

why? Ireland™

[www.irishfunds.ie](http://www.irishfunds.ie)

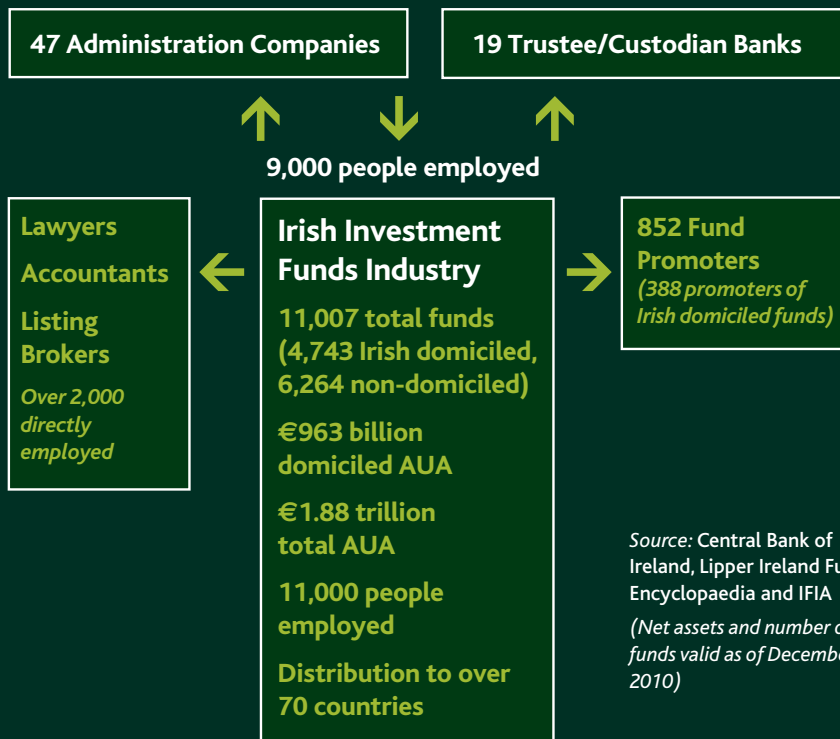
Ireland *knows* Investment Funds:

the facts

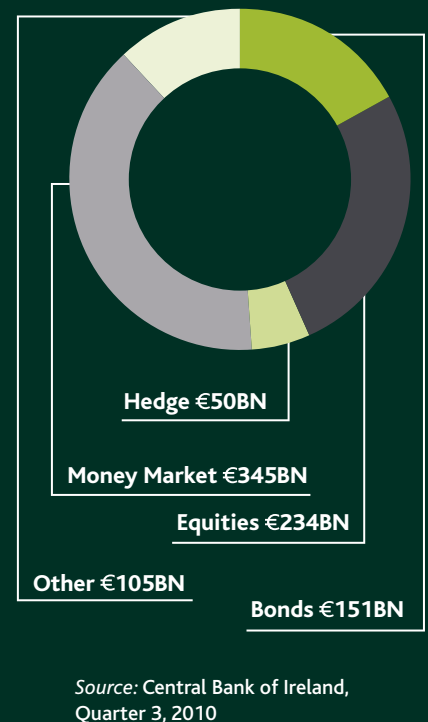


# The Facts

## The Investment Funds Industry in Ireland



## Irish Domiciled Funds: Breakdown by type



## Did you know that?

- Ireland is the **European domicile of choice** for cross-border fund distribution.  
Between 2001 and 2009, Ireland increased its proportion of European cross-border assets by 367%, accounting for over 30% of the European cross-border market. European cross-border assets grew by 178% over the same period. (Source: Lipper FMI, 2010)
- Ireland is a major and growing centre for **internationally distributed UCITS**.  
UCITS account for 80% of Irish domiciled assets and Irish UCITS are distributed in over 70 countries around the world. (Sources: Central Bank of Ireland, 2010 and analysis of Lipper data, 2010)
- Ireland is the **largest hedge fund administration centre** in the world.  
Ireland services alternative investment assets representing approximately 43% of global and 63% of European hedge fund assets. (Source: analysis of HFM Week Survey 2010 and HFR survey, 2010)
- Ireland is an internationally recognised, open and tax efficient jurisdiction with the **lowest headline corporate tax rate** in the OECD.  
With 12.5% corporate tax and no taxes on funds or investors, Ireland has a favourable tax environment that ensures the best outcome for the fund and the investor.
- Ireland is a leading European domicile for **exchange traded funds**.  
Irish domiciled ETFs represent approximately 32% of the total European ETF market. (Source: Blackrock ETF Landscape, 2010)
- Ireland is a leading European domicile for **money market funds**.  
Irish domiciled money market funds hold assets in excess of EUR 357 billion making Ireland a prime location for global money market funds. (Source: Central Bank of Ireland, 2010)
- Ireland has the **largest number of stock exchange listed investment funds**.  
With over 3,000 funds and sub-funds listed, the ISE is recognised worldwide as the leading centre for listing investment funds. (Source: Irish Stock Exchange, 2010)

