

# *Seeing the bigger picture*

## Fund Domicile Matrix

*A comparison of some  
of the main fund  
jurisdictions (Ireland,  
Luxembourg, Malta,  
Cayman and the UK)*

*April 2011*

# Fund Domicile Matrix

April 2011

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Questions	Ireland	Luxembourg	Malta	Cayman	U.K
<b>Service Providers</b>					
No of international administrators	47*	122*****	18*	94 full mutual fund administrator licenses *	42
No of law firms	9*	20**	12*	12*	40+
<b>Stock Exchange</b>					
Name	Irish Stock Exchange	The Luxembourg Stock Exchange	Malta Stock Exchange	Cayman Islands Stock Exchange	London Stock Exchange – Main Market, Specialist Fund Market and AIM.
No of funds listed	Over 3,000 funds & subfunds **	518 issuers from 11 countries 7,445 share classes listed issued by 483 legal entities	49 sub-funds (14 SICAVs listed on primary markets) 181 sub-funds (foreign listed on secondary markets)	331**	This information is not available.
<b>Tax</b>					
Tax environment - what taxes are applicable at fund level?	<ul style="list-style-type: none"> <li>• Tax exempt on income and capital gains.</li> <li>• No withholding tax on distributions made to non-resident or exempt Irish resident investors.</li> <li>• No net asset tax.</li> </ul>	<ul style="list-style-type: none"> <li>• Tax exempt on income and capital gains.</li> <li>• No withholding tax on distributions made to investors.</li> <li>• Annual subscription tax: 0.05% of net asset value. Possibility to reduce the rate to 0.01% or 0%.</li> </ul>	<ul style="list-style-type: none"> <li>• Tax exempt on income and capital gains.</li> <li>• No withholding tax on distributions made to non-Maltese investors.</li> <li>• No net asset value / subscription tax applicable.</li> </ul>	No fund level tax imposed in the Cayman Islands.	<p>Authorised Investment Funds (AIFs) - corporation tax on income 20%. Exemption on chargeable gains.</p> <p>Funds can also elect to be treated as tax exempt funds, subject to certain conditions.</p> <p>(Offset of expenses, the exemption for dividends and certain other provisions effectively mean that the vast majority of UK resident AIFs pay no tax.)</p> <p>UK AIFs are required to distribute all of their “income” on an annual basis, or to reinvest.</p> <p>No withholding tax on distributions made to investors from a fund unless it is a bond fund in which case WHT may apply for certain investors.</p>

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### Asset Management

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Questions	Ireland	Luxembourg	Malta	Cayman	U.K
What is the Corporate tax rate for a management company?	12.5%	28.80% for Luxembourg town.	35% However with reliefs, effective tax suffered post-refund and post-distribution should result in an effective rate of around 5%.	No corporation tax imposed in the Cayman Islands.	26% (Since April 2011)
Treaty access - How many double taxation treaties are in place? Memoranda of Understanding (MoU) with non-EU countries	62 treaties (54 of which in effect) 4 pending (negotiations concluded, due to be signed) 5 in negotiation MoU's signed with: China; Dubai; Hong Kong; Isle of Man; Jersey; South Africa; Switzerland, Taiwan, UAE and USA.	62 treaties 25 pending MoU's signed with many countries including China and Dubai.	57 treaties 3 pending MoU's signed with: Australia, South Africa, China, Cayman Islands, The Emirates of Dubai, Bermuda, Jersey, Isle of Man, Turkey, Gibraltar, Mauritius and Guernsey.	22 Tax Information Exchange Agreements signed. MoU's signed with: Argentina; Bahamas; Barbados; Belize; Bermuda; Brazil; BVI; Canada; Isle of Man ; Jamaica; Jersey; Malta; Netherland Antilles; Panama; Trinidad and Tobago; Turks and Caicos; UK; and USA. Additional Tax Information Exchange Agreements are pending.	Extensive treaty network of over 100 treaties. 15 pending MoU's signed with: List not available
Is the Saving Directive applicable in your domicile?	Yes. No WHT on investor payments. Ireland has fully implemented the EU Savings Directive.	Yes. Luxembourg implementation of the EUSD allows investors to choose between exchange of information and withholding tax.	Yes. No WHT on investor payments. Malta has fully implemented the EU Savings Directive.	Yes. No WHT on investor payments. Cayman Islands has chosen the automatic information exchange model.	Yes. No WHT on investor payments. The UK has fully implemented the EU Savings Directive.
Is Stamp Duty applicable in your domicile?	No stamp duty or capital duty is payable on issue, transfer, repurchase or redemption of units in a fund. A fund does not have to pay stamp duty on the conveyance or transfer of stock or marketable securities.	No stamp duty or capital duty applicable in Luxembourg.	No stamp duty or capital duty is payable on issue, transfer, repurchase or redemption of units in a fund. A fund does not have to pay stamp duty on the conveyance or transfer of stock or marketable securities.	No stamp duty is payable by a fund on shareholder transactions or transactions in stock or securities.	Stamp tax is payable at 0.5% on the transfer and redemption of units / shares in certain types of funds. Stamp tax will also normally be payable at 0.5% on the transfer of stock or marketable securities to a fund and at up to 4% on the transfer of UK real estate interests to a fund.

