrator provides administrative services or the interests of AIF investors.

(3) An AIF administrator shall establish and operate appropriate risk management systems in order to appropriately identify, measure, manage and monitor all risks relevant to the performance of its activities.

(4) The provisions of Subsection 2.4.5 of this Act shall apply, *mutatis mutandis*, to an AIF administrator.

(5) The Agency shall prescribe the details of the operating rules referred to in this Article to be complied with by an AIF administrator depending on the scale and complexity of its transactions.

Article 244

(Reporting to the Agency)

(1) Once a year, an AIF administrator shall communicate to the Agency the following:

1. the registered office of the AIFs to which it provides administrative services, by country;
2. the number of AIFs to which it provides administrative services;
3. the number of holders of units of AIFs to which it provides services;
4. the total net asset value of the AIFs to which it provides administrative services;

(2) An AIF administrator shall communicate the data referred to in the preceding paragraph as at 31 December of each year by 31 January of the current year for the previous year.

(3) The Agency shall prescribe detailed instructions for reporting under this Article.

6. SUPERVISION

6.1. General provisions

Article 245

(The responsibility of the Agency for the supervision of an AIFM)

(1) The Agency shall be competent and responsible for the supervision of an AIFM in respect of all services and transactions referred to in this Act and performed by an AIFM in the Republic of Slovenia, in a Member State or in a third country, except in respect of the following:

1. arrangements made for the marketing of the units of AIFs and EU AIFs in a Member State and the marketing of non-EU AIF units in a Member State;
2. compliance with the provisions of paragraph (3) of Article 154 of this Act.

(2) For the purpose of supervision of an AIFM, the Agency may require that reports and information be submitted by:

1. the AIFM;
2. an AIF depositary, an AIFM auditor and an AIF auditor;
3. persons that have close links with the AIFM;
4. persons to whom the AIFM has transferred a part of its business processes;
5. holders of qualifying holdings in the AIFM;
6. other persons associated with the AIFM; and
7. management board members and persons employed with the persons referred to in points 1 to 6 of this paragraph,

and reviews their operations.

(3) If the supervision of the persons referred to in the preceding paragraph falls within the competence of another authority, the Agency shall review the operations of these persons in cooperation with such authority.

(4) For the purposes of AIFM supervision, the Agency shall also be competent and responsible for supervising the holders of qualifying holdings to the extent specified in point 3 of paragraph (1) of Article 127 of this Act.

Article 246

(The responsibility of the Agency for the supervision of an EU AIFM)

(1) The Agency shall have the competence and responsibility to exercise supervision over branches of EU AIFMs established in the Republic of Slovenia in connection with compliance with the provisions of paragraph (3) of Article 135 of this Act.

(2) The Agency shall have the competence and responsibility to exercise supervision over an EU AIFM that markets AIF units in the Republic of Slovenia, an EU AIFM or a non-EU AIFM regarding compliance with the arrangements for marketing fund units exclusively to professional investors in accordance with Subsections 4.2.5. and 4.2.6. of this Act.

Article 247

(The responsibility of the Agency for the supervision of a non-EU AIFM)

(1) The Agency shall be competent and responsible for the supervision of a non-EU AIFM whose Member State of reference is the Republic of Slovenia in respect of all services and transactions referred to in this Act and performed by a non-EU AIFM in the Republic of Slovenia, in a Member State or in a third country, except in respect of the marketing of units of AIFs, EU AIFs and non-EU AIFs outside the Republic of Slovenia.

(2) The Agency shall have the competence and responsibility to exercise supervision over a non-EU AIFM whose Member State of reference is not the Republic of Slovenia that markets units of AIFs, EU AIFs or non-EU AIFs in the Republic of Slovenia regarding compliance with the arrangements for marketing fund units exclusively to professional investors in accordance with Subsections 4.2.11. and 4.2.12. of this Act.

Article 248

(Supervision of an SIF)

The Agency shall have the competence and responsibility to exercise supervision over an SIF referred to in Chapter 3 of this Act.

Article 249

(Supervision of a manager of a European venture capital fund and of a manager of a European social entrepreneurship fund)

The Agency shall be responsible for supervision of compliance with the provisions of Regulation 345/2013/EU and Regulation 346/2013/EU.

Article 250

(Application of the provisions on supervision)

The provisions of this Chapter relating to the supervision of AIFMs shall also apply, *mutatis mutandis*, to the supervision of EU AIFMs, non-EU AIFMs, managers of European venture capital funds, managers of European social entrepreneurship funds, AIF depositaries and other persons unless otherwise provided by this Act.

6.2. The purpose and method of supervision

Article 251

(The purpose of supervision of an AIFM)

(1) The Agency shall exercise supervision of an AIFM in order to verify whether the AIFM complies with the rules on managing an AIF and other rules in accordance with this Act, the ZTFI and other regulations governing the operation of AIFMs in the Republic of Slovenia.

(2) In exercising the supervision referred to in the preceding paragraph, the Agency may also follow the directions of ESMA.

Article 252

(The method of exercising supervision)

(1) The Agency shall exercise supervision of an AIFM:

1. by monitoring, gathering and verifying the reports and communications received from AIFMs and other persons liable to report to the Agency on individual facts and circumstances in accordance with this Act or other acts;

2. by auditing the operations of AIFMs; and

3. by imposing supervision measures under this Act.

(2) If required for the purposes of supervision under this Act, the Agency may request any person to:

1. allow it access to any document in whatever form or to deliver a copy of such document to it;

2. to permit or perform an audit of its operations without prior notice;

3. to deliver to it recordings of telephone conversations or other data held by that person.

(3) The Agency may request any person that in the Agency's opinion is familiar with information associated with the activity of an AIFM or AIF, EU AIF or non-EU AIFM to submit all information required for supervision and may also invite such person to a hearing for this purpose.

Article 253

(Supervision measures)

(1) The Agency may impose on an AIFM the following supervision measures in accordance with this Act:

1. recommendations and warnings;

2. orders to remedy violations;

3. additional measures;

4. temporary prohibition of the provision of services;

5. withdrawal of the status of an AIFM;

6. withdrawal of authorisation.

(2) In order to protect the holders of units of AIFs, EU AIFs or non-EU AIFs, potential investors and the public, the Agency shall instruct an AIFM to temporarily suspend receiving and making payments for and redemptions of units of the AIFs, EU AIFs and non-EU AIFs that it manages.

(3) The Agency may impose on an AIFM a prohibition on free disposal of the funds of the AIFs that it manages and also notify the depositary and, as necessary, the manager of the central register of securities in book-entry form, the manager of the land register and the manager of the register of AIF funds of this decision.

(4) The Agency may also impose the supervision measures referred to in points 1 to 3 of paragraph (1) of this Article on the depositary. The provisions of this Act regulating the procedure for supervision of AIFMs shall apply, *mutatis mutandis*, to the imposition of the aforementioned measures.

6.3. Annual fee and costs of supervision

Article 254

(Annual fees for exercising supervision)

(1) For the exercise of the supervision measures referred to in points 1 and 2 of paragraph (1) of Article 252 of this Act:

1. an AIFM referred to in point 1 of paragraph (1) of Article 38 of this act shall pay to the Agency a fee for exercising supervision according to the Agency's tariff with regard to the net value of the assets of the AIFs, EU AIFs, or non-EU AIFs managed by the AIFM;

2. an AIFM referred to in point 2 of paragraph (1) of Article 38 of this act shall pay to the Agency a fee for exercising supervision according to the Agency's tariff with regard to the net value of the assets of the AIFs managed by the AIFM;

3. the AIFM referred to in point 3 of paragraph (1) of Article 38 of this act shall pay to the Agency a fee for exercising supervision according to the Agency's tariff with regard to the net value of the assets of the AIFs managed by the AIFM.

(2) For the exercise of the supervision measures referred to in points 1 and 2 of paragraph (1) of Article 252 of this Act, the AIFM shall also pay to the Agency a fee for supervising the provision of services referred to in Subsection 2.4.14. of this Act, as determined in the Agency's tariff.

(3) The Agency may charge a fee referred to in paragraphs (1) and (2) of this Article in an amount by which the total fees to be paid by all IAFMs for a particular year does not exceed the costs of supervision referred to in points 1 and 2 of paragraph (1) of Article 252 of this Act.

(4) Paragraph (1) of this Article shall also apply, *mutatis mutandis*, to a non-EU AIFM whose Member State of reference is the Republic of Slovenia.

Article 255

(Payment of annual fees for conducting supervision)

(1) If an AIFM fails to pay the fees within the time limits determined by the Agency's tariff, the Agency shall issue a decision imposing on the AIFM the obligation to pay these fees.

(2) The final decision referred to in the preceding paragraph shall constitute an instrument permitting enforcement.

Article 256

(Fees for the notification procedure and annual fees for the supervision of the marketing of units of AIFs, EU AIFs and non-EU AIFs)

(1) An EU AIFM or a non-EU AIFM shall pay to the Agency a fee for the implementation of the notification procedure for the marketing of the units of AIFs, EU AIFs and non-EU AIFs referred to in Chapter 4 of this Act in the amount determined by the Agency's tariff with regard to the number and type of AIFs, EU AIFs and non-EU AIFs.

(2) An EU AIFM and a non-EU AIFM that market units of AIFs, EU AIFs and non-AIFs in the Republic of Slovenia shall pay to the Agency an annual fee for supervision in an amount determined by the Agency's tariff with regard to the number and type of AIFs, EU AIFs and non-EU AIFs.

Article 257

(Costs of supervision)

(1) When an entity is subjected to supervision in accordance with this Act, it shall be obliged to pay to the Agency a flat-rate fee as compensation for the costs of the procedure in the amount determined by the Agency's tariff with regard to the type and extent of the violations.

(2) The reimbursement of the costs of supervision shall be defined by the Agency's decision imposing supervision.