View latest Irish funds industry statistics at [www.irishfunds.ie/statistics](http://www.irishfunds.ie/statistics)

# why? Ireland™

excellence · innovation · reach

## Excellence

- Ireland offers unrivalled experience and expertise in establishing and servicing the widest range of funds.
- More than 11,000 professionals providing a range of value-added services, including fund administration, transfer agency, custody, legal, tax and audit services.
- Irish service providers are recognized for their professionalism, responsiveness and desire to facilitate clients, which defines Ireland as the international investment fund centre of choice.
- Founded on the principles of openness, transparency and investor protection, Ireland's regulatory environment is internationally recognized as pragmatic and governed by an approachable Central Bank that is willing to meet clients and work through any issues.
- Ireland has developed an effective and robust regulatory framework which enables efficient fund and promoter approval.
- Ireland's effective, favourable tax environment delivers the best tax outcome for the investor.
- The Irish Government is fully committed to the competitiveness and ongoing development of the funds industry, which it views as an important growth sector for the Irish economy.

## Innovation

- From traditional 'long only' to complex alternative strategies, Ireland offers world class, innovative product solutions catering to the widest spectrum of investment strategies.
- Ireland was the first regulated jurisdiction to provide a regulatory framework specifically for the alternative investment fund industry.
- The Irish funds industry is at the forefront in preparing for and reacting to regulatory developments at EU and national level. This responsiveness and adaptability enabling clients to bring innovative products to market quickly.
- With an unrivalled track record in the alternatives space, the Irish funds industry is at the forefront of product innovation, providing opportunities and solutions for this complex sector.
- Thought leadership is the cornerstone on which the industry is built, evidenced by the important contribution Ireland makes to developing industry practices, e.g. the Guide to Sound Practices for Hedge Fund Administrators.
- With a total automation rate of 86%, Ireland is leading the drive for greater efficiencies through fund processing standardization.

## Reach

- 388 fund promoters from over 50 countries use Ireland to distribute UCITS and other funds to over 70 countries across the globe.
- Ireland's fund industry supports a total of 852 promoters across both domiciled and non-domiciled funds.
- Almost all of the world's major fund service providers have a presence in Ireland.
- Ireland is a member of the EU, eurozone, OECD, FATF and IOSCO and is an internationally recognised jurisdiction.
- Ireland does not operate banking secrecy and was the only international funds centre to appear on the original OECD white list of countries that are in compliance with internationally agreed tax standards.
- With a continuously expanding tax treaty network including over 60 countries, Ireland has one of the most developed and favourable tax treaty networks in the world.
- Ireland has signed bilateral Memoranda of Understanding with 19 jurisdictions including China, Dubai, Hong Kong, Isle of Man, Jersey, South Africa, Switzerland, Taiwan, UAE and USA and cooperates with all EU Member states through the EU legislative framework.
- With over 3,000 funds and sub-funds listed on the Irish Stock Exchange, Ireland is recognised worldwide as the leading centre for listing investment funds.
- A wide range of languages are supported in the Irish funds industry and with 10% of Ireland's resident population coming from abroad, the Irish funds industry has access to a workforce which includes many native speakers of European and Asian languages.

*“The primary strength of the Irish funds industry, in my opinion, lies in the strength of the service providers and the integration of those providers across disciplines. In particular I think the administration companies and legal firms integrate well and this is of great benefit to clients. There is, amongst these providers, a “can-do” attitude which serves clients very well.”*

*Managing Director, UK Boutique Asset Manager*



## The Irish funds industry – a complete service

Ireland is home to forty-seven world-class fund service providers and many more professional advisory firms which collectively include an industry of over 11,000 people with comprehensive fund administration and product, legal, tax/audit expertise. Fund promoters can rely on a complete suite of services that include:

- Fund set up and structuring
- Fund domiciliation, registration and reporting
- Fund listing
- Fund administration and transfer agency
  - Valuations
  - Shareholder register
  - Subscriptions/redemptions
  - Distribution of dividends/income
- Settlements
- Tax returns
- Record keeping
- Administration of Special Purpose Vehicles
- Compliance and risk management
- Tax, audit and legal services
- Depositary and custodian/trustee services
- Consultancy and independent management company services
- Corporate governance support services
- Company secretarial services
- Independent Irish resident Directors
- Technology services and business solutions

Described as both robust and efficient, the Central Bank has clear processes and certain timeframes for fund and promoter approvals, timeframes which it continuously meets and often exceeds. The Central Bank operates an acknowledged 'open door' policy and is willing to meet with fund promoters and work through practical solutions.

