Key Issues for Canadian Managers

The set up of Cayman funds, marketing the funds in the EU and investing in the EU

Jeremy Bomford, Sheila Crosby, Pádraig Brosnan,
Andrew Quinn and Philippe Burgener

Cayman Islands Alternative Investment Funds

Jeremy Bomford, Sheila Crosby

Alternative Investment Funds in the Cayman Islands

- Leading jurisdiction globally for the establishment of offshore alternative investment funds
  - Almost 11,000 hedge funds registered at end of 2018, with total assets of US$6.936 trillion at the end of 2017*
  - Ireland around 7,000, Luxembourg around 4,000**

- Cayman Islands Monetary Authority (CIMA) regulator
  - Well regarded and dynamic
  - Close co-operation with industry

- English common law background
  - Common origin with legal system of users of the jurisdiction
  - Fund vehicles/securities offered well recognized and accepted around the world

*Cayman Islands Monetary Authority figures (which do not include private equity funds)
**This number does not include sub-funds

Hedge Fund Structures Available

- Exempted Company
  - Around 73% (principal fund vehicle)
  - Around 61% (master funds)

- Exempted Limited Partnership
  - Around 15% (principal fund vehicle)
  - Around 29% (master funds)

- Unit Trust
  - Around 2% (decreasing in recent times)

- Segregated Portfolio Company
  - Around 10% (increasing in recent times)

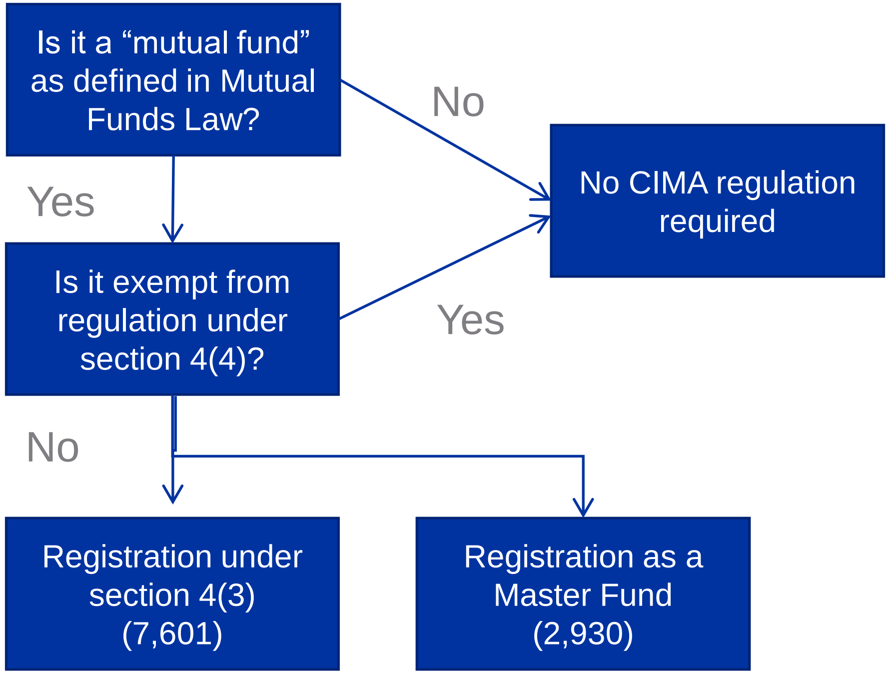
- LLC
  - New and not yet a major fund vehicle
  - Over 2,000 formed since introduction in 2016

Exempted Company – Why is it so popular?

- Investor familiarity
- Liability limited to amount paid up or agreed to be paid up on shares
- Most shares issued fully paid (so no further liability)
- Separate legal personality (unlike partnership or unit trust)
- Different share classes can be established
    - Different rights, obligations, terms etc.
    - Different portfolios
    - Separate accounts established BUT no legal segregation

Mutual Funds Law (2019 Revision)

- Generally does not apply to Cayman Islands private equity industry, but is key piece of legislation for hedge funds industry



Registered 4(3) Fund – the Standard for a Feeder

- Aimed at sophisticated or institutional investors
  - No prior approval required (lighter touch regulation)
  - Fund registered immediately upon filing of relevant documents
  - CIMA may require amendments to documents