(3) Judicial protection proceedings may be initiated against the cost reimbursement decision referred to in the preceding paragraph even if there is no provision for special judicial protection proceedings against the supervision decision.

(4) The decision referred to in paragraph (2) of this Article shall be an instrument permitting enforcement.

6.4. Reporting to the Agency

Article 258

Regular reporting to the Agency

(1) An AIFM shall communicate to the Agency all information required for continuous monitoring of compliance with the provisions of this Act, regulations issued on the basis thereof and other regulations governing the operations of AIFMs and AIFs.

(2) For each AIF, EU AIF or non-EU AIF it manages, an AIFM authorised by the Agency to provide AIF management services shall report to the Agency on the following:

1. the main instrument in which it trades on behalf of the AIF it manages;
2. the markets of which it is a member or where it actively trades;
3. the diversification of the AIF's portfolio.

(3) For each AIF, EU AIF or non-EU AIF it manages and for each AIF, EU AIF and non-EU AIFM it markets in the Republic of Slovenia, an AIFM authorised by the Agency to provide AIF management services shall also report to the Agency on the following:

1. the proportion of the AIF's assets that are subject to special arrangements arising from their illiquid nature;
2. any new measures to manage the liquidity of the AIF;
3. the current risk profile of the AIF and the risk management systems employed by the AIFM to manage the market, liquidity and counterparty risks, including operational risk, to which the AIF is or is likely to be exposed;
4. the main types of the AIF's investments;
5. the results of stress tests performed in accordance with point 2 of paragraph (9) of Article 70 and paragraph (2) of Article 72 of this Act.

(4) If an AIFM authorised by the Agency to provide AIF management services for AIFs, EU AIFs or non-EU AIFs employs considerable financial leverage as determined by Article 111(1) of Regulation 231/2013/EU, the AIFM shall also report to the Agency the following for each AIF, EU AIF and non-EU AIF :

1. the overall extent of financial leverage employed;
2. the structure of the financial leverage with regard to its source, separately for financial leverage originating from lending of money or securities and financial leverage originating from derivatives positions;
3. the extent of reuse of assets in transactions associated with financial leverage.

(5) When reporting on the information referred to in the preceding paragraph, an AIFM authorised by the Agency to provide AIF management services shall also report the following for each AIF, EU AIF and non-EU AIF:

1. information on persons representing the five largest sources of borrowed money or securities;
2. the extent of the financial leverage generated from each source referred to in the preceding point.

(6) A non-EU AIFM whose Member State of reference is the Republic of Slovenia shall report the information referred to in this Article regarding the AIFs and EU AIFs it manages and regarding the non-EU AIFs it markets in the Republic of Slovenia.

(7) The detailed content, the time limits and the method of reporting the information referred to in this Article are determined by Articles 110 and 111 of Regulation 231/2013/EU.

(8) The Agency shall prescribe detailed instructions for reporting under this Article.

Article 259

(Reporting at the request of the Agency)

(1) An AIFM authorised by the Agency to manage AIFs shall send to the Agency, at its request, the following:

(1) the annual report of each AIF, EU AIF or non-EU AIF it manages and for each AIF, EU AIF and non-EU AIFM it markets in the Republic of Slovenia;

2. a detailed list of the AIFs, EU AIFs and non-EU AIFs that it manages, at the end of each quarter.

(2) In addition to the reports and information referred to in the preceding paragraph, an AIFM authorised by the Agency to manage AIFs shall send to the Agency, at its request, other information for the purpose of effective monitoring of systemic risk.

Article 260

(Use of information, supervisory cooperation and limits on financial leverage)

(1) The Agency shall use the AIFM's reports referred to in Articles 258 and 259 of this Act to identify the extent to which the use of leverage contributes to the build-up of systemic risk in the financial system, risks of disorderly markets or risks to the long-term growth of the economy.

(2) The Agency shall make all reports received in accordance with Articles 258 and 259 of this Article and information received in accordance with paragraphs (2) and (3) of Article 126 of this Act available to the relevant competent authorities of Member States, ESMA and the ESRB pursuant to Article 293 of this Act on supervisory cooperation.

(3) If the manager of an AIF, EU AIF or non-EU AIF could potentially constitute an important source of counterparty risk to a credit institution or other systemically relevant institutions in other Member States, the Agency shall directly notify thereof the relevant competent authority of the Member State in accordance with the procedures referred to in Article 293 of this Act without delay.

(4) For each AIF, EU AIF or non-EU AIF it manages, the AIFM shall be able to demonstrate to the Agency at any time that the limits on financial leverage are reasonable and regularly observed.

(5) The Agency shall assess the risks that the use of leverage by an AIFM with respect to an AIF, EU AIF and non-EU AIF it manages could entail, and, where deemed necessary in order to ensure the stability and integrity of the financial system, impose limits on the level of leverage that the AIFM is entitled to employ or other restrictions on the management of the AIF, EU AIF or non-EU AIF under its management to limit the extent to which the use of leverage contributes to the build-up of systemic risk in the financial system or risks of disorderly markets.

(6) The Agency shall notify ESMA, the ESRB and the competent authorities of an AIF managed by an AIFM of the measures adopted on the basis of the preceding paragraph under the procedure referred to in Article 293 of this Act.

(7) The notification referred to in the preceding paragraph shall be made not less than 10 business days before the proposed measure is intended to take effect or be renewed. The notification shall include details of the proposed measure, the reasons for the measure and when the measure is intended to take effect. In exceptional circumstances, the competent authorities of the Agency may decide that the proposed measure take effect within the period referred to in the first sentence of this paragraph.

(8) The Agency shall act in accordance with paragraph (5) of this Article also when it receives ESMA's opinion that includes the remedial measures to be taken, including limits on the level of leverage that that the AIFM, or that group of AIFMs, are entitled to employ.

(9) If the Agency proposes measures that are contrary to the opinion received from ESMA on the basis of the notification referred to in paragraph (6) of this Article or ESMA's opinion referred to in paragraph (8) of this Article, the Agency shall notify ESMA thereof and indicate its reasons therefor.

6.5. Review of operations

Article 261

(Authorised persons of the Agency)

(1) The AIFM's operations shall be reviewed by a qualified professional of the Agency who is authorised to conduct such review by the president of the Agency's panel (hereinafter: "authorised person of the Agency").

(2) The president of the Agency's panel may authorise an audit company or another qualified professional to conduct individual tasks in connection with the review of operations.

(3) The persons referred to in the preceding paragraph shall have the same competences and obligations in the performance of the review authorised by the president of the Agency's panel as an authorised person of the Agency.

Article 262

(Review of operations)

(1) At the request of the authorised person of the Agency, an AIFM shall allow this person to review its operations at its head office or on other premises in which the AIFM or another person authorised by it carry out activities and business in connection with which the Agency is conducting supervision.

(2) At the request of the authorised person of the Agency, an AIFM shall allow this person to examine its books of account, administrative or business documents and records to the extent required for conducting individual reviews.

(3) AN AIFM shall deliver to the authorised person of the Agency computer printouts or copies of books of account, business documents and administrative or business records at its request.

(4) Members of an AIFM's management board and its employees shall provide the authorised person of the Agency at his request with reports and information on all matters of importance for supervision.

(5) The authorised person of the Agency may also review the operations of the persons referred to in paragraph (2) of Article 245 of this Act if this is necessary for a full review of the AIFM's operations.

(6) The review referred to in paragraphs (1) and (2) of this Article shall be performed by the Agency on weekdays from 8 a.m. to 6 p.m. Where the extent or nature of the review so require, the Agency may also conduct a review after 6 p.m. or on days other than weekdays.

(7) The Agency shall conduct the review of operations in a manner so as not to disturb the AIFM's operations more than is necessary to achieve the purpose of the supervision.

Article 263

(Request for a review of operations)

(1) A request for a review of operations shall be submitted to the AIFM at least eight days before starting the review.

(2) Notwithstanding the provisions of the preceding paragraph, the authorised person of the Agency may not submit a request for a review before the beginning of the review if the purpose of individual reviews could not be achieved otherwise.

(3) A request for a review shall comprise a specific indication of the books of account, business documents, and administrative or business records that are the subject of the review.

(4) In the case referred to in paragraph (3) of the preceding Article, a request for a review shall contain a specific indication of the books of account, business documents, and administrative or business records to be submitted in the form of computer printouts or copies as well as the time limit for their submission.

(5) A request for a review shall also contain a caution regarding the legal consequences that may occur if the AIFM fails to act in accordance with the request for a review or fails to allow the Agency to carry out the review in the manner determined by the preceding Article.

(6) The Agency may supplement its request for a review in the course of the review process itself. Paragraphs (3) and (4) of this Article shall apply, *mutatis mutandis*, to the supplementing of the request.

Article 264

(Conditions for performing a review)

(1) An AIFM shall provide the authorised person of the Agency with appropriate premises where they may conduct a review without being disturbed by other persons.

(2) An AIFM shall ensure the presence of the AIFM's authorised persons on the premises referred to in paragraph (1) of Article 262 of this Act in order to provide explanations regarding the books of account, business documents, business transactions and administrative or business records that are the subject of the inspection at the request of the authorised person of the Agency.

Article 265

(Conditions for reviewing computerised books of account and records)

(1) An AIFM that has a system of electronic data processing and keeps its books of account and other records in computerised form shall, at the request of the authorised person of the Agency, provide appropriate devices for reviewing its books of account and records and for testing the adequacy of the electronically processed data.

(2) An AIFM shall submit to the authorised person of the Agency the documents providing a full description of the operation of its system of electronic data processing. The documents shall clearly show the subsystems and files of the computer system. The documents shall provide insight into the following:

1. the IT solution;
2. the procedures within the IT solution;
3. control mechanisms ensuring correct and reliable data processing;
4. control mechanisms preventing unauthorised access to, addition, alteration or deletion of the stored computer records.