Questions	Ireland	Luxembourg	Malta	Cayman	U.K
VAT treatment- What is the VAT treatment for funds?	<p>Fund activities VAT exempt.</p> <ul style="list-style-type: none"> <li>Funds must self account for VAT on certain reverse charge services received.</li> <li>Possibility of Fund recouping VAT based on proportions of investments (or investors) outside EU.</li> </ul>	<p>Funds are regarded as performing VAT exempt activities. They are not entitled to recover the input VAT incurred on their costs, except in specific cases.</p> <p>Management of regulated funds is VAT exempt. The scope of the exemption is broad. It covers notably the management of the Funds' investments (strategic and administrative) but also investment advisory services in relation with these investments.</p> <p>Distribution of funds' units/shares is generally VAT exempt.</p> <p>Services that cannot benefit from a VAT exemption are generally subject to 15% VAT, which is the lowest rate within the EU, Supervision functions are even generally subject to 12% VAT.</p> <p>Funds are not required to register for VAT in Luxembourg unless they receive services from abroad for which they have to self account for Luxembourg VAT.</p>	<p>Fund activities VAT exempt.</p> <ul style="list-style-type: none"> <li>Funds must self account for VAT on certain reverse charge services received.</li> <li>Possibility of Fund recouping VAT based on proportions of investments (or investors) outside EU.</li> </ul>	N/A	<p>Generally, UK AIFs or TEFs will be regarded as performing activities that are exempt from UK VAT, to the extent that they trade and invest in EU securities, and as such will be unable to recover input tax incurred at the Fund level.</p> <p>However, the Fund should be able to recover some input tax to the extent that it trades or invests in non EU securities.</p>

**Regulation**

Name of regulatory body	Central Bank of Ireland	Commission de Surveillance du Secteur Financier (CSSF)	Malta Financial Services Authority (MFSA)	Cayman Islands Monetary Authority ("CIMA")	Financial Services Authority ("FSA")
Available fund/legal structures (Unit trust, investment company etc)	<ul style="list-style-type: none"> <li>Unit Trust</li> <li>Common Contractual Fund</li> <li>Investment Company</li> <li>Investment Limited Partnership</li> </ul>	<ul style="list-style-type: none"> <li>Investment Company (SICAV)</li> <li>Common Fund (FCP)</li> </ul>	<ul style="list-style-type: none"> <li>INVCO (closed-ended funds)</li> <li>SICAV (open-ended funds)</li> <li>Unit Trust</li> <li>Foundation</li> <li>Common Contractual Fund</li> <li>Limited Partnership</li> </ul>	<p>Any company, trust or partnership incorporated or established in the Cayman Islands, including:</p> <ul style="list-style-type: none"> <li>Exempted company                             <ul style="list-style-type: none"> <li>registered as SPC</li> <li>registered as a LDC</li> </ul> </li> <li>Exempted limited partnership</li> <li>Unit trust</li> </ul>	<ul style="list-style-type: none"> <li>Unit Trust</li> <li>Open-Ended Investment Company ("OEIC")</li> <li>Investment Trust</li> <li>Limited Partnership</li> <li>Limited Liability Partnership</li> </ul>

Questions	Ireland	Luxembourg	Malta	Cayman	U.K
Categories of regulated funds (i.e. UCITS, QIF etc)	<ul style="list-style-type: none"> <li>• UCITS funds</li> <li>• Non UCITS</li> <li>• Professional Investor Funds</li> <li>• Qualifying Investor Funds</li> <li>• Closed-ended Funds</li> </ul>	<ul style="list-style-type: none"> <li>• UCITS funds</li> <li>• Part II UCIs</li> <li>• SIFs (specialized investment funds)</li> <li>• SICARs (investment companies in risk capital)</li> </ul>	<ul style="list-style-type: none"> <li>• UCITS funds</li> <li>• Non-UCITS funds</li> <li>• Professional Investor Funds (including experienced investor funds, qualifying investor funds and extraordinary investor funds)</li> <li>• Closed-ended funds</li> </ul>	<ul style="list-style-type: none"> <li>• Registered funds</li> <li>• Administered funds</li> <li>• Licensed funds</li> </ul>	<ul style="list-style-type: none"> <li>• UCITS schemes</li> <li>• Non UCITS schemes (“NURS”)</li> <li>• Qualified Investor Schemes (“QIS”)</li> <li>• Foreign schemes recognised by the FSA pursuant to sections 270 and 272 FSMA 2000</li> </ul>
Average set up time per structure (UCITS, QIF etc)	<p><b>UCITS – 4-6 Weeks</b> Overall establishment including approval of service providers – 3 months</p> <p><b>Non - UCITS</b> QIF – 24 hours</p> <p>Overall establishment including approval of service providers – 4-6 weeks.</p> <p>PIF – 4 weeks</p> <p>Overall establishment including approval of service providers – 6-8 weeks.</p> <p>Retail Non-UCITS – 4 weeks</p> <p>Overall establishment including approval of service providers – 6-8 weeks.</p>	<p><b>UCITS</b> – 1 to 4 months to obtain CSSF approval for the application – 1 week to incorporate the fund.</p> <p><b>Part II UCIs</b> – 2 - 3 months to obtain CSSF approval for the application – 1 week to incorporate the fund.</p> <p><b>SIFs</b> – as per the law no prior approval by CSSF is required before launching the SIF (Request for approval to be filed within one month following creation of the SIF) – 1 week to incorporate the fund.</p> <p><b>SICARs</b> - 2-3 months to obtain CSSF approval for the application – 1 week to incorporate the fund.</p>	<p>The Malta Financial Services Authority (“MFSA”) works to fixed time lines agreed with each individual applicant. It is the policy of the MFSA that all its regulators meet directly with operators to discuss their requirements.</p> <p><b>Retail UCITS and Non-UCITS</b> Feedback will be provided from the MFSA within 3 weeks from submission of application.</p> <p><b>PIFs for Experienced or Qualifying Investors</b> The MFSA will review within seven business days from receipt of the application documents.</p> <p><b>PIFs for Extraordinary Investors</b> The MFSA will review within three business days.</p>	<p><b>Registered funds</b> - Same day registration. Set-up time from establishment to registration is approximately 4-6 weeks depending on complexity and service provider requirements.</p> <p><b>Administered funds</b> - Same day registration. Set-up time from establishment to registration is approximately 4-6 weeks depending on complexity and service provider requirements.</p> <p><b>Licensed funds</b> - Registration is subject to CIMA approval, which generally takes between 4- 6 weeks. Set-up time from establishment to registration is approximately 8-12 weeks.</p>	<p><b>UCITS</b> – Overall establishment including approval of fund and service providers: 2-5months. (This timing can be reduced where the service providers are already authorised.)</p> <p><b>NURS</b> – Overall establishment including approval of fund and service providers: 2-5 months. (This timing can be reduced where the service providers are already authorised.)</p> <p><b>Investment Trust</b> – 3-4 months for listing on Main Market.</p> <p><b>Limited Partnership</b> – 4-6 weeks. 3-6 months if FSA regulatory approval of service providers required.</p> <p><b>Limited Liability Partnership</b> – 4-6 weeks. 3-6 months if FSA regulatory approval of service providers required.</p>