- Minimum initial investment per investor is US$100,000 (or equivalent in any other currency)
  - Subsequent investment can be made in smaller increments
  - Nothing to stop investment dropping below US$100,000 (redemptions/decline in value)

- Alternative is listing on a recognised stock exchange (not common)

Key Features and Requirements for a 4(3) Fund

- Offering document
  - Must “describe the equity interests in all material respects and contain such other information as is necessary to enable a prospective investor to make an informed decision whether or not to invest” (CIMA)

- Straightforward registration process (same day)

- No requirement for Cayman Islands based service providers other than the auditor

- Annual submissions for all regulated funds
  - Audited financial statements within six months of financial year end
  - Fund Annual Return (plus fee)

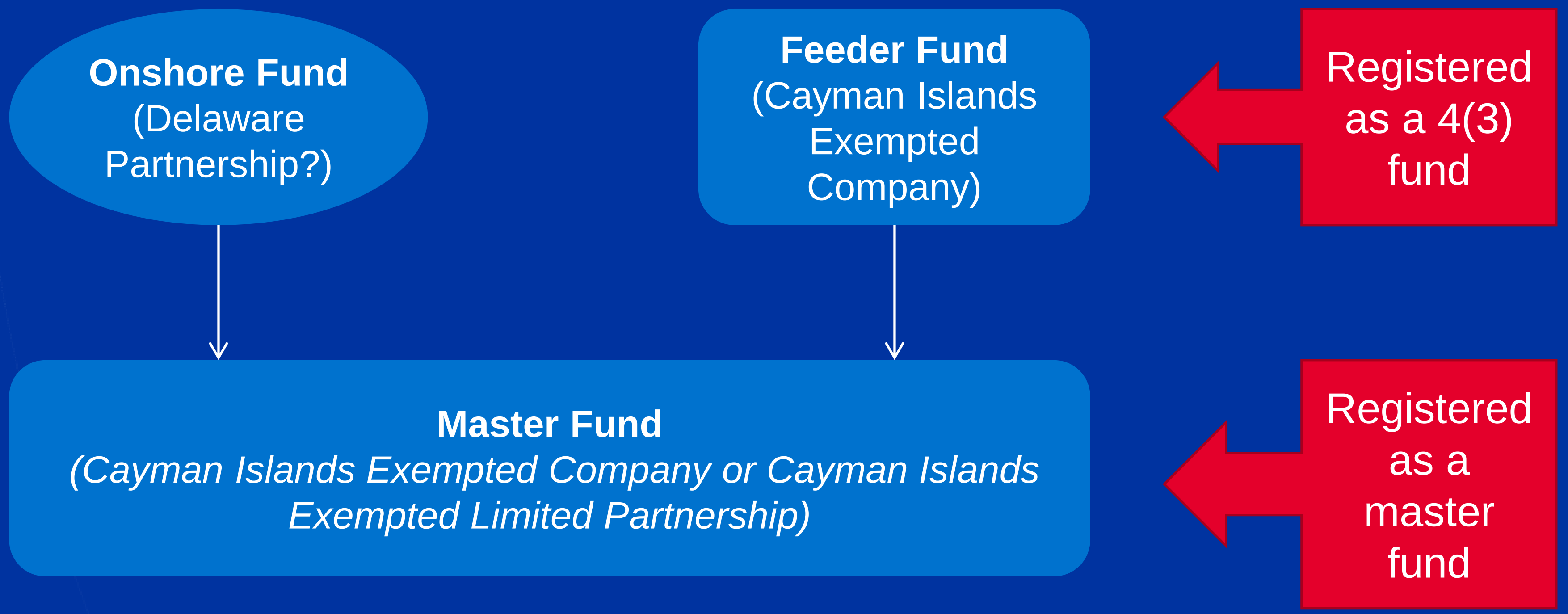
Other Requirements for a 4(3) Fund

- Where a company:
  - Minimum of two natural persons as directors
    - Alternative is licensed corporate director (very expensive so not popular)
    - Biographies set out in offering document and contact details provided to CIMA

  - Director registration under Directors Registration and Licensing Law
    - MUST be registered before application
    - Annual declaration and fee