(3) Each change to the IT solution (computer software) referred to in paragraph (1) of this Article shall be documented according to the time sequence of occurrence of changes, including the date of changes. The documents shall also show all changes made to the file format.

Article 266

(Suspension of a review of operations)

When the authorised person of the Agency finds no breach of regulations during the review, the Agency shall issue a decision suspending the review.

6.6. Supervision Measures

6.6.1. Recommendations and warnings

Article 267

Recommendations and warnings

(1) If in the exercise of its powers the Agency finds underperformance and inconsistency in an AIFM's operations that have the characteristics of a breach of regulations referred to in Article 251 of this Act, it may issue a recommendation to the AIFM's management board for improving the efficiency of the AIFM's operations.

(2) If in the exercise of its powers the Agency identifies violations of this Act, regulations issued on the basis thereof and other regulations governing an AIFM's operations, but the nature and extent of such violations are not likely to have a significant effect, it may issue a warning to the AIFM, calling its attention to the aforementioned violations, instead of a decision requiring it to remedy such violations.

(3) The Agency may issue a warning requiring the AIFM to remedy the identified violations and set a deadline for the remediation thereof.

(4) If an AIFM fails to comply with the warning, the Agency shall issue an order requiring the AIFM to remedy the identified violations.

6.6.2. (Remediation of violations)

Article 268

(Order to remedy violations)

(1) When the Agency identifies a breach of the regulations referred to in Article 251 of this Act during the review procedure, it shall issue an order imposing on an AIFM the obligation to remedy such violations or irregularities and/or to act or refrain from certain actions.

(2) The Agency's order to remedy violations shall set a deadline for the remediation thereof.

Article 269

(Submission of an auditing company's report on the remediation of violations)

When the Agency identifies violations of an AIFM's obligation to keep books of account or administrative and other records or major violations regarding an AIFM's operations, it may also order an AIFM to submit an auditing company's report stating that the identified violations have been remedied.

Article 270

(Report on the remediation of violations)

(1) AN AIFM shall remedy the identified violations within the time limit determined by the order and shall submit to the Agency a report specifying the measures taken for their remediation.

(2) The report on the remediation of violations shall be accompanied by documents and other evidence showing that the established violations have been remedied and, in the case referred to in the preceding Article, also the report of the auditing company on the remediation of violations.

(3) If the report on the remediation of violations is incomplete or the report and the evidence included therewith fails to demonstrate that the established violations have been remedied, the Agency shall issue an order imposing on the AIFM the obligation to supplement the report and set a deadline for its supplementation. An objection may be lodged against the order imposing the obligation to supplement the report on the remediation of the violations. The provisions of Articles 528 to 532 of the ZTFI shall apply to the objection and the decision thereon.

Article 271

(A declaratory decision on the remediation of violations)

(1) If the report on the remediation of violations and the evidence included therewith show that violations have been remedied, the Agency shall issue a decision stating that the violations have been remedied.

(2) Prior to issuing the decision to remedy violations, the Agency may perform another operational review to the extent necessary to determine whether the violations have been remedied.

(3) If an AIFM remedies the violations established during the review of its operations before the conclusion of the review, the Agency shall issue a decision on the remediation of the violations without a prior order to remedy the violations.

Article 272

(Time limit for issuing a decision on the remediation of violations)

The Agency shall issue an order to supplement the report on the remediation of the violations or a decision on the remediation of the violations within two months of receipt of the report on the remediation of the violations; otherwise the violations shall be deemed to have been remedied.

6.6.3. (Imposition of additional measures)

Article 273

(Imposition of additional measures)

(1) The Agency may impose an additional measure on an AIFM ordering it to dismiss its management board if the AIFM:

1. fails to act in accordance with the order to remedy violations; and
2. repeatedly violates the obligation to promptly and correctly report to or notify the Agency or in any other way obstructs the supervision of its operations.

(2) The order concerning additional measures shall be subject, *mutatis mutandis*, to the provisions of this Act and of the ZTFI regarding the order to remedy violations.

Article 274

(Reasons for adopting additional measures to implement the rules of an AIFM authorised by the Agency to manage AIFs)

The Agency shall impose additional measures to implement the rules of an AIFM authorised by the Agency to manage AIFs if the AIFM:

1. has not established or has not yet implemented a sound and reliable management system pursuant to Article 74 or the regulations governing the operations of AIFMs in the Republic of Slovenia;
2. does not attain the minimum capital requirement referred to in Article 90 of this Act;
3. fails to act in accordance with the order to remedy violations.

Article 275

(The types of measures to implement the rules of an AIFM authorised by the Agency to manage AIFs)

The Agency may impose on an AIFM authorised by the Agency to manage AIFs the following additional measures in order to implement the rules of an AIFM:

1. require the AIFM to adopt a plan of measures for meeting the AIFM's minimum capital requirement referred to in Article 90 of this Act;
2. impose on the AIFM's management board and supervisory board the obligation to call a general meeting of shareholders and to propose the adoption of appropriate measures, such as:
 - a) a resolution to increase the AIFM's initial capital through new contributions;
 - b) a resolution to increase the AIFM's initial capital with company's assets;
 - c) a resolution to cover losses with financial instruments available for this purpose during regular operation;
3. require the AIFM's supervisory board to discharge a member or members of the management board and to appoint a new member or members of the management board;
4. prohibit the AIFM from the following:
 - a) performing certain activities and transactions associated with the management of AIFs, including a prohibition on marketing units of AIFs, EU AIFs and non-EU AIFs or performing the activities referred to in Subsection 2.4.14. of this Act;
 - b) entering into transactions with individual shareholders, members of the management board and supervisory board and companies having close links with the AIFM;
5. impose on the AIFM's management board the obligation to adopt and implement measures for improving the system of management;
6. impose on the AIFM the obligation to reduce risks typical of its operations, products or systems in its further operations;
7. impose on the AIFM's supervisory board the obligation to appoint appropriate committees for individual areas within the supervisory board's competence;
8. impose on the AIFM's management board the obligation to withdraw from management contracts for AIFs, EU AIFs and non-EU AIFs and to suspend the marketing of the units of these funds in Member States;
9. order the AIFM to adopt other measures necessary to implement the rules of the AIFM .

Article 276

(Application of the provisions on the remediation of violations)

(2) The provisions of Subsection 6.6.2. of this Act shall apply, *mutatis mutandis*, to additional measures. When these provisions are applied, *mutatis mutandis*, the words "remediation of violations" shall be replaced by the words "implementation of additional measures".

6.6.4. Temporary prohibition on the provision of services

Article 277

Temporary prohibition on the provision of AIF management services

(1) The Agency may issue to an AIFM authorised by the Agency to manage AIFs a decision prohibiting it from providing AIF management services if the AIFM:

1. fails to organise its operations or keep its books of account and/or the books of account of the AIFs it manages, and other administrative and business records up-to-date in such a manner that at any time it is possible to verify whether the AIFM has operated in compliance with risk management rules and/or whether the AIFM has managed AIFs in compliance with this Act, other acts governing the management of AIFs and other assets, and regulations issued on the basis thereof;

2. fails to act in accordance with the order to remedy violations;

3. obstructs supervision of its operations;

4. violates the provisions on informing the public and investors, and such violation has caused or could have caused substantial damage to holders of units of AIFs, EU AIFs and non-EU AIFs;

5. delegates the provision of some services or activities of managing AIFs in contravention of Subsection 2.4.2. of this Act.

(2) In the cases referred to in points 2 to 5 of the preceding paragraph, the Agency may temporarily prohibit the management of certain types of AIFs if the violations result from the management of these types of AIFs.

(3) In the Agency's decision temporarily prohibiting an AIFM from managing AIFs the Agency shall also include the measures to be adopted by the AIFM in order to terminate the suspension of AIF management and the time limit for the implementation of such measures.

(4) The prohibition referred to in paragraphs (1) and (2) of this Article shall apply until the Agency issues a decision establishing that the violations have been remedied and/or until the decision to withdraw the authorisation becomes final.

(5) The decision referred to in paragraph (1) shall also be served on the depositary.

(6) In the period between the receipt of the decision temporarily prohibiting the management of AIFs and the lifting of the prohibition referred to in paragraph (1) of this Article, the depositary shall carry out those AIF management services that cannot be delayed.

(7) The AIF management services that cannot be delayed in accordance with the preceding paragraph shall be the following:

1. transactions that, unless carried out by the depositary, could cause a loss to the assets of an AIF, EU AIF and non-EU AIF;

2. administrative services associated with an AIF's operation referred to in point 2a of Article 57 of this Act.

(8) The depositary shall suspend payments for and redemptions of AIF units on behalf and for the account of an AIF, EU AIF or non-EU AIF upon receipt of the decision temporarily prohibiting the provision of AIF management services;

(9) In the period between the date of receipt of the decision temporarily prohibiting the provision of AIF management services and the date of the termination of the prohibition referred to in paragraph (2) of this Article, the depositary shall be entitled to a commission and other types of compensation to which an AIFM is entitled in accordance with the instruments of incorporation.

(10) In the period between the date of the final decision temporarily prohibiting the provision of AIF management services and the date of the termination of the prohibition, the Agency shall publish on its website the decision temporarily prohibiting the provision of AIF management services.

(11) The provisions of this Article shall also apply, *mutatis mutandis*, to the procedure for issuing a decision prohibiting the marketing of units of AIFs, EU AIFs or non-EU AIFs.

Article 278

(Temporary prohibition of managing financial instruments and the provision of non-core services)

The provisions of paragraphs (1) and (3) of the preceding Article and paragraphs (3), (4) and (5) of Article 302 of the ZTFI shall apply, *mutatis mutandis*, if an AIFM also manages financial instruments and provides non-core services.