Questions	Ireland	Luxembourg	Malta	Cayman	U.K
<p>What are the basic documents required for setting up a fund in your jurisdiction?</p> <p>Note: Depends on number of service providers and type of legal structure)</p>	<ul style="list-style-type: none"> <li>Letter of application (All legal structures)</li> <li>Prospectus (All legal structures)</li> <li>Simplified Prospectus (All legal structures)</li> <li>Risk Management Process (All legal structures)</li> <li>Memorandum &amp; Articles of Association (Investment Company)</li> <li>Trust Deed (Unit Trust)</li> <li>Deed of Constitution (CCF)</li> <li>Custody Agreement (All legal structures except the Unit Trust)</li> <li>Partnership Agreement (Investment Limited Partnership)</li> <li>Management Agreement (Optional for Investment Company)</li> <li>Investment Advisory Agreement (All legal structures)</li> <li>Administration Agreement (All legal structures)</li> <li>Transfer Agency Agreement (All legal structures)</li> <li>Distribution Agreement (If applicable)</li> <li>Paying Agent/Facilities Agent Agreement (If applicable)</li> <li>Prime Brokerage Agreement (If applicable)</li> </ul>	<ul style="list-style-type: none"> <li>Application questionnaire (all legal structures)</li> <li>Prospectus (all legal structures)</li> <li>Simplified Prospectus or KIID<sup>(1)</sup> (for UCITS only)</li> <li>Risk management process (for UCITS only)</li> <li>Articles of incorporation of the fund (for a corporate fund)</li> <li>Management regulations (for a contractual fund)</li> <li>Custody agreement (all legal structures)</li> <li>Investment management agreement (if applicable)</li> <li>Investment advisory agreement (if applicable)</li> <li>Administration agreement (all legal structures)</li> <li>Transfer agency agreement (all legal structures)</li> <li>Distribution agreement (if applicable)</li> <li>Paying agency agreement (if applicable)</li> <li>Curriculum Vitae, Declaration of honour, extract from criminal records of the directors</li> <li>Documents to identify the fund initiator (all legal structures) and assess its quality (for UCITS and Part II UCIs only)</li> <li>Documents to identify and assess the quality of the fund investment manager (for UCITS and Part II UCIs only)</li> <li>Business plan (for SICAR only)</li> <li>Ex ante risk analysis (for SICAR only)</li> <li>Letter of intend or engagement letter from the auditor (for UCITS, Part II UCIs and SIFs)</li> </ul>	<ul style="list-style-type: none"> <li>Letter of application (All legal structures)</li> <li>Draft version of the full prospectus and if applicable the simplified prospectus.</li> <li>Draft version of Memorandum &amp; Articles (for an investment company)</li> <li>Draft version of the Deed of Partnership (Partnership)</li> <li>Trust Deed/Fund Rules (Unit Trust/CCF)</li> <li>Draft Management, administration, advisory, custody agreements as applicable (all fund structures)</li> <li>Draft board of directors resolutions/ resolution of the general partner (Investment company/ Partnership)</li> <li>Resolution of the proposed manager (Unit Trust and CCF)</li> <li>Marketing Plan (All legal structures)</li> <li>Personal questionnaires of the proposed directors/general partners (investment companies / limited partnership)</li> <li>Details of the corporate directors / corporate general partner, if applicable (investment company / limited partnership)</li> <li>Details of the regulatory status of the proposed trustee (Unit Trust)</li> <li>Supplementary documents apply for a self-managed scheme</li> </ul>	<ul style="list-style-type: none"> <li>Offering memorandum</li> <li>Subscription agreement</li> <li>Constitutional documents (e.g. memorandum and articles of association for a company, limited partnership agreement for a partnership and trust deed for a unit trust)</li> <li>Investment management agreement</li> <li>Administration agreement</li> <li>Prime brokerage/custodian agreement</li> <li>Form MF1 for regulated funds, Form MF2 for administered funds or Form MF3 for licensed funds</li> <li>Consent letter from the auditor</li> <li>Consent letter from the administrator</li> <li>Organisational and directors'/ general partner's/ trustee's resolutions</li> <li>For licensed funds, questionnaire, affidavit of no conviction and personal references for each director</li> </ul>	<ul style="list-style-type: none"> <li>Trust deed between manager and trustee</li> <li>Prospectus (which in the case of an authorised unit trust /OEIC must comply with COLL&amp; in the case of UK investment trust must comply with UK listing requirements)</li> <li>Solicitor's certificate (stating that the trust deed / instrument of incorporation complies with FSA requirements)(not required for unauthorised unit trust)</li> <li>Key features document (for NURS)</li> <li>Simplified prospectus (mandatory for UCITS schemes)</li> <li>Instrument of incorporation</li> <li>Contracts between OEIC and authorised fund manager and between OEIC and depository</li> <li>Memorandum and Articles of Association</li> <li>Agreements between investment trust and its investment manager and any separate administrator or custodian</li> <li>A limited partnership deed</li> <li>An application to the Registrar of Companies to register the limited partnership/limited liability partnership</li> <li>An offering memorandum/ subscription agreement</li> <li>A limited liability partnership deed</li> </ul>

