Destination Ireland- migrating your fund
A level playing field

In the current environment, many funds are looking for a respected regulated domicile with an appropriate tax infrastructure. In addition, funds want a domicile that facilitates global distribution and has the required service excellence in terms of quality administrators, custodians and advisers.

One of the common trends is that funds already in existence are looking to migrate to a location that ticks all of these required boxes. Their chosen destination is Ireland.

How to migrate?

Current approach

From a legal perspective, many funds arrive in their new Irish destination by establishing a new Irish fund structure (for example, as a variable capital company or a unit trust) and seek the Irish Regulator's approval for the new Irish fund. Once approved, the assets of the existing fund (for example, let's call Fund A a Cayman or Bermudan fund that is redomiciling) are transferred to the newly approved Irish fund, Fund B. In return for transferring their underlying assets, the existing shareholders of Fund A are given shares/units in Fund B. Fund A is then wound up or liquidated as there are no longer any assets therein and the shareholders/unitholders are now holding shares in the Irish Fund B. For details on how to get regulatory approval for an Irish fund, see other Deloitte Investment Management publications, such as ''Which Irish Fund Structure - getting the right fit''?, ''UCITS IV: the evolution continues'',''Irish Hedge Funds the only alternative''.

Innovative changes on migration

The Irish legal framework in relation to migration of funds has been amended. Legislation has been published which will facilitate non Irish Fund Companies re-domiciling to Ireland in a simple and business friendly procedure. Basically, the existing Fund Company A continues its existence, but does so as a company registered under Irish law.

The migrating fund will need to seek authorisation from the Irish Financial Regulator as either a UCITS or non UCITS Company (including a QIF or PIF), For more details of UCITS and non UCITS structures, see other Deloitte investment management publications such as "QIF: a regulated alternative" and "Sophisticated UCITS Funds".

The principal advantages of re-domiciling in this way include;

(a) The company continues as normal and maintains its performance track record and infrastructure
(b) The shareholders do not have to swap shares in Fund A for Fund B, thereby avoiding any potential risk to capital gains tax on disposal of the A Shares.
(c) The administrative aspects of creating a new fund are eliminated as there is no need to transfer the assets across and liquidate the old fund, and
(d) Eliminates any possible transfer tax issues that previously may have arisen on moving the assets from Fund A to B.

The draft legislation is expected to be enacted by the end of 2009.

It is envisaged that Fund Companies will only be permitted to re-domicile to Ireland if the laws of the country of their original registration permit both outward re-domiciliation and inward re-domiciliation. A specific list will be compiled as to those countries, but it is likely to include (among others) the Cayman Islands, the British Virgin Islands, Bermuda and the Channel Islands.

Future Tax Amendments

In line with the Regulatory amendments referred to above, changes will be made in the forthcoming Irish Finance Bill, (which is expected to be signed into law in March 2010) which will facilitate the tax aspects of re-domiciliation. The intention being that the same fund benefits that currently accrue to Irish gross roll up funds will also be extended to re-domiciled funds. For details of the tax treatment and benefits of Irish gross roll up funds, please see our Deloitte publication entitled "Tax regime for Irish Funds - A level playing field."

Who will these changes be of interest to?

This new legislation will be of interest to all promoters who want to benefit from the significant advantages that Ireland can offer. It is also of interest to alternative funds promoters that may want to benefit from a UCITS passport, particularly in response to the introduction of the Alternative Investment Fund Managers Directive.

Why Ireland?

- Recognised as one of the world's leading fund domiciles
- Excellent regulatory framework and strong Government commitment to Ireland as a centre of excellence
- Extensive industry experience and quality of service providers – over 12,000 professionals
- Innovative solutions to promoter needs- leading global centre for hedge, ETF and money market funds; Shari'ah fund specialism

- Proven expertise in global distribution – network of more than 60 countries
- Tax effective - no Irish tax at the fund level or on returns/gains to non Irish investors
- Eurozone, EU, OECD and FATF member
- Speed to market, e.g, the 24 hour approval for the Qualifying Investor Fund (QIF)

Migrations to Ireland have been successfully achieved in a timely and efficient manner so you will have the benefit of a depth of experience in making your migration happen. If you are considering redomiciling your fund to Ireland, please call or email your Deloitte contact or one of our investment management partners who will be able to help you.

Why Deloitte?

Our Investment Management practice provides global resources and global capabilities, yet our presence is local – with a clear understanding of your market and your way of doing business. Our clients include investment advisers and administrators from every sector of the industry, including asset managers, broker-dealers, banks, insurance companies, mutual funds, investment partnerships, hedge funds, alternative products, and other money managers.

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

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