6.6.5. Deletion of a registered AIFM from the AIFM register and withdrawal of the status of an SIFM

Article 279

(Deletion of a registered AIFM from the AIFM register)

(1) If a registered AIFM fails to comply with an order to remedy violations, the Agency shall delete the AIFM from the AIFM register after the order becomes final and shall notify thereof the AIFM concerned.

(2) An AIFM that has been deleted from the AIFM register may no longer manage the AIF.

Article 280

(Reasons for withdrawal of the status of an SIFM)

(1) The Agency shall withdraw the status of an SIFM in the following cases:

1. the SIFM lacks sufficient initial capital in accordance with Article 50 of this Act;
2. the SIFM has provided false data in order to acquire the status of an SIFM;
3. the senior management of the SIFM are not of sufficient repute and also lack knowledge and experience in managing SIFs also in terms of the investment strategies to be used for a particular SIF;
4. the activities to be performed by the SIFM, in addition to the managing of AIFs, do not comply with the condition referred to in paragraph (2) of Article 45 of this Act;
5. the SIFM's registered office and head office are not in the Republic of Slovenia;
6. the SIFM obstructs supervision of its operations;
7. the SIFM fails to act in accordance with an order to remedy violations.

(2) The provisions of the law governing the withdrawal of the authorisation shall apply, *mutatis mutandis*, to the status withdrawal procedure.

6.6.6. Withdrawal of authorisation

Article 281

(Grounds for withdrawal of authorisation)

(1) The Agency shall issue a decision withdrawing an AIFM's authorisation to provide AIF management services if:

1. the AIFM recurrently violates the obligation to safeguard confidential information or the prohibition on insider trading in accordance with the act governing the financial instruments market;
2. the AIFM provides false information in order to obtain the authorisation;
3. the AIFM does not comply with the requirements of this Act and of other regulations governing the operation of AIFMs in the Republic of Slovenia;
4. the Agency orders the implementation of the additional measure referred to in paragraph (1) of Article 273 of this Act and the AIFM's competent body fails to discharge the member of the AIFM's management board and to appoint new members within the time limit provided for implementing this measure, or if the newly appointed members fail to remedy the violations that were the reason for the additional measure referred to in paragraph (1) of Article 273 of this Act within two months from their appointment;
5. the AIFM violates the provision on the temporary prohibition on the provision of services referred to in Articles 277 and 278 of this Art or fails to implement the measures referred to in the decision;
6. the AIFM obstructs supervision of its operations;

7. the AIFM fails to act in accordance with an order to remedy violations.

(2) In the cases referred to in points 3 to 7 of the preceding paragraph, the Agency may temporarily prohibit the management of certain types of AIFs if the violations result from the management of these types of AIFs.

(3) The decision referred to in paragraph (1) shall also be served on the depositary.

(4) In the period from the receipt of the decision withdrawing the authorisation to manage investment funds to the date when the decision becomes final, the depositary shall carry out the activities of managing an AIF that cannot be postponed.

(5) The AIF management services that cannot be delayed in accordance with the preceding paragraph shall be the following:

1. transactions that, unless carried out by the depositary, could cause a loss to the assets of an AIF, EU AIF and non-EU AIF;

2. administrative services associated with an AIF's operation referred to in point 2a of Article 57 of this Act.

(6) The depositary shall suspend payments for and redemptions of AIF units on behalf and for the account of an AIF, EU AIF or non-EU AIF upon receipt of the decision withdrawing the authorisation to manage AIFs.

(7) In the period between the receipt of the decision withdrawing the authorisation to manage AIFs and the date when the decision becomes final, the depositary shall be entitled to a management fee and other compensations to which an AIFM is entitled in accordance with the rules and instruments of incorporation of the AIF.

(8) When the Agency establishes that there are grounds for withdrawing the authorisation, it may issue a warning to the AIFM instead of withdrawing its authorisation when the Agency determines that the purpose of supervision will be achieved given the circumstances of the case.

(9) The Agency shall publish the final decision to withdraw authorisation to manage AIFs on its website.

Article 282

(Conditional withdrawal of authorisation)

(1) The Agency may, by way of a decision to withdraw the authorisation, also decide that the authorisation will not be withdrawn if, in a period of not less than six months and no more than two years from the date of issue of the decision, to be determined by the Agency, the AIFM does not commit another violation constituting grounds for withdrawal of authorisation.

(2) When the Agency conditionally withdraws the authorisation, it may also decide to withdraw the authorisation if, within a specific period of time, an AIFM fails to remedy the violations due to which the authorisation has been conditionally withdrawn. The time limit for fulfilling such obligations shall be determined by the Agency within the limits of the term of suspension.

Article 283

(Cancellation of conditional withdrawal of authorisation)

The Agency shall cancel the conditional withdrawal of the authorisation and withdraw the authorisation if an AIFM commits another violation during the term of suspension that constitutes grounds for withdrawal or fails to meet the additional conditions referred to in paragraph (2) of the preceding Article.

6.7. Specific provisions on individual types of supervision

6.7.1. Supervision of an AIFM's operations in a Member State

Article 284

(Review of an AIFM's operations in a Member State)

The Agency may request a competent authority of a Member State in which an AIFM provides AIF management services to review the AIFM's operations in that Member State when this can accelerate or simplify the supervision procedure or when it is in the interests of the efficiency, simplicity, speed, and reduced costs of the procedure. The Agency may request the competent authority of a Member State to allow the authorised

persons of the Agency to participate under the same conditions in the supervision carried out by the competent authority of the Member State.

Article 285

(Supervision measures with respect to an AIFM that provides services in a Member State)

(1) If an AIFM that manages EU AIFs or markets the units of AIFs, EU AIFs or non-EU AIFs directly or through a subsidiary in a Member State:

1. fails to provide the competent authority of the host Member State of the AIFM with information necessary for the supervision of the AIFM in respect of the rules of conduct of which the supervision falls within the responsibility and competence of the competent authority of the host Member State or fails to remedy the identified violations;

2. violates the AIFM's prudential rules determined by this Act, the supervision of which does not fall within the competence of the Member State's competent authority, in which case the Member State's competent authority should possess appropriate evidence of the existence of such violations; and

if the competent authority of the host Member State of the AIFM notifies the Agency thereof, the Agency shall act in accordance with paragraph (2) of this Article.

(2) Upon receipt of the notification referred to in the preceding paragraph, the Agency shall:

1. take supervision measures under this Act in order to ensure that the AIFM provides the required information referred to in point 1 of the preceding paragraph to the competent authority of the Member State;

2. take supervision measures under this Act in order to ensure that the AIFM ceases to violate the prudential rules referred to in point 2 of the preceding paragraph; or

3. request necessary information from the competent authority of a third country.

(3) The Agency shall notify the Member State's supervisory body of the measures adopted in accordance with points 1 and 2 of the preceding paragraph without delay.

(4) If, notwithstanding the measures taken by the Agency pursuant to paragraph (2) of this Article or due to the ineffectiveness and consequently the impossibility of adopting these measures the AIFM is still not in possession of the information requested by a Member State's competent authority in accordance with paragraph (1) of this Article or if the AIFM continues to violate the rules of conduct in the provision of services and managing conflicts of interests in force in the Member State, and the Member State's competent authority, having received notification from the Agency, adopts supervisory or punitive measures to prevent or punish the continued violations or prohibits the AIFM from providing any further services in the Member State, and the Agency disagrees with the introduction of the aforementioned measures, the Agency may notify ESMA thereof.

(5) If, notwithstanding the measures taken by the Agency or due to the ineffectiveness and consequently the impossibility of adopting these measures, the AIFM's actions continue to be harmful to the interests of the investors of the host Member State who are holders of AIF, EU AIF and non-EU AIF units, and to the financial stability and market integrity of the host Member State, and, subject to prior notification of the Agency, the competent authority of the host Member State adopts supervision measures in order to protect investors in the aforementioned funds, and the financial stability and market integrity of the host Member State, including by prohibiting this AIFM from continuing to market the units of the aforementioned funds in the host Member State, and the Agency disagrees with the introduction of the aforementioned measures, the Agency may notify ESMA thereof.

(6) The provisions of paragraphs (2) and (5) of this Article shall also apply, *mutatis mutandis*, if the Agency has reasonable grounds to disagree with the issuance of authorisation issued to a non-EU AIFM by the Member State of reference.

6.7.2. Supervision of an EU-AIFM's operations in the Republic of Slovenia

Article 286

(Review of an EU-AIFM's operations)

(1) The competent authority of an EU-AIFM may require a review of an EU-AIFM's operations in the Republic of Slovenia. In such case, the Agency may perform a review of the EU-AIFM's operations by itself or allow the

competent authority of the EU-AIFM to perform a review alone or in cooperation with persons that is has authorised to do so (such as auditors, experts, etc.).

(2) If the Agency allows the competent authority of the EU-AIFM to perform a review of the EU-AIFM's operations alone or in cooperation with persons it has authorised, the competent authority of the EU-AIFM, Member State or a person authorised by the EU-AIFM shall have the same competences as the Agency in accordance with Articles 262 to 264 of this Act. In such case, the entire operational review shall be supervised by the Agency.

(3) Notwithstanding paragraphs (1) to (3) of this Article, the Agency shall have the competence to carry out a review of the operations of an EU-AIFM in the Republic of Slovenia in order to verify whether the EU-AIFM has acted in compliance with the provisions of paragraph (3) of Article 135 of this Act.

Article 287

(Measures for the supervision of an EU AIFM)

(1) If an EU-AIFM that manages EU AIFs or markets the units of AIFs, EU AIFs or non-EU AIFs in the Republic of Slovenia directly or through a subsidiary in a Member State:

1. fails to submit to the Agency the information required for supervising an EU-AIFM, in which case the conditions of the Agency's request for such information shall not be stricter than those of the Agency's request to the AIFM relating to the supervision of compliance with the same regulations; or

2. violates the regulations within the competence of the Agency and the latter issues an order imposing on the EU AIFM the obligation to remedy such violations,

the Agency shall notify the competent authority of the EU AIFM accordingly without delay.

