2. If the competent authorities of the home Member State decide to impose restrictions or reject those changes, they shall, within 1 month of receipt of that notification, inform the AIFM. The competent authorities may prolong that period for up to 1 month where they consider this to be necessary because of the specific circumstances of the case and after having notified the AIFM accordingly. The changes shall be implemented if the relevant competent authorities do not oppose the changes within the relevant assessment period.

Article 11
Withdrawal of the authorisation

The competent authorities of the home Member State of the AIFM may withdraw the authorisation issued to an AIFM where that AIFM:

(a) does not make use of the authorisation within 12 months, expressly renounces the authorisation or has ceased the activity covered by this Directive for the preceding 6 months, unless the Member State concerned has provided for authorisation to lapse in such cases;

(b) obtained the authorisation by making false statements or by any other irregular means;

(c) no longer meets the conditions under which authorisation was granted;

(d) no longer complies with Directive 2006/49/EC if its authorisation also covers the discretionary portfolio management service referred to in point (a) of Article 6(4) of this Directive;

(e) has seriously or systematically infringed the provisions adopted pursuant to this Directive; or

(f) falls within any of the cases where national law, in respect of matters outside the scope of this Directive, provides for withdrawal.

CHAPTER III
OPERATING CONDITIONS FOR AIFMs

SECTION 1
General requirements

Article 12
General principles

1. Member States shall ensure that, at all times, AIFMs:

(a) act honestly, with due skill, care and diligence and fairly in conducting their activities;

(b) act in the best interests of the AIFs or the investors of the AIFs they manage and the integrity of the market;

(c) have and employ effectively the resources and procedures that are necessary for the proper performance of their business activities;

(d) 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 and their investors and to ensure that the AIFs they manage are fairly treated;

(e) comply with all regulatory requirements applicable to the conduct of their business activities so as to promote the best interests of the AIFs or the investors of the AIFs they manage and the integrity of the market;

(f) treat all AIF investors fairly.

No investor in an AIF shall obtain preferential treatment, unless such preferential treatment is disclosed in the relevant AIF’s rules or instruments of incorporation.

2. Each AIFM the authorisation of which also covers the discretionary portfolio management service referred to in point (a) of Article 6(4) shall:

(a) not be permitted to invest all or part of the client’s portfolio in units or shares of the AIFs it manages, unless it receives prior general approval from the client;

(b) with regard to the services referred to in Article 6(4), be subject to Directive 97/9/EC of the European Parliament and of the Council of 3 March 1997 on investor-compensation schemes (1).

3. The Commission shall adopt, by means of delegated acts in accordance with Article 56 and subject to the conditions of Articles 57 and 58, measures specifying the criteria to be used by the relevant competent authorities to assess whether AIFMs comply with their obligations under paragraph 1.