(1) Simplified Prospectus for UCITS under Law dated December 20,2002.  
Key Investor Information Document (KIID) for UCITS under Law dated December 17,2010.

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Questions	Ireland	Luxembourg	Malta	Cayman	U.K
Is promoter approval required?	Yes	Yes for UCITS, Part II UCIs. (certificate of supervisory authority and financial reports over last 3 years shall be provided). No for SIFs and SICARs.	Yes	No	Yes <b>If a promoter is</b>
What are the capital requirements for a fund promoter?	EUR 635,000	EUR 8,000,000 (for UCITS and Part II UCIs open to the retail public) with exceptions.	Investment Manager -> EUR 125,000 initial minimum capital Other -> None		<ul style="list-style-type: none"> <li>Managing own funds and third party funds: €50,000 or one quarter of the firm's annual audited fixed expenditure, whichever is the higher.</li> <li>Holding client money and/or client assets: €125,000 or one quarter of the firm's annual audited fixed expenditure, whichever is the higher.</li> <li>Undertaking principal trading: €730,000 or the sum of the credit risk capital requirement, market risk capital requirement and operational risk capital requirement, whichever is the higher.</li> <li>Only managing its own UCITS funds, it is subject to a capital requirement of: subject to a maximum of €10million, an initial capital requirement of €125,000 plus 0.2% of funds under management, where they exceed €250million in value or one quarter of the firm's annual audited fixed expenditure.</li> <li>Only advises/manages private equity funds, it is possible that they can be subject to just a £5,000 capital requirement. Advisers and arrangers are subject to a capital requirement of €50,000 only.</li> </ul>
Is there a regulatory obligation on a fund promoter to make good any losses suffered by fund?	Irish Promoters not legally responsible for losses of funds, as long as due care has been provided.	Promoters bear responsibility for the fund because it decides to launch or distribute the fund.	There is no obligation.		UK promoters are not legally responsible for losses of funds, as long as reasonable care has been provided (i.e. no misleading or deceptive statements).

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<b>Questions</b>	<b>Ireland</b>	<b>Luxembourg</b>	<b>Malta</b>	<b>Cayman</b>	<b>U.K</b>
What are the capital requirements for a Management Company?	Min capital – EUR 125,000 or 3 months expenditure, whichever is greater.  Must also provide additional capital of 0.02% of AUM over EUR 250 million up to a maximum capital of EUR 10 million.	Min capital – EUR 125,000  Must also provide additional own funds of 0.02% of AUM over EUR 250 million up to a maximum capital of EUR 10 million.	Minimum capital requirement is of €125,000 for category 2 licence holder.	There are generally no capital requirements for an investment manager of a regulated fund except for Investment Managers that are entities incorporated or registered in the Cayman Islands who are required to be licensed pursuant to the Securities Investment Business Law of the Cayman Islands, in which case the minimum capital requirement is approximately US\$122,000, with certain exemptions from such licensing requirements being available depending on the nature of the business conducted.	The highest of 125,000 Euros, the Funds Under Management Requirement or the Fixed Overhead Requirement.
What are the capital requirements for a self managed company?	EUR 300,000	EUR 300,000	EUR 125,000	N/A	Not applicable in the UK.