(2) When an EU AIFM fails to comply with the order referred to in the preceding paragraph of this Article within the time limit determined by the order, the Agency shall notify thereof the competent authority of the Member State in which the AIFM has its registered office.

(3) If an EU AIFM persists in committing the violations referred to in paragraph (1) of this Article notwithstanding the measures imposed on it by the competent authority of the EU AIFM following receipt of the communication referred to in the preceding paragraph, or when such measures prove to be inadequate or cannot be imposed on it in its home Member State, the Agency may impose on the EU AIFM the following measures:

1. supervision measures that may be imposed on an AIFM under this Act; or

2. a prohibition on managing AIFs or other services in the Republic of Slovenia.

(4) Before adopting the measure referred to in the preceding paragraph, the Agency shall inform the competent authority of the EU AIFM thereof.

(5) If the Agency has reasonable grounds to believe that an EU AIFM has violated the regulations adopted by a Member State for the purpose of transposing Directive 2011/61/EU and the supervision of which does not fall within the Agency's competence, the Agency shall notify the competent authority of the EU AIFM thereof and may require additional information from the competent authorities of third countries as necessary.

(6) If an EU AIFM persists in committing the violations in a manner that is clearly prejudicial to the interests of the investors in the relevant AIF, EU AIF or non-EU AIF and the financial stability and integrity of the financial market of the Republic of Slovenia notwithstanding the measures imposed on it by the competent authority of the EU AIFM following receipt of the communication referred to in the preceding paragraph, or when such measures prove to be inadequate or cannot be imposed on it in its home Member State, the Agency may impose on the EU AIFM the following measures:

1. supervision measures that may be imposed on an AIFM under this Act in order to protect investors in these funds and the financial stability and integrity of the financial market of the Republic of Slovenia; or

2. a prohibition on marketing the units of these funds in the Republic of Slovenia.

(7) Before adopting the measure referred to in the preceding paragraph, the Agency shall inform the competent authority of the EU AIFM thereof.

6.8. Supervision over the depositary and other persons

Article 288

(Supervision of the depositary)

(1) The Agency shall carry out supervision of the depositary referred to in Subsection 2.4.10. of this Act in order to verify whether the depositary complies with the provisions of this Act and of other acts and regulations governing the exercise of depositary functions for AIFs.

(2) The following provisions shall apply, *mutatis mutandis*, to the supervision referred to in the preceding paragraph:

1. the provisions of the ZTFI on the supervision of stockbroking companies when the depositary is an investment company;
2. the provisions of the ZTFI on banking supervision when the depositary is a bank;
3. the provisions of the ZTFI and the act governing notaries when the depositary is a notary public.

(3) In carrying out the supervision referred to in paragraph (1) of this Act over a depositary that is a bank, the Agency shall cooperate with the Bank of Slovenia in accordance with the act governing banking.

Article 289

(Supervision of other persons)

The Agency shall supervise persons that:

1. manage an AIF and are persons other than those referred to in paragraph (3) of Article 37 of this Act;
2. market units of AIFs, EU AIFs or non-EU AIFs in the Republic of Slovenia in contravention of Chapter 4 of this Act.

Article 290

(Order to remedy violations)

(1) If on the basis of data in the possession of the Agency it can be inferred that violations have been committed in the cases referred to in the preceding Article, the Agency shall issue a remedial order in accordance with Article 527 of the ZTFI. An objection may be lodged against this order. The provisions of Articles 528 to 532 of the ZTFI shall apply to the lodging of the objection and deciding thereon.

(2) Before issuing a remedial order, the Agency may review the books of account and other documents of the relevant person and collect other evidence necessary to establish whether the persons in question are those referred to in the preceding Article.

(3) By issuing the order referred to in paragraph (1) of this Article, the Agency shall require the person to submit a report specifying the measures taken to end the violations and allowing the person to express its view as to the justification of the order within no less than eight or no more than 15 days.

(4) If the report on the remediation of the violations is incomplete or it cannot be inferred from the report and the included evidence that the violations have been remedied, the Agency shall issue an order requiring the person to complete the report and shall set a deadline for its completion. An objection may be lodged against this order. The provisions of Articles 528 to 532 of the ZTFI shall apply to the lodging of the objection and deciding thereon.

Article 291

(Grounds for liquidation)

(1) When a legal person subject to supervision fails to comply with an order referred to in paragraph (1) of the preceding Article, the Agency shall issue a decision establishing the existence of grounds for the liquidation of that legal person.

(2) The competent court shall initiate liquidation proceedings on the grounds of the final decision referred to in the preceding paragraph and on the proposal of the Agency.

(3) If a sole trader or a person performing an independent occupational activity that is subject to supervision fails to comply with the order referred to in the preceding Article, the Agency shall issue a decision establishing that the sole trader or the person performing an independent occupational activity does not meet the conditions for carrying out its activities under this Act, and shall notify the Agency of the Republic of Slovenia for Public Legal Records and Related Services accordingly when the decision referred to in paragraph (1) of this Article becomes final.

(4) The Agency shall be exempt from the payment of court fees for the proposal referred to in paragraph (2) of this Article and for the relevant court decision.

6.9. Cooperation between the competent authorities and Member State authorities

Article 292

(Cooperation between the competent authorities of the Republic of Slovenia)

(1) The Agency and the authorities of the Republic of Slovenia responsible for the supervision of other entities shall provide individual competent authorities with all the information required for supervision at their request.

(2) The competent authorities referred to in the preceding paragraph shall notify each other of any irregularities or other circumstances identified during supervision if such irregularities are relevant to the work of other competent authorities.

Article 293

(Cooperation with the competent authorities of the EU Member States, ESMA and the ESRB)

(1) Cooperation between the Agency and the competent authorities of Member States, ESMA and the ESRB shall be in accordance with this Act, the provisions of Directive 2011/61/EU and Member State regulations adopted for the transposition of Directive 2011/61/EU when this is necessary for the exercise of their powers and authority.

(2) For the purposes referred to in the preceding paragraph:

1. the Agency shall provide the competent authority of a Member State or ESMA the following:

- a) at their request, information necessary to exercise their powers and authority;
- b) on its own initiative, information and data that the Agency deems necessary for the exercise of their powers and authority;
- c) information on the adoption of the additional measure referred to in point 8 of Article 275 of this Act;

2. The Agency shall require the competent authority of another Member State to provide it with information necessary to exercise its powers and authority in accordance with the provisions of this Act.

(3) The provisions of the preceding paragraph may also be applied, *mutatis mutandis*, when the actions investigated by the Agency or another Member State authority do not constitute a violation of the regulations in force in another Member State or the Republic of Slovenia.

(4) If the Agency has reasonable grounds to believe that an EU AIFM or a non-EU AIFM whose supervision is beyond the Agency's competence has violated the regulations adopted by a Member State for the purpose of transposing Directive 2011/61/EU, the Agency shall provide a detailed report thereon to ESMA, the competent authority of the EU AIFM, and the competent authority of the AIFM's host Member State.

(5) The Agency or the competent authorities of an EU AIFM that have received the notification referred to in the preceding paragraph shall take appropriate actions and notify ESMA and the Agency or another competent authority of the EU AIFM as the sender of the report of the results of its actions as well as of interim events as necessary.

(6) The provisions of paragraphs (4) and (5) of this Article do not exclude or limit the competences and responsibilities of the Agency to carry out supervision in accordance with other provisions of this Act.

(7) The Agency shall send a copy of the cooperation agreements referred to in point 4 of paragraph (1) of Article 145 of this Act, point 1 of paragraph (3) of Article 210 of this Act and point 1 of paragraph (3) of Article 228 of this Act to the competent authorities of the host Member States of an AIFM and to the competent authorities of the host Member States of a non-EU AIF whose Member State of reference is the Republic of Slovenia.

(8) The Agency shall follow the procedures determined by ESMA for the exchange of information between competent authorities in accordance with Directive 2011/61/EU to send to the competent authorities of the AIFM's host Member State or a non-EU AIFM's host Member State the information received from the competent authorities of third countries on the basis of cooperation agreements and Article 287 of this Act.

(9) The Agency may submit the agreement concluded for the purpose of implementing Directive 2011/61/EU with regard to cooperation between the competent authorities of Member States and third countries, which the Agency received from the competent authority of an EU AIFM or the competent authority of the Member State of reference of a non-EU AIFM when it believes that the agreement is not in accordance with the applicable regulatory technical standards adopted by the European Commission.

(10) In the event of a dispute regarding the assessment, operation or omission of one of the competent authorities of Member States in an area that requires cooperation and coordination between the competent authorities of a number of Member States in accordance with a Member State's regulation adopted for the purpose of transposing Directive 2011/61/EU, the Agency may refer the matter to ESMA.

(11) If the Agency establishes that a non-EU AIFM whose Member State of reference is the Republic of Slovenia violates the provisions of this Act or other regulations governing the non-EU AIFM's operations, the Agency shall notify ESMA thereof at the earliest opportunity.

(12) In its function as the competent authority of a non-EU AIFM whose Member State of reference is the Republic of Slovenia, the Agency may call upon ESMA to re-examine its decision adopted in accordance with the provisions of Article 47(4) to (9) of Directive 2011/61/EU and apply the procedure referred to in the second subparagraph of Article 44(1) of Regulation 1095/2010/EU.

Article 294

(Participation in an operational review)

(1) When an operational review of an entity or other investigatory activities must be carried out in a Member State in order to check compliance with a regulation of a Member State adopted to transpose Directive 2011/61/EU, the Agency may require that these actions be carried out by the competent authority of that Member State.

(2) The Agency may also require that the competent authority of a Member State allow an employee of the Agency to monitor the competent authority's employees in the performance of the activities referred to in the preceding paragraph.