  - Two board meetings per year (minimum) – CIMA Statement of Guidance

Master/Feeder Funds
– A Typical Hedge Fund Structure



Tax Residency Issues – the Canadian Dimension

- Independent Cayman-based directors
  - all or at least a majority

- Board meetings
  - Location and frequency
  - Minute-taking

- Charitable trust arrangements
  - for holding non-participating voting shares in Fund

- Other Service Providers
  - Cayman-based administrator
  - Investment management arrangements

Other Considerations on Launch - Regulatory

- Cayman AML regime
  - Investor due diligence generally delegated to the administrator
  - Downstream investment due diligence also required
  - Additional requirement to appoint AML officers

- Automatic Exchange of Information (AEOI)
  - FATCA: just obtaining a GIIN does NOT result in compliance
  - CRS: All Cayman Investment Entities must register and put in place written policies and procedures
  - Investors to complete applicable self-certification forms

- Beneficial Ownership Regime
  - Captures all companies and LLCs (but not partnerships)
  - Certain exemptions may apply

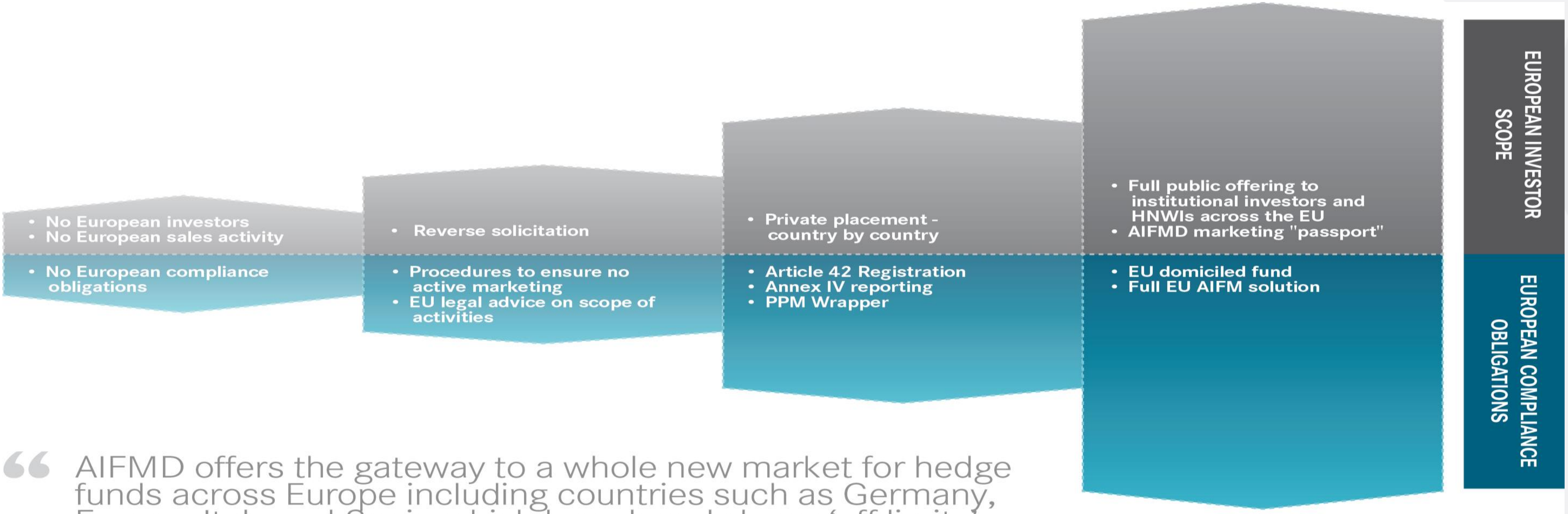
Market Developments

- Continued “institutionalisation” of the industry
- Independent governance arrangements
- Fee terms
- Side letters/seed investor negotiations
- AIFMD compliant regime

Common Irish Fund Structures

Pádraig Brosnan

AIFMD: sliding scale of compliance vs. market access



“AIFMD offers the gateway to a whole new market for hedge funds across Europe including countries such as Germany, France, Italy and Spain which have largely been ‘off limits’ from an active marketing standpoint to date.