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Questions	Ireland	Luxembourg	Malta	Cayman	U.K
What are the requirements/ procedures for a fund redomiciling into your domicile?	<p>Ability for a foreign incorporated fund to effectively be re-registered as an Irish Corporate is subject to meeting the Financial Regulator's requirements.</p> <p>The process does not require transfer of ownership of assets to the newly incorporated fund or cause any tax charge to the fund or underlying investors for doing so.</p>	<p>The requirements of the CSSF in relation to redomiciling a fund to Luxembourg are:</p> <p>Initialisation of the re-domiciliation process by the management body of the fund (e.g. Board of Directors of the General Partner).</p> <p>Preparation of the re-domiciliation (drafting of the fund documents and liaising with the CSSF).</p> <p>Holding of a general meeting of the shareholders of the fund before a Notary in Luxembourg.</p> <p>No contribution in kind report required.</p>	<p>The requirements of the MFSA in relation to re-domiciling a fund to Malta are:</p> <ol style="list-style-type: none"> <li>1. Fund to be incorporated under the laws of an approved jurisdiction, (including all the EU, EEA and OECD states, which have appropriate provisions in their laws, and also the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, Gibraltar, Guernsey, the Isle of Man, Jersey and Mauritius).</li> <li>2. Fund is similar in nature to a company known under the laws of Malta.</li> <li>3. Re-domiciliation is possible under the laws of the jurisdiction where the fund is currently domiciled.</li> <li>4. Re-domiciliation is permitted in the fund's constitutive documents.</li> <li>5. It is approved by way of resolution.</li> </ol> <p>Licensing requirements in Malta, once re-domiciled, would essentially be the same as establishing a new Fund.</p>	<p>Generally the same as the requirements for establishing a new fund except that where a company incorporated in another jurisdiction wishes to continue in the Cayman Islands, the following would be required:</p> <ul style="list-style-type: none"> <li>• The company must be a corporate body, in incorporated with limited liability and a share capital, and be constituted in a form, which can be incorporated as an exempted company limited by shares under the Companies Law.</li> <li>• The laws of the jurisdiction from which the company is transferring must permit, or not prohibit, the transfer of the company in the manner provided in the Companies Law.</li> <li>• The transfer must be permitted by, and have been approved in accordance with, the company's charter documents.</li> <li>• Certain corporate documents / registers and filings / notices / declarations are required by the Registrar of Companies.</li> <li>• An affidavit, signed by a director of the company, must be filed.</li> <li>• The company must, within 90 days, adopt a new memorandum and articles of association in accordance with the Companies Law.</li> </ul>	<p>There is currently no mechanism in the UK for redomiciling a fund into the UK.</p> <p>Essentially the procedure would involve the establishment of a new fund in the UK and then the amalgamation or transfer of assets to that fund.</p>

Questions	Ireland	Luxembourg	Malta	Cayman	U.K
Outline the Risk Management Process for funds in your jurisdiction	<p>Irish risk management process is based on the Financial Regulator's guidance notes with flexibility.</p> <ul style="list-style-type: none"> <li>• Risk monitoring for non-sophisticated funds in Ireland is on a daily basis.</li> <li>• Risk management process is not the responsibility of any designated individual. Collectively the responsibility of the board of the management company.</li> </ul>	<ul style="list-style-type: none"> <li>• The risk management process is based on CSSF regulation 10-4 and on the CSSF circulars.</li> <li>• Risk monitoring frequency: <ul style="list-style-type: none"> <li>- Under UCITS III, risk monitoring for non-sophisticated UCITS funds in Luxembourg is on a bi-monthly basis and for sophisticated UCITS funds on a daily basis.</li> <li>- Under UCITS IV, daily monitoring of risks for all UCITS.</li> <li>- Under UCITS IV, formal requirement to monitor liquidity risk and operational risk.</li> </ul> </li> <li>• Risk management process is not the responsibility of any designated individual. Collectively the responsibility of the board of the management company.</li> </ul>	<p>The risk management process is based on investment services rules issued by the MFSA and is adapted to the relevant risk profile of the licensed fund.</p>	<p>A regulated fund must, within 21 days of becoming aware of any change that materially affects any information in the offering document filed with CIMA, file an amended offering document incorporating that change.</p> <p>The Mutual Funds Law requires a licensed mutual fund administrator to a regulated fund and an auditor of a regulated mutual fund to notify CIMA of certain matters arising as set out in the Mutual Funds Law. In addition, CIMA has wide ranging powers and remedies available to it.</p>	<p>Risk management procedures determined by COLL and Systems and Controls requirements in the FSA Handbook.</p> <p>For example key systems and procedures should be documented and monitored on a regular basis; pricing and valuation of securities should be on a daily basis for UCITS funds.</p> <p>Board of Directors should be able to demonstrate robust and effective risk management controls and procedures.</p>
What is the level of supervision required over a custodian in your jurisdiction?	<p>Custodian has a duty of care to the unit holders and is liable for any failure to meet the requisite standard of care.</p>	<p>In Luxembourg, a custodian bank acting for UCITS and Part II UCIs has as its main legal obligations the duty of safekeeping the fund's assets (incl. the selection and monitoring of sub-custodians and any other entities/counter parties with which the fund places assets and the knowledge of how assets of the UCI are invested and where they are deposited at any time).</p> <p>Rules more flexible for SIFs and SICARs.</p>	<p>Custodians are supervised and licensed by the MFSA and are subject to various regulatory requirements.</p> <p>The custodian agreement shall state that the Licence Holder will be liable to the Manager, the Scheme, and to the holders of Units for any loss suffered by them if they fail to meet the requisite standard of care.</p> <p>The custodian needs to comply with the requirements laid out in the Investment Services Act (Control of Assets) Regulations.</p>	<p>A custodian of cash carrying on business from within the Cayman Islands is subject to the licensing regime of the Bank and Trust Companies Law of the Cayman Islands and supervision by CIMA.</p> <p>In addition, a person who conducts "the business of company management", which includes acting as a custodian of bearer shares, for profit or reward in or from within the Cayman Islands is subject to the licensing regime of the Companies Management Law of the Cayman Islands and supervision by CIMA.</p>	<p>The depositary of a regulated fund is responsible for the safekeeping of all the scheme property and has a duty to take reasonable care to ensure that the scheme is managed in accordance with the provisions of COLL. The depositary is subject to the regulatory oversight of the FSA.</p>