(3) At the request of a Member State's competent authority, the Agency may perform a review of the operations of an entity or carry out other investigatory activities when they must be performed in the Republic of Slovenia by itself or allow them to be performed by a Member State's competent authority.

(4) The Agency may also grant the request of a competent authority of a Member State to monitor the Agency's staff in the performance of the activities referred to in the preceding paragraph.

(5) The competent authority may authorise an auditor, expert or other professional to perform certain activities during the review of an entity's operations in accordance with the provisions of this Article.

Article 295

(Refusal of request for cooperation)

(1) The Agency may refuse the request of a competent authority of a Member State to submit information or carry out investigatory activities or an operational review in the Republic of Slovenia where:

1. the requested submission of information and the performance of investigatory activities or an operational review in the Republic of Slovenia could adversely affect the sovereignty, security or public policy of the Republic of Slovenia;

2. judicial proceedings have already been initiated in respect of the same persons and the same actions before the authorities of the Republic of Slovenia;

3. a final decision of the Agency or a final court decision in respect of the same persons and the same actions that are the subject of the request for investigatory activities has already been issued in the Republic of Slovenia.

(2) The Agency shall notify a Member State's competent authority of the refusal of the request to submit information or carry out investigatory activities in accordance with the preceding paragraph and notify it of the grounds for refusal.

Article 296

(Reporting to ESMA on supervision measures adopted and penalties imposed)

For the purposes of paragraph (3) of Article 48 of Directive 2011/61/EU, the Agency shall send ESMA a report on the adopted supervision measures and penalties imposed for violations of the provisions of this Act and other regulations governing an AIFM's operations.

6.10. (Collecting and processing of information)

Article 297

(Collecting and processing of information)

(1) The Agency shall have the responsibility to collect and process information on facts and circumstances that are of significance for the performance of its tasks and responsibilities determined by this Act.

(2) The information referred to in the preceding paragraph shall relate to the following:

1. authorisations to manage AIFs and other authorisations issued by the Agency in accordance with this Act;
 2. members of an AIFM's management board and supervisory board, their organisation and the operation of their internal audit departments;
 3. subsidiaries and the direct provision of services for the management of AIFs by AIFMs in Member States and subsidiaries or the direct performance of EU AIFM activities in the Republic of Slovenia;
 4. an AIFM's branches in third countries;
 5. the financial position and operation of AIFMs and other entities the supervision of which falls within the competence of the Agency;
 6. holders of qualifying holdings;
 7. supervision measures adopted by the Agency in accordance with this Act;
 8. information obtained from other supervisory bodies of the Republic of Slovenia, Member States or third countries in the framework of the exchange of information;
 9. other similar information that is closely associated with information obtained beforehand and urgently needed for the implementation of the supervisory duties and responsibilities of the Agency under this Act.
- (3) The Agency shall be exempt from the payment of court and administrative fees for information obtained from registers and records kept by the courts or other state authorities.

Article 298

(Obligation to safeguard confidential information)

(1) The Agency, i.e. the members of the Agency Council, the director of the Agency, its employees, auditors and other professionals, shall be bound to safeguard the confidentiality of all information obtained during the performance of their duties, supervisory tasks and other transactions and tasks on behalf of the Agency under this Act, with the exception of information publicly available by law. The obligation to safeguard the information referred to in the preceding sentence shall not terminate upon the termination of office, employment or contractual relationship.

(2) the confidential information referred to in the preceding paragraph may not be disclosed to any other person or state authority except in the cases determined by law.

(3) Notwithstanding the provisions of the preceding paragraph, the Agency may publicly disclose the following:

1. information on issued authorisations and approvals that the Agency is obliged to collect and process in accordance with this Act or other acts when it deems that this is necessary to protect investors in the financial instruments market;

2. decisions or summaries of decisions on supervision measures taken in accordance with the provisions of this Act, unless such disclosure could seriously harm the functioning of the financial markets, the interests of investors or cause disproportionate damage to such procedures.

(4) The obligation to safeguard confidential information referred to in paragraphs (1) to (3) of this Article shall also apply to the information obtained by the Agency or the persons referred to in paragraph (1) of this Article in the exchange of information with other competent authorities of Member States, ESMA, EBA, EIOPA and the ESRB.

(5) The confidential information referred to in paragraph (1) of this Article shall also be deemed to include personal data obtained by the Agency in accordance with the provisions of this Act. The personal data obtained by the Agency from another competent authority of a Member State may be stored for a maximum of five years.

Article 299

(Persons established in the Republic of Slovenia or in another Member State allowed to disclose confidential information)

(1) The Agency may disclose confidential information only to the following persons in the Republic of Slovenia or another Member State:

1. supervisory authorities responsible for the supervision of controlled financial undertakings for the purpose of exercising their statutory powers;

2. ESMA, EBA or EIOPA for the purpose of exercising their powers;

3. the ESRB for the purpose of exercising its powers;

4. the judicial authority performing activities in compulsory liquidation or bankruptcy proceedings involving an AIFM or in other similar proceedings;

5. the judicial authority, state prosecutor's office or the police if such information is required for proceedings conducted within their competences;

6. an appellate body or court that conducts proceedings regarding access to information of a public nature in connection with specific information;

(2) The person to whom the Agency discloses confidential information pursuant to the preceding paragraph of this Article may use this information only for the exercise of its supervisory competencies and tasks referred to in the paragraph (1) of the preceding Article and shall be bound to safeguard such information referred to in the preceding Article of this Act. The Agency may disclose confidential information to be used in judicial proceedings in accordance with the laws governing judicial proceedings or in accordance with judicial decisions.

(3) If the Agency obtains confidential information from a competent authority of a Member State or an international organisation, such information may only be disclosed with the consent of the competent authority of that Member State or international organisation unless it is disclosed to the authorities referred to in points 4 and 5 of paragraph (1) of this Article.

Article 300

The exchange of information relating to potential systemic consequences of an AIFM's activities)

(1) The Agency shall provide the competent authorities of Member States, ESMA and the ESRB with information on the operations of a particular EU AIFM or a number of EU AIFMs that have, or could have, an impact on the stability of systemically important financial institutions and the orderly functioning of the markets in which the aforementioned managers operate. The Agency shall communicate the aforementioned information in the manner provided by Article 16 of Regulation 231/2013/EU.

(2) The Agency shall communicate information on the activities of AIFMs that it has the responsibility to supervise to ESMA and the ESRB in accordance with Article 35 of Regulation 1095/2010/EU.

Article 301

(Third country competent authorities allowed to disclose confidential information)

(1) The Agency shall disclose to third country competent authorities, on a case-to-case basis, only that confidential information or data analysis that is required by third country competent authorities for the purposes determined by this Act provided the following conditions have been met:

1. the third country competent authority requires the confidential information for the purposes referred to in this Act;

2. the Agency has concluded a written cooperation agreement with the third country competent authority regulating their mutual cooperation, consulting and exchange of confidential information for the purpose of implementing supervision and supervision measures in accordance with this Act; and:

a) the content of the written cooperation agreement is in line with the provisions of Articles 113 to 115 of Regulation 231/2013/EU;

b) the written cooperation agreement includes a provision that the third country competent authority or third country may not communicate information obtained in accordance with this Article to another third country competent authority or to another third country without the express written consent of the Agency; and

3. the third country competent authority applies the rules on the obligation to safeguard confidential information that conforms to the content determined by the preceding Article.

(2) The Agency may communicate the information obtained from a competent authority of a Member State to a third country competent authority only subject to the written consent of the competent authority of the Member State and only for the purpose agreed upon by the competent authority of the Member State.

(3) If the Agency obtains confidential information from a third country competent authority, such information may only be disclosed with the consent of the competent authority of that third country unless it is disclosed to the authorities referred to in points 4 and 5 of paragraph (1) of Article 299 of this Act.

7. THE AGENCY'S DECISION-MAKING PROCEDURE IN INDIVIDUAL CASES

Article 302

(Application of the provisions relating to the procedure)

(1) The Agency shall decide on individual matters within its competence under this Act by following the procedure determined by Chapter 14 of the ZTFI, unless otherwise provided for individual types of procedures by this Act.

(2) If no decision is made by the Agency within six months of submission of a complete application for authorisation or consent under this Act, the applicant shall be entitled to file a request seeking judicial protection with the competent court.

(3) A request for judicial protection may be filed against a decision on an objection against the order referred to in Article 279 of this Act.

Article 303

(The transmission of data and documents to the Agency)

The provision of Article 520a of the ZTFI shall apply to the transmission of data and documents to the Agency under this Act.

8. PENAL PROVISIONS

Article 304

(Offence authority)

The offence authority that decides on offences and imposes fines in accordance with this Act, Regulation 345/2013/EU and Regulation 346/2013/EU shall be the Agency.

Article 305

(Statute of limitations)

The proceedings for offences referred to in paragraph (3) of Article 308, paragraph (3) of Article 309, paragraph (3) of Article 310, paragraph (3) of Article 311, paragraph (3) of Article 312, paragraph (5) of Article 313, paragraph (3) of Article 314 and paragraph (3) of Article 315 of this Act shall not be admissible after three years from the date the offence was committed.

Article 306

(Offence proceedings conducted by the Agency)

(1) Offence proceedings shall be conducted and decided upon by an authorised official of the Agency that meets the requirements stipulated by the act governing offences and regulations adopted on the basis thereof.

(2) The Agency shall adopt an internal regulation on organisation and job classification in order to define in more detail the terms and conditions as well as the method of conferring and terminating the powers of a person considered to be an authorised official of the Agency as referred to in the preceding paragraph.

Article 307

(The level of fines)

A fine in an amount exceeding the minimum statutory fine under this Act may also be imposed in a fast track procedure for the offences referred to in this Act.