Euro Sales Strategy

- If you have any investors based in Europe, you need to be **AIFMD AWARE**

- If you want to actively raise capital from investors based in Europe, you need to be **AIFMD COMPLIANT**

- Then there is the potential to look at **AIFMD** as a capital raising **OPPORTUNITY** rather than just a compliance exercise.

- Look at **AIFMD** as the **GATEWAY** to a whole new market. Countries such as Germany, France, Italy and Spain which were off limits previously off limits to hedge and PE funds from an active marketing standpoint.

Distribution in the EEA of Luxembourg fund structures

	With European Passport				Without European Passport
	Retail Investors	Well-Informed Investors[3]	Institutional Investors [4]	Professional Investors	
PART II	[1]	[1]	X	X	X[5]
SIF	[1]	[1]	X	X	X[5]
SICAR	[1]	[1]	X	X	X[5]
RAIF	[1]	[1]	X	X	X[5]
AIF with authorised AIFM	[1]	[1]	X	X	X[5]
AIF with registered AIFM	[1][2]	[1][2]	[2]	[2]	X[5]
Non-AIF 1915 Law Company	[5]	[5]	[5]	[5]	X[5]

[1] subject to national requirements for distribution to non-Professional Investors
[2] subject to national requirements, so-called National Private Placement Rules or “NPPR”
[3] Well-Informed Investors comprise: Professional Investors, Institutional Investors and investors that are not Professional or Institutional Investors but that either (i) invest more than EUR 125’000 (or equivalent) or benefit from an assessment confirming their experience and knowledge
[4] «Institutional Investors» generally qualify as «Professional Investors»
[5] to all investors to whom distribution is authorised under national requirements of each jurisdiction

Main Irish Fund Structures

Type of Structure	Available as UCITS?	Available as Non-UCITS (AIFs)?	Comments
Corporates (PLCs and ICAVs) (Single Fund or Segregated Umbrella Funds)	Yes - UCITS Regulation	Yes -Companies Act 2014 - ICAV Act 2015	Most popular structure. Wide use as mutual funds, liquid alts, hedge funds, real estate funds and some private equity
Unit Trust (Single Fund or Segregated Umbrella Funds)	Yes - UCITS Regulation	Yes - Unit Trust Act 1990	Used for Asian markets, (retail Japan) and to provide regulatory solutions for certain investors
Common Contractual Funds (Single Fund or Segregated Umbrella Funds)	Yes - UCITS Regulation	Yes - Investment Funds, Companies and Misc. Provisions Act 2005	Tax transparent funds commonly used for pension pooling structures
Investment Limited Partnerships (Single Fund)	No	Yes - Investment Limited Partnerships Act 1994	Revamp to legislation expected H2 2019
Limited Partnerships (Single Fund)	N/A	N/A	Revamp to legislation expected H2 2019
SPVS/Section 110 companies (Single Fund)	N/A	N/A	CDO, CLOs and DTT access vehicles

What is the ICAV?

- Irish Collective Asset-Management Vehicles (ICAVs) are a tax-efficient and innovative corporate structure for Irish investment funds which can be authorised as either UCITS or AIFs

- ICAV can be structure to suit all major investment strategies and can accommodate traditional as well as alternative investment policies. It can also avail of a full suite of liquidity options making it suitable for mutual funds, hedge, real estate, infrastructure, lending vehicles, credit funds, private equity, managed accounts and hybrid funds

What is the ICAV

- The ICAV compares very favourably to the existing public limited company (“Irish PLC”) structure, which until the introduction of the ICAV had been the most successful and popular of the existing Irish fund structures to date.

- The ICAV also sits alongside the other legal forms of Irish regulated funds – such as the unit trust, investment limited partnership and the common contractual fund (“CCF”)

- The ICAV works well with and can be used in conjunction with the above funds and/or as part of mast-feeders or parallel fund structures – which can provide certain regulatory and distribution benefits – and as part of structures of SPVs (which can ensure tax treaty access)

