

# Ireland the One Stop Shop for Investment Funds



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The location of choice for the establishment of management companies, domiciliation of funds & excellent experienced servicing of all types of instruments.

## Twelve Compelling Reasons to choose Ireland

1. Highly regarded and well regulated environment for investment funds.
2. Ireland is the largest hedge fund administration centre in the world.
3. A leading cross border jurisdiction for Exchange Traded Funds and Money Market Funds in Europe.
4. Largest number of stock exchange listed investment fund (1,605 investment funds (2,209 sub funds) listed as of Dec 2008, Source: Irish Stock Exchange).
5. Flexible, proactive regulatory environment.
6. Speed to market: 24 hour approval process available for Qualifying Investor Funds (QIFs) and an average 4-6 weeks for all other fund structures.
7. Fast track promoter approval – within one week of application.
8. Extensive industry experience and expertise.
9. Location – optimum time zone to ensure global coverage.
10. Only English speaking country in the Eurozone, Euro currency.
11. In Ireland today there are over 12,000 people employed directly in the investment fund industry.
12. Dedicated Shariah unit within the Irish Financial Regulator.

## Tax Benefits

- No banking secrecy or exchange of information blockages - Ireland is not regarded as a “Tax haven” and is recognised by the OECD as having implemented their required taxation standards and principles for the sharing and exchanging of information.
- Irish regulated investment funds are exempt from tax of their income and gains irrespective of investors’ residency.
- No withholding taxes apply for non Irish resident investors.
- Irish collective investment funds are not obliged to charge VAT and most of the services provided to a fund are exempt from VAT.
- Lowest headline corporation tax in the OECD - 12.5%.
- Common Contractual Funds (CCFs) – tax transparent vehicles.
- No stamp duty or capital duty charges on the establishment of a collective investment fund.
- Irish Management Companies are subject to tax of 12.5% on their trading income. Non- trading income will be taxable at 25%.
- Double Taxation Treaties – 50 tax agreements, 6 additional new treaties underway.
- Irish domiciled funds have access to the US double taxation treaty where a fund is demonstrated to be trading – this is a considerable advantage for exchange traded funds.

## Other Distinguishing Factors

- EU Savings Directive adopted in Ireland.
- Irish risk management process is based on guidance notes with built in flexibility. Risk monitoring for non-sophisticated funds in Ireland is on a daily basis. In Ireland the risk management

process is not the responsibility of any designated individual.

- Irish funds distribute to over 60 countries across Europe, the Americas, Asia, the Middle East and Africa. 353 fund promoters from over 50 countries have set up Irish domiciled funds and over 780 fund promoters use Ireland as a servicing centre for investment funds.
- Memoranda of Understanding: Ireland has entered into bilateral MOU’s with the following jurisdictions outside the EU: China, Dubai, Hong Kong, Isle of Man, Jersey, South Africa, Switzerland and the USA. Future MOU planned with Taiwan.
- Fastest growing European and UCITS fund administration centre over the past five years (Irish domiciled net assets grew by 49% between 2004-2008; the European average for the same period was 15%, Source: Central Bank of Ireland & EFAMA).
- Promoter financial resources requirement: Irish promoters must have minimum net shareholder’s funds of €635,000, or equivalent in another currency.
- Promoter liability – Irish Promoters not legally responsible for losses of funds, as long as due care has been provided.
- The Irish custodian model as required by the Financial Regulator provides significant comfort to investors. The custodian will be directly liable to the unit holders for any unjustifiable failure to perform its obligations or improper performance of them. Such duties will also extend to the custodian’s appointment of any sub-custodians, which is of particular importance to investors where assets are likely to be held in various jurisdictions outside Ireland.

## How PwC Ireland can help?

### Audit Services

Our audit approach is tailored to suit the size and nature of your organisation and draws upon our extensive industry knowledge. In addition to the independent audit we offer advisory services in the areas of financial reporting, corporate governance, regulatory compliance, independent controls and risk assessment.

### Tax & Legal Services

Our Tax and Legal Services formulates effective strategies for optimising taxes, implementing innovative tax planning and effectively maintaining compliance.

In recognition of the international tax issues to be considered in structuring funds, our specialised tax team works extensively with our global investment management teams on an ongoing basis.

### Regulatory Services

PwC has a dedicated regulatory and compliance service team to assist you with all aspects of financial services regulation. The regulatory and compliance services team provides support and advice to help you identify, manage and control any existing and future regulatory risks. Our services can be broadly categorised under three main headings:

- Market entry; feasibility studies, authorisation services, governance arrangements, compliance frameworks, capital adequacy arrangements & notification assistance.

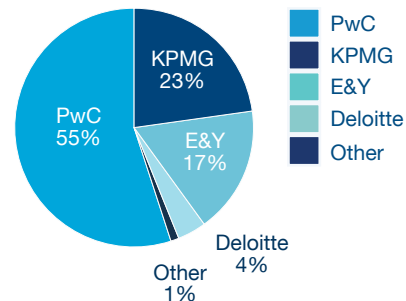
- Regulatory risk and compliance management.
- Assistance with continuing regulatory obligations.
- Responding to regulatory change.

### Advisory Services

PwC also provides a full range of business advisory services for both large organisations and independent advisors entering the investment fund business. Our business advisory services team can assist clients in making strategic assessments of the investment business, preparing business plans and economic analyses as well as advising on the structure of both the investment advisor and the underlying fund. The team can also offer advice on systems and operational needs, identifying and selecting outside vendors and preparation of full documentation of policies and procedures.

### Our market share

Irish-combined (Irish and non-Irish domiciled) market share



Source: Funds Encyclopaedia June 2008

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