We present an overview of our current efforts to construct approximations to the exchange-correlation energy (Exc) functional of Spin-Density-Functional Theory (SDFT), specifically aiming at the description of systems exhibiting a noncollinear magnetic structure. Starting from an argument that the well-known local spin-density approximation (LSDA) is not able to produce a nontrivial noncollinear spin magnetization, we discuss our recent proposal to use the so-called spin-spiral state of the uniform electron gas as an intrinsically noncollinear reference system for a generalized LSDA. Furthermore, we compare the longitudinal and transverse contributions to the gradient expansion of Exc. Finally, we summarize the advantages and drawbacks of various approaches to address noncollinear magnetism within SDFT and highlight open questions and challenges.