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Questions	Ireland	Luxembourg	Malta	Cayman	U.K
Can fund be exempt from regulation?	No	No	No	<p>Yes. An investment fund will be exempt from the requirements to be registered if the equity interests are held by not more than 15 investors, the majority of whom are capable of appointing or removing the operator (i.e. the directors).</p> <p>In addition, certain other investment funds such as “closed ended” funds are outside the scope of the Mutual Funds Law.</p>	<p>Yes. Funds can be exempt from authorisation where they are not for retail investors. Unregulated collective investment schemes can be established in the UK but only by authorised fund managers. The funds cannot be sold publicly to retail investors.</p> <p>Commonly, alternative investment funds are unregulated, whether established in the UK or not, and managed or advised by regulated investment managers in the UK.</p> <p>The funds are not subject to any rules, the FSA’s Collective Investment Schemes Sourcebook of rules (“COLL”) are set for regulated funds, such as UCITS.</p> <p>However, the fund managers are subject to a number of requirements under the Conduct of Business Sourcebook of rules (“COBS”).</p>

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Questions	Ireland	Luxembourg	Malta	Cayman	U.K
Marketing Restrictions	<p><b>UCITS:</b></p> <p>Passporting in: – Funds which propose to market their units in Ireland</p> <ul style="list-style-type: none"> <li>• Must submit all documents as outlined by the Financial Regulator.</li> <li>• Under UCITS IV, the notification process will be simplified, and will be a regulator-to-regulator process.</li> </ul> <p><b>Non – UCITS :</b></p> <p>Passporting in – Funds which propose to market their units in Ireland</p> <ul style="list-style-type: none"> <li>• Must be authorised by a supervisory authority to ensure the protection of unit holders which provides a similar level of investor protection to that provided in Ireland.</li> <li>• Must make application to the Financial Regulator in writing, enclosing the information and documentation as outlined by the Regulator.</li> <li>• Must comply with the provisions of the Code of Advertising Standards for Ireland.</li> </ul>	<p><b>UCITS :</b></p> <p>Passporting in: – Funds which propose to market their units in Luxembourg</p> <ul style="list-style-type: none"> <li>• Must submit documents required by Financial Regulator.</li> <li>• Under UCITS IV, the notification process will be simplified, and will be a regulator-to-regulator process.</li> </ul> <p><b>Non – UCITS :</b></p> <p>Passporting in – Funds (other than the closed-end type) operating under foreign laws and whose securities are the subject of a public announcement, offer or sale in or from Luxembourg :</p> <ul style="list-style-type: none"> <li>• Must be subject in their State of origin to a permanent supervision performed by a supervisory authority set up by law in order to ensure the protection of investors.</li> <li>• Must appoint a credit institution to ensure that facilities are available in Luxembourg for making payments to unit holders and redeeming units.</li> <li>• Must take the measures necessary to ensure that the information which it is obliged to provide, is made available to unitholders in Luxembourg.</li> </ul>	<p><b>UCITS:</b></p> <p>Passporting in:- Funds which propose to market their units in Malta</p> <ul style="list-style-type: none"> <li>• Must submit an application file as outlined by the MFSA.</li> <li>• Maintain updated Information Sheets for Investors in Malta which shall be attached to the main prospectus.</li> <li>• European UCITS must comply with the advertising standards set out in Section 3 of Part B of Investment Services Rules for Investment Service Providers.</li> <li>• Must take adequate measures to ensure that facilities are available in Malta for making payments to unit holders, repurchasing or redeeming of units and making available the information which European UCITS schemes are obliged to provide.</li> </ul> <p><b>Non – UCITS :</b></p> <p>Passporting in – Funds which propose to market their units in Malta</p> <ul style="list-style-type: none"> <li>• Must be authorised by the MFSA to ensure the protection of unit holders which provides a similar level of investor protection to that provided in Malta.</li> <li>• Must make an application to the MFSA in writing, enclosing the information and documentation as outlined by the MFSA.</li> <li>• Must comply with the advertising requirements as per UCITS above.</li> </ul>	<p>A fund that is a Cayman Islands exempted company that is not listed on the Cayman Islands Stock Exchange is prohibited from making any invitation to the public in the Cayman Islands to subscribe for any of its securities.</p> <p>Note that Cayman funds subscribe and redeem interests on a private placement basis in accordance with the provisions of their private placement memoranda with a minimum subscription \$100,000 per the Mutual Funds Law.</p>	<p><b>UCITS</b></p> <p>The FSA must be provided with specified information relating to the scheme, including details of the arrangements for the marketing of units in the UK.</p> <p><b>Non – UCITS</b></p> <p>The operator of a non UCITS scheme can (i) give notice to the FSA that it intends to market units in the UK pursuant to the section 270 of FSMA (Schemes authorised in designated countries or territories) or (ii) make an application under section 272 of FSMA (individually recognised overseas schemes) to market in the UK.</p> <p>The FSA must be provided with specified information relating to the scheme.</p> <p>An operator of a scheme which is recognised under Section 270 or 272 of FSMA must comply with the prospectus requirements under COLL 4.2 (pre-sale notifications), subject to certain exceptions for schemes authorised in Guernsey, Jersey or the Isle of Man.</p>