Article 308

(Offences committed by an AIFM)

(1) A fine of between EUR 5,000 and 125,000 shall be imposed on an AIFM for the following offences:

1. failure to file an application for entry in the AIFM register (paragraph (1) of Article 40 of this Act);
2. failure to report to the Agency in accordance with Article 42 of this Act;
3. the provision of the services referred to in paragraph (1) of Article 55 of this Act without the prior authorisation of the Agency referred to in paragraph (3) of this Act;
4. failure to obtain the Agency's consent to transfer the provision of management services regarding an AIF's portfolio to another person in contravention of point 3 of paragraph (1) of Article 59 of this Act;
5. failure to establish an appropriate risk management system and function in accordance with Article 70 of this Act;
6. failure to establish and implement appropriate procedures for a proper and independent valuation of the assets and liabilities and for the calculation of the net asset value of each AIF, EU AIF or non-EU AIF that it manages in accordance with Articles 75 and 84 of this Act;
7. failure to have available an annual report drawn up in accordance with Article 95 of this Act for each of the AIFs or EU AIFs that it manages and for each of the AIFs, EU AIFs or non-EU AIFs that it markets in the Member States or failure to make the annual report available to the Agency, the competent authorities of the EU AIFs and investors (paragraphs (1) and (3) of Article 95 of this Act);
8. failure to notify the Agency of the proportion of voting rights in a non-listed company held by the AIF, EU AIF or non-EU AIF when that proportion reaches or exceeds the major holding thresholds (paragraph (2) of Article 102 of this Act) within the prescribed period referred to in Article 104 of this Act;
9. violation of the provisions of Article 110 of this Act by acquiring, individually or subject to paragraph (1) of Article 100 and Article 101 of this Act, control over a non-listed company and for a period of 24 months following the acquisition of control of the company;
10. failure to entrust the assets of the AIF, EU AIF or non-EU AIF that it manages to the depositary for safekeeping (paragraph (1) of Article 111 of this Act);
11. the depositary functions referred to in Article 115 of this Act are performed on behalf of the AIFM that manages it by a person other than that referred to in Article 112 of this Act;
12. the management of EU AIFs starts before the date of receipt of the notification from the Agency referred to in Article 156 of this Act;

13. management of a non-EU AIF that is not marketed in the Republic of Slovenia or in a Member State, in contravention of paragraph (1) of Article 162 of this Act;

14. failure to obtain an authorisation from the Agency (paragraph (1) of Article 166 of this Act) to provide the portfolio management services referred to in point 1 of paragraph (1) of Article 163 of this Act before beginning to provide such services;

15. failure to obtain an authorisation from the Agency (paragraph (1) of Article 168 of this Act) to provide the non-core services referred to in point 2 of paragraph (1) of Article 163 of this Act before beginning to provide such services;

16. marketing of units of AIFs, EU AIFs or non-EU AIFs in the Republic of Slovenia in contravention of Article 199 of this Act;

17. starting to market units of AIFs, EU AIFs or non-EU AIFs before receipt of approval of marketing notification (paragraph (3) of Article 203, paragraph (5) of Article 207, paragraph (3) of Article 211 and paragraph (6) of Article 215 of this Act).

(2) A fine of between EUR 800 and EUR 4,100 shall be imposed for an offence on the responsible person of a legal person for committing an offence referred to in the preceding paragraph.

(3) If the nature of the offence referred to in the preceding paragraphs is particularly serious due to the amount of damage inflicted, or due to the amount of illegally acquired pecuniary benefit, or due to the offender's intent or unlawful gain, a fine of between EUR 41,000 and EUR 370,000 shall be imposed on an offender who is a legal entity, and a fine of between EUR 2,500 and EUR 12,000 on the responsible person of the legal entity.

Article 309

(Offences committed by an EU AIFM)

(1) A fine of between EUR 5,000 and 125,000 shall be imposed on an EU AIFM for the following offences:

1. management of an AIF or the provision of portfolio management services or non-core services referred to in paragraph (1) of Article 163 of this Act in contravention of the provisions of Article 135 of this Act;

(2) starting to manage AIFs in the Republic of Slovenia directly or establishing a branch in the Republic of Slovenia and starting to manage AIFs through the branch before receipt of the notification of the competent authority of the host Member State referred to in Article 136 of this Act;

3. marketing of units of AIFs, EU AIFs or non-EU AIFs in contravention of the provisions of Articles 217 and 218 of this Act;

4. starting to market units of AIFs, EU AIFs or non-EU AIFs before receipt of the notification from the competent authority of the host Member State referred to in Articles 217 and 218 of this Act.

(2) A fine of between EUR 800 and EUR 4,100 shall be imposed for an offence on the responsible person of a legal person for committing an offence referred to in the preceding paragraph.

(3) If the nature of the offence referred to in the preceding paragraphs is particularly serious due to the amount of damage inflicted, or due to the amount of illegally acquired pecuniary benefit, or due to the offender's intent or unlawful gain, a fine of between EUR 41,000 and EUR 370,000 shall be imposed on an offender who is a legal entity, and a fine of between EUR 2,500 and EUR 12,000 on the responsible person of the legal entity.

Article 310

(Offences committed by a non-EU AIFM)

(1) A fine of between EUR 5,000 and 125,000 shall be imposed on a non-EU AIFM for the following offences:

1. its operations are not in line with the provisions of paragraph (2) of Article 137 of this Act;

2. management of AIFs or marketing of units of AIFs, EU AIFs or non-EU AIFs in the Republic of Slovenia without having obtained an authorisation to manage AIFs from the Agency or an authorisation to manage AIFs in another Member State of reference (Articles 137, 141 and 152 of this Act);

3. failure to appoint a legal representative in the Member State of reference (Article 138 of this Act);

(4) starting to manage AIFs in the Republic of Slovenia directly or establishing a branch in the Republic of Slovenia and starting to manage AIFs through the branch before receipt of the notification of the competent authority of the host Member State referred to in Article 136 of this Act;

5. starting to manage EU AIFs before the date of receipt of the notification from the Agency referred to in Article 160 of this Act;

6. marketing of units of AIFs, EU AIFs or non-EU AIFs in contravention of the provisions of Articles 219, 223, 227 and 231 of this Act;

7. starting to market units of AIFs, EU AIFs or non-EU AIFs before receipt of approval of marketing notification (paragraph (3) of Article 221, paragraph (5) of Article 225, paragraph (3) of Article 229 and paragraph (6) of Article 233 of this Act).

8. marketing of units of AIFs, EU AIFs or non-EU AIFs in contravention of the provisions of Articles 235, 236, 235 and 236 of this Act (paragraphs (1) and (3) of Article 235 and paragraphs (1) and (3) of Article 236 of this Act);

9. starting to market units of AIFs, EU AIFs or non-EU AIFs before receipt of the notification from the competent authority of the Member State of reference referred to in paragraph (2) of Article 235 and paragraph (2) of Article 236 of this Act.

(2) A fine of between EUR 800 and EUR 4,100 shall be imposed for an offence on the responsible person of a legal person for committing an offence referred to in the preceding paragraph.

(3) If the nature of the offence referred to in the preceding paragraphs is particularly serious due to the amount of damage inflicted, or due to the amount of illegally acquired pecuniary benefit, or due to the offender's intent or unlawful gain, a fine of between EUR 41,000 and EUR 370,000 shall be imposed on an offender who is a legal entity, and a fine of between EUR 2,500 and EUR 12,000 on the responsible person of the legal entity.

Article 311

(Offences committed by an SIFM)

(1) A fine of between EUR 5,000 and 125,000 shall be imposed on the following persons for the following offences:

1. provision of services in contravention of Article 45 of this Act;

2. authorising another person in contravention of the provisions of Article 51 of this Act to provide, on its behalf and for its account, individual services or conduct transactions that are considered to be AIF management services in accordance with Article 57 of this Act;

3. failure to organise its operations in accordance with the operating rules referred to in Article 52 of this Act;

4. the investment exceeds 30% of the net asset value of an AIF and does not constitute a lawful derogation referred to in paragraph (3) of Article 187 of this Act (paragraph (2) of Article 187 of this Act);

5. not having obtained the annual report of an SIF it manages (Article 194 of this Act).

(2) A fine of between EUR 800 and EUR 4,100 shall be imposed for an offence on the responsible person of a legal person for committing an offence referred to in the preceding paragraph.

(3) If the nature of the offence referred to in the preceding paragraphs is particularly serious due to the amount of damage inflicted, or due to the amount of illegally acquired pecuniary benefit, or due to the offender's intent or unlawful gain, a fine of between EUR 41,000 and EUR 370,000 shall be imposed on an offender who is a legal entity, and a fine of between EUR 2,500 and EUR 12,000 on the responsible person of the legal entity.

Article 312

(Offences committed by the depositary)

(1) A fine of between EUR 5,000 and EUR 125,000 shall be imposed on the depositary for the following offences:

1. provision of depositary services in contravention of Article 115 of this Act;

2. entering into transactions or investments prohibited by Article 121 of this Act;
3. transfer of the obligations referred to in Article 117 of this Act to another person in contravention of the provisions of Article 123 of this Act;
4. failure to report and communicate information to the Agency in accordance with Article 125 of this Act.

(2) A fine of between EUR 800 and EUR 4,100 shall be imposed for an offence on the responsible person of a legal person for committing an offence referred to in the preceding paragraph.

(3) If the nature of the offence referred to in the preceding paragraphs is particularly serious due to the amount of damage inflicted, or due to the amount of illegally acquired pecuniary benefit, or due to the offender's intent or unlawful gain, a fine of between EUR 41,000 and EUR 370,000 shall be imposed on an offender who is a legal entity, and a fine of between EUR 2,500 and EUR 12,000 on the responsible person of the legal entity.