ICAV - Key Features Snapshot

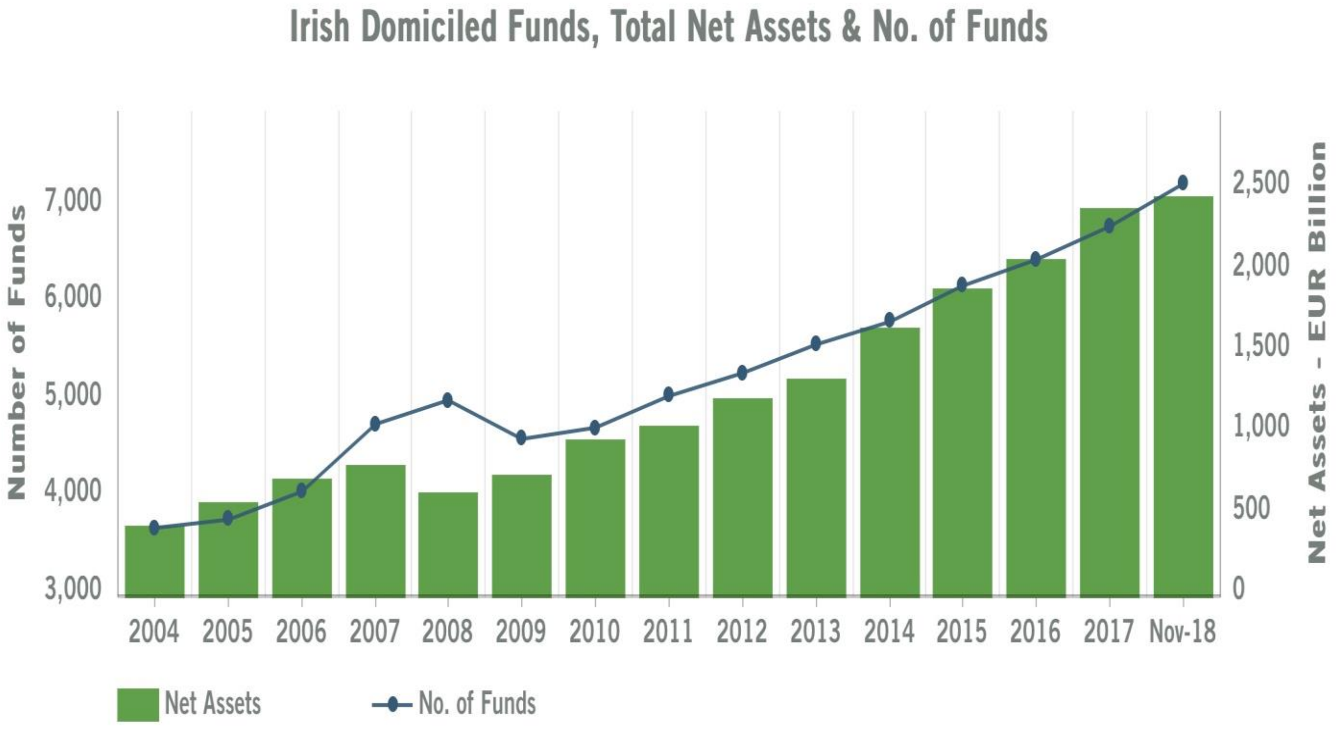
Key Features	P.L.C.	ICAV
Facility to “check the box for partnership status for US tax purposes	✗	✓
Separate accounts for sub-funds	✗	✓
No statutory requirement to apply risk spreading	✗	✓
Facility to make (non-material) changes to constitutional documents without investor approval	✗	✓
Not required to be incorporated with the Companies Registration Office	✗	✓
Facility to dispense with AGM in certain circumstances	✗	✓
Flexibility on type of accounting standards that may be used for financial statements	✗	✓

Key Proposed ILP Enhancements

Umbrella Partnerships	Ability to establish ILPs as an umbrella fund, with segregated liability between sub-funds
Re-domiciliation	Ability to migrate a partnership into and out of Ireland on a statutory basis
Access to LP Register	Limitation of inspection rights of partners, the Depositary and third parties (with the consent of the GP) to details on the name and address of each partner. Removal of access to details of each partner’s contributions
Withdrawal of Capital	Relaxation of requirements on withdrawal of capital, including removal of the requirement for the GP to certify that the ILP is able to pay its debts in full as they fall due after the proposed return of capital is made
Protection of LP Limited Liability	Expansion of the “white list” of safe harbour activities that LPs can be involved in, without being deemed to be conducting the business of the partnership and thereby losing limited liability. Further clarification that limited liability of LPs will not be lost by reason of the ILP not having a GP
Amendments to LPA	Removal of requirements for all partners to consent in writing to amendment of the LPA. Provision to allow amendment upon (i) approval of a majority of LPs; or (ii) Depositary certification that the proposed amendment does not (a) prejudice the interests of LPs; and (b) relate to any matter specified by the CBI requiring approval by LPs

