

Irish QIFs speed fund time to market*

Ireland's Financial Regulator has amended Qualifying Investor Fund rules to improve the country's appeal to alternative investment funds, particularly through reducing fund launch times



From February 2007, the Irish Financial Regulator has introduced a new Qualifying Investor Fund (QIF) regime designed to improve the competitiveness of Ireland as a domicile, especially for hedge funds. A key enhancement has been the speed with which new funds can be launched. This is of paramount importance for many types of alternative investment fund.

Factors such as simple tax structures, a business-centric regulator and fund flexibility have helped Ireland to establish itself as a centre of choice for many Europe-facing fund management companies.

Levelling the playing field

While Ireland is increasingly becoming an attractive location for alternative investment funds, domiciles such as the Cayman Islands have been highly successful in attracting hedge funds and other alternative investment funds, due in part to allowing these funds to launch in a short time frame. Ireland's changes to QIF rules are designed to level the playing field.

The QIF is Ireland's chosen structure for alternative investments. It is a non-UCITS collective investment scheme, and is only open to investors fulfilling specific criteria. Individuals must have a minimum net worth, excluding

main residence and household goods of €1,250,000. Institutional investors must own or invest on a discretionary basis at least €25 million, or belong to beneficial owners which are qualifying investors in their own right. The minimum QIF investment is €250,000. QIFs are exempt from the conditions and restrictions that apply to retail funds relating to investment objectives, policies and leverage.

Authorisation on a filing only basis

As a result of the amended regulations, the Financial Regulator will now authorise a QIF on a filing-only basis. This means that if the Regulator receives a complete application for authorisation before 3.00pm on a specific day, it will issue a letter of authorisation the following day. An application is deemed complete if all parties to the fund are approved and the fund reflects the agreed parameters. The application form used for QIF's has also been simplified and codified. The Financial Regulator has indicated there will be spot checks conducted on applications post-authorisation.

Looking forward, the amended QIF rules further enhance Ireland's attractiveness as a domicile, and illustrate the Financial Regulator's willingness to help the investment industry achieve its business objectives.

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