## Central Bank Timeframes for Fund / Promoter Approval

Approval of Investment Funds	Central Bank Response Time Targets	Total in Days*
<b>Qualifying Investor Funds (QIFs)</b>	If the QIF is filed no later than 3pm on the day before the proposed date of authorisation, it will be authorised by close of business on the day of authorisation, provided all documentation is in order. The fund promoter must be authorised by the Central Bank.	1
<b>Fast Track Fund Approval</b>	<ol style="list-style-type: none"> <li>1. Confirm receipt of complete applications within 3 working days.</li> <li>2. Issue first comments within 10 working days.</li> <li>3. Issue second and subsequent comments (where necessary) within 5 working days.</li> </ol>	15
<b>Other Collective Investment Schemes</b>	<ol style="list-style-type: none"> <li>1. Confirm receipt of complete applications within 3 working days.</li> <li>2. Issue first comments within 15 working days.</li> <li>3. Issue second and subsequent comments (where necessary) within 10 working days.</li> </ol>	25
Approval of Fund Promoters / Investment Managers	Central Bank Response Time Targets	Total in Days
<b>Fast Track Promoter Approval</b>	Approval of a fund promoter within 1 week if the applicant is already regulated within the European Economic Area (EEA).	5
<b>Approval of Investment Firms</b>	<ol style="list-style-type: none"> <li>1. Confirm receipt of complete proposals within 3 working days.</li> <li>2. Issue first comments within 25 working days.</li> </ol>	25

\* Note: Total No. of days for approval does not include time taken by fund promoters/legal advisors in replying to the Central Bank's comments. Source: Central Bank Stakeholder Protocol, July 2007 & Guidance Note 2/96 - Promoters of collective investment schemes, November 2007

*“Ireland’s Central Bank is respected for the firmness and clarity of its regulation but also for its approachability and willingness to show flexibility where it is allowed to within the European regulatory framework on matters of form rather than substance.”*

*Japanese Asset Manager who established a UCITS in Ireland and migrated other funds to the Irish structure*

Ireland offers a highly efficient, clear and certain tax environment for investment funds. A low corporate tax rate, which is attractive to service providers, management companies and investment managers, as well as an extensive and growing network of double taxation treaties (providing access to favourable tax reclaim rates) makes Ireland a clear winner from a taxation perspective. The Irish tax system is simple for international investors - no Irish tax if you are not Irish resident/ordinarily resident.

*“We found Ireland’s tax offering to be the most attractive and beneficial to our fund range. For us it was a key motivating factor in locating our fund platform in Ireland.”*

*CFO, leading US Asset Manager*

## **The most favourable tax environment for investment funds**

Through a consistent competitiveness policy, the Irish tax environment enables the best outcome for the fund and the investor.

- Investment funds are not subject to any fund tax
- There are no Irish taxes on income or gains made by non-Irish resident/ordinarily resident investors on their investment fund holdings
- No annual subscription tax for funds
- No wealth tax for funds or their investors
- No gift or inheritance tax applicable to fund units gifted/inherited where non Irish parties are involved
- No stamp duty on fund units
- VAT exemptions generally result in no Irish VAT for various service providers’ fees including; management, custody/trustee services, investment management, distribution and administration
- Ireland has fully implemented the EU Taxation of Savings Directive (EUSD) – Ireland is not obliged to levy a withholding tax on the relevant interest payments
- Ireland’s corporate tax rate of 12.5% is one of the lowest in Europe and positions Ireland well with respect to UCITS IV pan-European management companies
- Ireland has an extensive tax treaty network with sixty countries, including all major EU, Asian, Middle East and OECD jurisdictions. As Ireland is a respected tax jurisdiction, new double taxation agreements are continuously being negotiated
- Irish funds have access to the US double taxation treaty in a number of scenarios, including where the fund is actively traded – this is a considerable advantage for Irish exchange traded funds

## **Irish funds industry innovation**

Innovation comes naturally to the Irish funds industry which meets evolving client needs through responsiveness, adaptability and thought leadership.

- Market driven product solutions from 'long only' to complex strategies
- Efficient fund and promoter approval practices, including fast track approvals
- Facilitating UCITS IV through tax certainty
- Intensive engagement on the Alternative Investment Fund Managers Directive
- Setting the standard for regulated hedge funds – Guide to Sound Practices for Hedge Fund Administration
- Thought leadership valuation practices and standards
- Thought leadership on CESR consultation processes
- Efficient, streamlined fund re-domiciling process
- Development of asset/pension pooling solutions through the Common Contractual Fund (CCF)
- Shariah funds specialist unit at the Central Bank
- Engagement on the rollout of fund automation and facilitating clients’ fund processing needs, e.g. SWIFT SHARP initiative

*“I think that the level of knowledge within the industry in Ireland is excellent as is the ability to innovate and service complex client needs.”*

*Australian Asset Manager that has recently established Qualifying Investor Funds in Ireland*

# why? Ireland™

Unrivalled expertise in establishing and servicing funds which cover the widest spectrum of investment strategies, our professional, can-do and pragmatic approach will make the difference.

A robust regulatory environment that has provided the template for openness, transparency and product development while setting the standard for efficiency, certainty and accessibility.

The experience, scale and global reach of a leading international fund jurisdiction together with the innovation, thought leadership and vibrancy that got us here!

Ireland *knows* Investment Funds.

## That's why! Ireland.

why? Ireland™  
excellence · innovation · reach



For further information regarding the Irish Funds Industry, contact the IFIA at 1 Gandon House, Mayor Street IFSC, Dublin 1, Ireland.

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This document is for informational purposes only and it is recommended that professional advice is sought if conducting business in Ireland.