AUM and Number of Funds

Irish Funds



Source Irish Funds: EUR 2.47 trillion in AUM across 7,252 sub-funds @ 30 November 2019

Luxembourg Hedge Funds

Philippe Burgener

Why Luxembourg?

Economic Fundamentals

- Political and social stability – “AAA” country
- Tax efficient solutions
- Efficient social & employment law
- Highly skilled & multilingual workforce

Industry Standing

- Business-friendly environment
- Pragmatic regulatory regime
- Sound investor protection
- Open dialogue with CSSF

Products

- Highly diversified offerings for retail, professional and institutional investors
- Efficient and experienced (UCITS, AIFM) management companies white-label

Tax Neutrality

Luxembourg Tax Treaty Network

1. Andorra
2. Armenia
3. Austria
4. Azerbaijan
5. Bahrain
6. Barbados
7. Belgium
8. Brazil
9. Brunei
10. Bulgaria
11. Canada
12. China
13. Croatia
14. Cyprus
15. Czech Republic
16. Denmark
17. Estonia
18. Finland
19. France
20. Georgia
21. Germany
22. Greece
23. Guernsey
24. Hong Kong
25. Hungary
26. Iceland
27. India
28. Indonesia
29. Ireland
30. Isle of Man
31. Israel
32. Italy
33. Japan
34. Jersey
35. Kazakhstan
36. Laos
37. Latvia
38. Liechtenstein
39. Lithuania
40. Macedonia
41. Malaysia
42. Malta
43. Mauritius
44. Mexico
45. Moldova
46. Monaco
47. Mongolia
48. Morocco
49. Netherlands
50. Norway
51. Panama
52. Poland
53. Portugal
54. Qatar
55. Romania
56. Russia
57. San Marino
58. Saudi Arabia
59. Senegal
60. Serbia
61. Seychelles
62. Singapore
63. Slovakia
64. Slovenia
65. South Africa
66. South Korea
67. Spain
68. Sri Lanka
69. Sweden
70. Switzerland
71. Taiwan
72. Tajikistan
73. Thailand
74. Trinidad and Tobago
75. Tunisia
76. Turkey
77. Ukraine
78. United Arab Emirates
79. United Kingdom
80. United States of America
81. Uruguay
82. Uzbekistan
83. Vietnam

Under negotiation:

1. Albania
2. Argentina
3. Botswana
4. Egypt
5. France*
6. Kosovo
7. Kuwait
8. Kyrgyzstan
9. Lebanon
10. New Zealand
11. Oman
12. Pakistan
13. Syria
14. United Kingdom*