## Fund Domicile Matrix

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Questions	Ireland	Luxembourg	Malta	Cayman	U.K
<b>Set Up/Establishment fees</b>					
Capital /Registration Duty	N/A	N/A	N/A	Varies from US\$610 to US\$1,342 depending on the entity type.	N/A
Notary fee	N/A	Approximately EUR 3,000 for a fund organized under a corporate form.	N/A	N/A	N/A
Regulatory fees	Min – EUR 2,025 Max – EUR 4,400	Initially -varies from €2,650 to €5,000. Annually – varies from €2,650 to €5,000.	<p>Maltese UCITS, non-UCITS and Overseas based non-UCITS</p> <p>Application Fee: Scheme - €2,000 Up to 15 sub-funds - €450 per sub-fund Over 15 funds - €250 per sub-fund</p> <p>Supervisory Fee (due every year): Scheme - €2,500 Up to 15 sub-funds - €450 per sub-fund Over 15 sub-funds - €150 per sub-fund</p> <p><b>European UCITS</b> Scheme - €2,000 Up to 15 sub-funds - €250 per sub-fund Over 15 funds - €150 per sub-fund</p> <p>Supervisory Fee (due every year): Scheme - €2,500 Up to 15 sub-funds - €450 per sub-fund Over 15 funds - €250 per sub-fund</p> <p><b>PIFs</b> In principal approval - €600 Scheme - €1,500 Additional sub - funds - €1,000 per sub-fund</p> <p>Supervisory Fee (due every year): Scheme - €1,500 Additional sub-funds - €500 per sub-fund</p>	<p><b>Initial registration fees:</b> Effective January 1, 2010, US\$3,659.</p> <p><b>Annual registration fees:</b> Effective January 1, 2010 US\$3,659 (plus, in respect of a regulated mutual fund which is a segregated portfolio company, US\$305 per segregated portfolio, save that no fee is payable by such mutual fund in respect of its segregated portfolios in excess of twenty five).</p>	Varies depending on legal structure of fund.

## Fund Domicile Matrix

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Questions	Ireland	Luxembourg	Malta	Cayman	U.K
Stock exchange application fee	<p><b>Application Fee</b>  <b>EU Funds:</b> €2,000  <b>Non EU Funds:</b> €2,180</p> <p><b>Annual fees</b>  <b>EU Funds</b></p> <ul style="list-style-type: none"> <li>• Per fund or sub fund up to 5 funds €2,000</li> <li>• Per sub-fund over 5 up to 10 €1,210</li> <li>• Per sub-fund over 10 €800</li> </ul> <p><b>Non EU Funds</b></p> <ul style="list-style-type: none"> <li>• Per fund or sub-fund up to 5 funds €2,180</li> <li>• Per sub-fund over 5 up to 10 €1,320</li> <li>• Per sub-fund over 10 €880</li> </ul>	<p><b>EU Funds</b>            Visa (1) : € 1250            Listing : € 1250            (1) does not apply to Luxembourg UCI</p> <p><b>Non EU Funds</b>            Visa (1) : € 2500            Listing : € 2500</p> <p><b>Annual Fees :</b>  <b>EU Funds</b>            1st quotation line:€1875            2nd quotation line:€1250            3rd quotation line: € 875            4th quotation line: 500.-/line</p> <p><b>Non EU Funds</b>            1st quotation line:€2500            2nd quotation line:€1875            3rd quotation line: € 1250            4th quotation line: 625.-/line</p>	<p>Fees applicable to the admissibility to listing of collective investment schemes: €1,164.69 (initial and non-refundable).</p>	<p><b>Initial listing fee:</b> US\$5,000 (comprised of initial listing fee of US\$2,500 and first annual listing fee of US\$2,500)</p> <p><b>Annual listing fee:</b> US\$2,500 (assuming listing of one class of shares)</p>	<p>Varies depending on market capitalisation of issuer.  <a href="http://www.londonstockexchange.com/feescalculator">www.londonstockexchange.com/feescalculator</a></p>
Listing agents fee	<p>Min – EUR 7,000            Max – EUR 10,000</p>	<p>Min-€6,000            Max-€10,000</p>	<p>Varies with fund complexity and the number of funds to be listed.</p>	<p><b>Initial listing agent fee:</b> Approximately US\$5,000 to US\$7,500, but may vary by listing agent.</p> <p><b>Annual listing agent fee:</b> Approximately US\$2,000, but may vary by listing agent.</p>	<p>Varies with fund complexity and the number of funds to be listed.</p>

## Fund Domicile Matrix

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Questions	Ireland	Luxembourg	Malta	Cayman	U.K
Legal fees	Varies with fund complexity	Varies with fund complexity	Varies with fund complexity – Normally in the region of €20,000	Varies with fund complexity	Varies with fund complexity
Custodian, administration fees (varies- depends on size and complexity of fund)	Average administration fee- Between 0.01% and 0.15% of NAV Average custody fee -Between 0.01% and 0.24% of NAV	Average administration fee- Between 0.01 % and 0.15 % of NAV Average custody fee – Between 0.02% and 0.25 % of NAV	Average administration fee – Between 0.08% and 0.15% of NAV Average custody fee – Between 0.015% and 0.03% of NAV	Custody and Administration fees are typically charged at normal market rates.	Varies with fund complexity
<b>Other</b>					
Legal System	Common Law	Civil Law	Investment Services Act, (Cap 370 – Laws of Malta)  The legal structure is based on the civil law model of continental Europe, but most administrative, financial and fiscal laws is based on British law. Laws are published in both English and Maltese.	Common Law	Common Law
Market Stats	<p><b>UCITS **</b> AUM – EUR 767 bn No of funds – 2,946 Exchange Traded Funds: AUM - EUR 62bn Money Market Funds : AUM - EUR 356bn</p> <p><b>Non UCITS**</b> AUM – EUR 204bn No of funds – 1,850 Domiciled Hedge Funds: AUM EUR 56bn Administrated hedge funds: AUM EUR 985bn Qualifying Investor Funds (QIFs): AUM - EUR 152bn No of funds – 1,220</p>	<p><b>UCITS</b> AUM – EUR 1 763 bn * No of funds – 1 846 *</p> <p><b>Non UCITS Part II</b> AUM – EUR 222.2 bn * No of funds – 629 *</p> <p><b>SIF</b> AUM – EUR 214.2 bn * No of funds – 1.192*</p> <p><b>Hedge Funds &amp; FoHF Domiciled &amp; Administered :</b> AUM – EUR 141.5 bn (Jun-10) No of funds – 632 (Jun-10)*****</p>	<p>The number of funds domiciled in Malta is as follows*: 306 Professional Investor Funds 50 UCITS 30 Non-UCITS Local 22 Non-UCITS Foreign</p> <p>The NAV of funds domiciled in Malta : PIFS – EUR 5.2bn + Non-UCITS – EUR 1.1bn + UCITS – EUR 1.7bn+</p>	<p><b>Regulated Funds:</b></p> <ul style="list-style-type: none"> <li>• AUM - US\$3.7 trillion***</li> <li>• Net assets - US\$2.3 trillion***</li> <li>- No of Registered Funds – 8,944****</li> <li>- No of Administered Funds – 448</li> <li>- No of Licensed Funds – 131****</li> </ul>	<p>Total Retail and Institutional Funds under Management for October 2009: AUM: GBP480.80bn+ * No. of fund: 2,411+* Exchange Traded Funds No of funds listed – 369</p>