Article 313

(Offences committed by other persons)

(1) A fine of between EUR 5,000 and EUR 125,000 shall be imposed on a legal entity for the following offences:

1. managing an AIF without being entered in the AIFM register (Article 39 of this Act);
2. provision of services for the management of AIFs in the Republic of Slovenia despite not being a person referred to in paragraph (3) of Article 37 of this Act;
3. managing an AIF despite not being a person referred to in paragraph (1) of Article 178 of this Act;
- (4) provision of the services referred to in point 2 of Article 57 of this Act to an AIF without being authorised to provide these services by the Agency (paragraph (1) of Article 237 of this Act);
5. managing a qualifying venture capital fund without complying with the conditions referred to in Chapter II of Regulation 345/2013/EU;
6. managing a qualifying social entrepreneurship fund without complying with the conditions referred to in Chapter II of Regulation 345/2013/EU.

(2) A fine of between EUR 5,000 and EUR 50,000 shall be imposed on a sole trader or a self-employed person for an offence referred to in the preceding paragraph.

(3) A fine of between EUR 800 and EUR 4,100 shall be imposed on the responsible person of a legal entity, sole trader or self-employed person for an offence referred to in paragraph (1) of this Article.

(4) A fine of between EUR 800 to EUR 4,100 shall be imposed on an individual for committing an offence referred to in paragraph (1) of this Article.

(5) If the nature of the offence referred to in the preceding paragraphs is particularly serious due to the amount of damage inflicted, or due to the amount of illegally acquired pecuniary benefit, or due to the offender's intent or unlawful gain, a fine of between EUR 41,000 and EUR 370,000 shall be imposed on an offender who is a legal entity, and a fine of between EUR 2,500 and EUR 12,000 on the responsible person of the legal entity.

Article 314

(Offences committed by a manager of a European venture capital fund)

(1) A fine of between EUR 5,000 and 125,000 shall be imposed on a manager of a European venture capital fund for the following offences:

1. using the designation "EuVECA" in contravention of Article 4 of Regulation 345/2013/EU;
2. failure to comply with the requirements that apply to the structure of the portfolio of a European qualifying venture capital fund that it manages (Article 5 of Regulation 345/2013/EU);
3. marketing of the units and shares of a qualifying venture capital fund in contravention of Article 6 of Regulation 345/2013/EU;

4. failure to act honestly, fairly or with due skill, care or diligence in conducting its business (Article 7(a) of Regulation 345/2013/EU);

5. failure to apply appropriate policies and procedures to prevent malpractices (Article 7(b) of Regulation 345/2013/EU);

6. obtaining registration through false statements or any other irregular means or using the designation "EuVECA" despite not being registered in accordance with Article 14 of Regulation 345/2013/EU;

7. using the designation "EuVECA" to market funds that are not established in accordance with Article 3(b)(iii) of Regulation 345/2013/EU;

8. failure to submit to the Agency two consecutive audited annual reports for each European venture capital fund that it manages, in accordance with Article 12 of Regulation 345/2013/EU;

9. failure to notify the investors in the European venture capital fund at least twice in three years in accordance with Article 13 of Regulation 345/2013/EU.

(2) A fine of between EUR 800 and EUR 4,100 shall be imposed for an offence on the responsible person of a legal person for committing an offence referred to in the preceding paragraph.

(3) If the nature of the offence referred to in the preceding paragraphs is particularly serious due to the amount of damage inflicted, or due to the amount of illegally acquired pecuniary benefit, or due to the offender's intent or unlawful gain, a fine of between EUR 41,000 and EUR 370,000 shall be imposed on an offender who is a legal entity, and a fine of between EUR 2,500 and EUR 12,000 on the responsible person of the legal entity.

Article 315

(Offences committed by a manager of a European social entrepreneurship fund)

(1) A fine of between EUR 5,000 and 125,000 shall be imposed on a manager of a European social entrepreneurship fund for the following offences:

1. using the designation "EuSEF" in contravention of Article 4 of Regulation 346/2013/EU;

2. failure to comply with the requirements that apply to the structure of the portfolio of a European qualifying social entrepreneurship fund that it manages (Article 5 of Regulation 346/2013/EU);

3. marketing of the units and shares of a qualifying social entrepreneurship fund in contravention of Article 6 of Regulation 346/2013/EU;

4. failure to act honestly, fairly or with due skill, care or diligence in conducting its business (Article 7(a) of Regulation 346/2013/EU);

5. failure to apply appropriate policies and procedures to prevent malpractices (Article 7(b) of Regulation 346/2013/EU);

6. obtaining registration through false statements or any other irregular means or using the designation "EuSEF" despite not being registered in accordance with Article 15 of Regulation 346/2013/EU;

7. using the designation "EuSEF" to market funds that are not established in accordance with Article 3(b)(iii) of Regulation 346/2013/EU;

8. Failure to submit to the Agency two consecutive audited annual reports for each European social entrepreneurship fund that it manages, in accordance with Article 13 of Regulation 346/2013/EU;

9. failure to notify the investors in the European venture capital fund at least twice in three years in accordance with Article 14 of Regulation 346/2013/EU.

(2) A fine of between EUR 800 and EUR 4,100 shall be imposed for an offence on the responsible person of a legal person for committing an offence referred to in the preceding paragraph.

(3) If the nature of the offence referred to in the preceding paragraphs is particularly serious due to the amount of damage inflicted, or due to the amount of illegally acquired pecuniary benefit, or due to the offender's intent or unlawful gain, a fine of between EUR 41,000 and EUR 370,000 shall be imposed on an offender who is a legal entity, and a fine of between EUR 2,500 and EUR 12,000 on the responsible person of the legal entity.

9. TRANSITIONAL AND FINAL PROVISIONS

Article 316

(Harmonisation measures for AIFMs and EU AIFMs)

(1) An AIFM that does not meet the requirements referred to in paragraph (2) of Article 38 of this Act as of the date of entry into force of this Act and has no intention to file an application for authorisation to provide AIF management services, shall file an application for entry in the AIFM register within two months of the entry into force of this Act in accordance with Article 40 of this Act.

(2) An AIFM that meets the requirements referred to in paragraph (2) of Article 38 of this Act on the date of entry into force of this Act shall file an application for entry in the AIFM register within four months of the entry into force of this Act in accordance with Article 126 of this Act.

(3) Notwithstanding the preceding paragraph, an AIFM that manages a closed-ended AIF on the date of the entry into force of this Act and does not invest AIF assets in new investments after the entry into force of this Act, shall continue to manage an AIF without prior authorisation of the Agency.

(4) Notwithstanding the preceding paragraph, an AIFM that, on the date of entry into force of this Act, manages an open-ended AIF for which the time limit regarding payment for AIF units expired before the date of entry into force of this Act and which ceases to exist no later than within three years of the entry into force of this Act, shall not be required to obtain an authorisation to provide AIF management services from the Agency and shall conduct its business in accordance with Articles 95 and 96 of this Act and, where relevant, the provisions of Articles 98 to 104, 106, 107, 109 and 110 of this Act.

(5) The provisions of Articles 135, 136, 201 to 204 and 217 of this Act shall not apply to the marketing of the units of an EU AIFM in the Republic of Slovenia that are subject to a current offer to the public under a prospectus that has been drawn up and published in accordance with the ZTFI or a regulation of a Member State adopted to transpose Directive 2003/71/EC for the duration of the validity of this prospectus.

(6) An AIFM that is authorised by the Agency to provide AIF management services and manages an AIF, an EU AIF or a non-EU AIF that is not subject to supervision by the Agency or another competent authority may appoint a third country bank as depositary until 22 July 2017, provided that such bank meets all the requirements referred to in Subsection 2.4.10 of this Act, except that it should be established in the same country as the AIF, an EU AIF or a non-EU AIF.

Article 317

(Reporting to ESMA)

(1) In the period from the entry into force of this Act until the issuance of the opinion by ESMA referred to in Article 67(1)(a) of Directive 2011/61/EU, the Agency shall report quarterly to ESMA the following:

1. information on the management of an EU AIF by an AIFM and on the marketing of the units of AIFs, EU AIFs and non-EU AIF in a Member State by an AIFM; and

2. information on the management of an AIF by an EU AIFM in the Republic of Slovenia and on the marketing of the units of AIFs, EU AIFs and non-EU AIF units by an EU AIFM in the Republic of Slovenia.

(2) In the period from the entry into force of a delegated act adopted by the European Commission in accordance with Article 67(6) of Directive 2011/61/EU until the issuance of the opinion by ESMA referred to in Article 68(1)(a) of Directive 2011/61/EU, the Agency shall report quarterly to ESMA the following:

1. information on the marketing of a non-EU AIF's units by an AIFM in the Republic of Slovenia or another Member State or by an EU AIFM in the Republic of Slovenia; and

2. information on the management of an AIF by a non-EU AIFM in the Republic of Slovenia and on the marketing of the units of AIFs, EU AIFs and non-EU AIF by an EU AIFM, whose content shall be determined by the European Commission in its delegated act adopted in accordance with Article 68(5) of Directive 2011/61/EU.

Article 318

(Issuing implementing regulations)

The Agency shall issue implementing regulations required for the implementation of this Act within nine months of the date it enters into force.

Article 319

(The beginning of application of certain provisions)

(1) The provisions of Subsections 2.4.11.3, 4.2.3, 4.2.4, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11 and 4.2.12 and paragraph (8) of Article 293 of this Act shall start to apply from the date determined by the European Commission in its delegated act adopted in accordance with Article 68(6) of Directive 2011/61/EU.

(2) Until the beginning of application of the Subsections referred to in the preceding paragraph:

1. a non-EU AIFM shall not be allowed to manage non-EU AIFs or market units of AIFs, EU AIFs or non-EU AIFs in the Republic of Slovenia; and

2. non-EU AIF units may not be marketed in the Republic of Slovenia.

Article 320

(Entry into force)

This Act shall enter into force on the fifteenth day following its publication in *Uradni list Republike Slovenije*.