

## Moving Funds Onshore - Ireland's Response

---

On 7 September 2010 new legislation came into effect which provides for the efficient and effective re-domiciliation of funds to Ireland.

It allows offshore corporate funds from certain prescribed jurisdictions to migrate to Ireland by re-registering as an Irish UCITS or non-UCITS investment company authorised by the Financial Regulator while maintaining its legal identity.

Existing offshore funds seeking to re-domicile to Ireland are permitted to do so if the legislation of their original territory allows outward and inward re-domiciliation. The commencement order sets out a list of such territories, namely, Bermuda, BVI, Cayman Islands, Guernsey, Jersey and the Isle of Man.

Given that there is no change in legal identity the migration should not constitute a taxable event for investors while the fund will retain its performance track record post migration.

The simplified procedure for re-domiciling a corporate fund to Ireland can be measured against other jurisdictions, where the process is less straightforward. For instance, certain jurisdictions require an EGM of the shareholders of the re-domiciling fund in order to approve the migration.

A further development of note concerning fund re-domiciliation is the Irish regulatory authorities' commitment to extending the facility to enable unit trusts to migrate to Ireland. Until recently, unit trusts were excluded from the relevant provisions given that the legislation specifically dealt with Irish Company Law. On foot of recent lobbying from the IFSC working group, the facility was extended in practice to allow a unit trust to migrate. Indeed, one unit trust has already received approval to do so and it is likely that similar structures may follow. This will undoubtedly be a welcome development within the asset management industry generally.

### Contacts

If you would like further advice in relation to the issues outline above, please call your local PwC contact or alternatively any of the people listed below:

Pat Wall	+353 1 792 8602	pat.wall@ie.pwc.com
Pat Convery	+353 1 792 8687	pat.convery@ie.pwc.com
Rosaleen Carey	+353 1 792 8756	rosaleen.carey@ie.pwc.com
Niall Flanagan	+353 1 792 6098	niall.flanagan@ie.pwc.com