Questions	Ireland	Luxembourg	Malta	Cayman	U.K
Jurisdiction Statistics	<ul style="list-style-type: none"> <li>Irish domiciled funds reached €963bn (\$1.3trn) in net asset value at the end of 2010, up nearly a third (29%) from €748bn in 2009. (IFIA)</li> <li>Six of the top 10 European fund launches in January 2011 emanated from Ireland, with assets totalling \$3 billion. (Central Bank)</li> <li>The proportion of global hedge funds domiciled in Ireland doubled to 7.4 per cent in the first nine months of 2010, making Dublin home to nearly two thirds of the European hedge fund industry. (IFIA)</li> <li>Ireland's custody and asset-servicing sector is also in good health, with the value of all mutual funds serviced in the country climbing 7.2 per cent to €1.1 trillion in the 12 months to 30 June 2010. (IFIA)</li> <li>The nation also services 63% of all European hedge funds and 42% of alternative investments across the globe. (IFIA)</li> <li>Total assets of Qualifying Investor Funds (QIFs) grew by 35 per cent during 2010 to €153 billion, according to figures just released from the Central Bank of Ireland. The figures reveal that the net asset value of QIFs grew by 19 per cent in the past two months alone.</li> </ul>	<p>Luxembourg is the second country in the world after the US for fund domiciliation with 10.3% market share in terms of AUM. ****</p> <p>31.4% of AUM of UCITS funds in Europe are domiciled in Luxembourg. ***</p> <p>First domiciliation centre for cross-border UCITS: 74.6% of authorisation agreements for distribution granted to worldwide funds are allocated to Luxembourg funds. *****</p> <p>357 management companies are based in Luxembourg.*****</p> <p>Promoters are originated from 41 countries.*</p>	<p>Costs (salary and office costs) are about two-thirds of those prevailing in more established centres.</p> <p>Malta tops the list of Member States together with Denmark for the timely implementation of internal market rules. (Sept 10).</p> <p>World Economic Forum Report on Competitiveness (2010) classified Malta's financial market and development 11th soundest in the world and places Malta 8th regarding the strength of auditing and reporting standards.</p> <p>MFSA is an active member of ESMA and IOSCO.</p> <p>Malta was one of a group of jurisdictions that benefited from being placed on the G20 'white list' of countries and territories that had both embraced and substantially implemented the tax standards.</p>	<ul style="list-style-type: none"> <li>Offshore hedge fund domicile, estimated that in excess of 70% of all offshore hedge funds are established in the Cayman Islands.*</li> <li>30% of Cayman Islands Regulated Funds (by \$NAV) have NAV Services provided by a Cayman Islands contracted Administrator.****</li> <li>41% of Cayman Regulated Funds (by \$NAV) have RTA Services provided by a Cayman Islands contracted Transfer Agent. ****</li> </ul>	<p>The UK fund management industry is responsible for £3.7 trillion of assets under management, and £1 trillion of assets are managed on behalf of overseas clients 80% of all European hedge fund assets (totalling approximately \$300 billion) are managed from the UK, and approximately 2/3 of all European Hedge Fund managers are based in London.</p> <p>Institutional clients account for 2/3 of funds under management in the UK.</p> <p>Retail funds accounted for £587bn of funds, the majority of those funds being UCITS funds.</p>

### Sources:

#### Ireland

- \*Ireland Fund Encyclopaedia 2010/2011
- \*\* Irish Funds Industry Association (IFIA)

#### Cayman

- \*CIMA, December 31, 2009
- \*\* Cayman Islands Stock Exchange, March 22, 2011
- \*\*\*CIMA Investments Statistical Digest
- \*\*\*\*CIMA December 31, 2009

#### Luxembourg

- \*CSSF, December 2010
- \*\*Lipper Luxembourg Fund Encyclopaedia, December 2009
- \*\*\*EFAMA , Fourth Quarter 2010
- \*\*\*\*EFAMA & ICI, Third Quarter 2010
- \*\*\*\*\*PwC poster, December 2010
- \*\*\*\*\*ALFI, June 2010

#### Malta

- \*Malta Financial Services Authority , December 2010

#### UK

- \* IMA
- \*\* LSE Monthly Statistics of November 2009

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