

Irish hedge funds

The only alternative

Ireland is a jurisdiction that has become synonymous with investment management, and more recently with regulated hedge funds in the form of the Irish 'Qualifying Investor Fund' (QIF) regime.

Why Ireland?

There are numerous compelling reasons to select Ireland as a domicile for regulated hedge funds:

- **Scale** – The Irish funds industry services over 10,000 funds and is the leading global jurisdiction for regulated hedge funds.
- **Experience and expertise** – Ireland is a mature funds jurisdiction with over 20 years experience in dealing with all fund structures. Ireland has a very competitive market for service providers with a large number of administrators, transfer agents and custodians. It is recognised as an experienced and established centre of excellence for investment fund servicing, providing a highly trained, skilled and multilingual workforce that is now accessible throughout Ireland.
- **Constructive regulatory environment** - At the centre of Ireland's reputation as a hedge fund domicile is the Irish financial regulatory system. The Irish regulator is considered to be one of the most progressive in Europe, with a transparent approval and regulatory process and strong custody rules. Ireland has established a highly regarded and well regulated environment for investors who wish to gain exposure to alternative investment funds but do not want to invest in more lightly regulated jurisdictions.
- **Distribution** – Ireland has established domestic funds which are distributed to shareholders in over 60 countries across Europe, America, Australia, Asia, the Middle East and Africa through 350 fund promoters from over 50 countries.
- **Innovation** - There are a number of innovations that have helped Ireland become a jurisdiction of choice for regulated hedge funds. These include:
 - o Ireland was the first regulated jurisdiction to commit to alternative investment funds industry and has been at the forefront of the new UCITS IV directive.
 - o QIFs are investment vehicles that can be formed as Unit Trusts, Limited Partnerships or Limited Companies which, as the name implies, are restricted to high net worth individuals or institutions.
 - o Speed to market for sophisticated products – 24 hour fund approval for promoters who have been approved by the regulator.
 - o Specific regulations for a variety of Alternative Funds such as Fund of Funds, Property Funds, Private Equity Funds etc.
- **Favourable tax environment** - The taxation treatment of regulated funds in Ireland is one of the key factors to the success of the Irish funds industry. Irish domiciled funds benefit from considerable tax advantages that other jurisdictions do not offer.
 - o Investment funds are not subject to Irish tax on their income or gains.
 - o All of the income earned from the investments held by the fund, such as dividends and interest, are earned free from Irish income tax.
 - o The gain on the disposal of these investments is not liable to capital gains tax.
 - o Ireland is an "onshore" tax and EU-regulated jurisdiction for OECD purposes and consequently the income earned and gains realised by investors in an Irish fund should not suffer the penal rates of tax imposed by most tax jurisdictions on income that is earned or gains realised by investors in offshore tax jurisdictions.
- **Stock exchange listing** – The Irish Stock Exchange is recognised globally as the stock exchange of choice for listing hedge funds. Among European hedge funds, about 60% are listed on an exchange. Due to the ease of listing on the Irish Stock Exchange, it is the market leader, listing 86% of the world's qualifying funds.

Contacts

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As global leaders in providing professional services to the investment management industry, Deloitte works with clients to address a range of critical issues brought on by regulatory changes, competition, globalisation, advances in technology, and the changing demands of their customers.

We believe our approach to problem solving can uncover new opportunities for your company and deliver novel solutions that give you a competitive advantage.

For further information on investment management, see our dedicated site at www.deloitte.com/ie/investment-management

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