*New Treaty

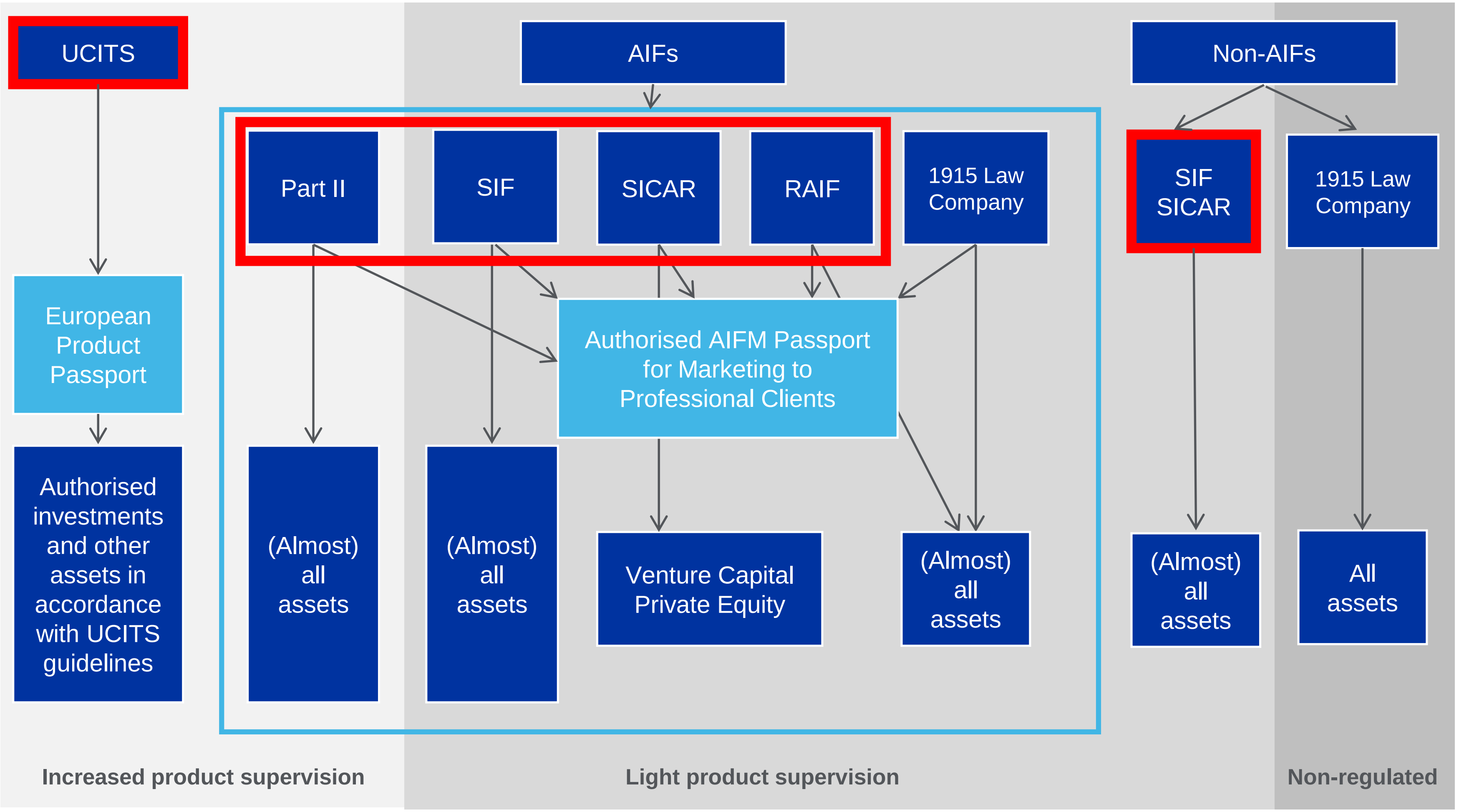
Luxembourg Investment
Protection Agreements

1. Albania
2. Algeria
3. Argentina
4. Armenia
5. Azerbaijan
6. Bangladesh
7. Belarus
8. Benin
9. Bosnia and Herzegovina
10. Bulgaria
11. Burkina Faso
12. Burundi
13. Cameroon
14. Chile
15. China
16. Croatia
17. Cyprus
18. Czech Republic
19. Egypt
20. El Salvador
21. Estonia
22. Gabon
23. Georgia
24. Guatemala
25. Hong Kong
26. Hungary
27. India
28. Ivory Coast
29. Kazakhstan
30. Kyrgyzstan
31. South Korea
32. Kuwait
33. Latvia
34. Lebanon
35. Libya
36. Lithuania
37. Macedonia
38. Madagascar
39. Malaysia
40. Malta
41. Mauritius
42. Mexico
43. Moldova
44. Mongolia
45. Morocco
46. Mozambique
47. Pakistan
48. Paraguay
49. Peru
50. Philippines
51. Poland
52. Qatar
53. Romania
54. Russian Federation
55. Rwanda
56. Saudi Arabia
57. Serbia
58. Singapore
59. Slovakia
60. Slovenia
61. Sri Lanka
62. Tajikistan
63. Thailand
64. Tunisia
65. Turkey
66. Turkmenistan
67. Ukraine
68. United Arab Emirates
69. Uruguay
70. Uzbekistan
71. Venezuela
72. Vietnam
73. Yemen

Signed but not in force yet:

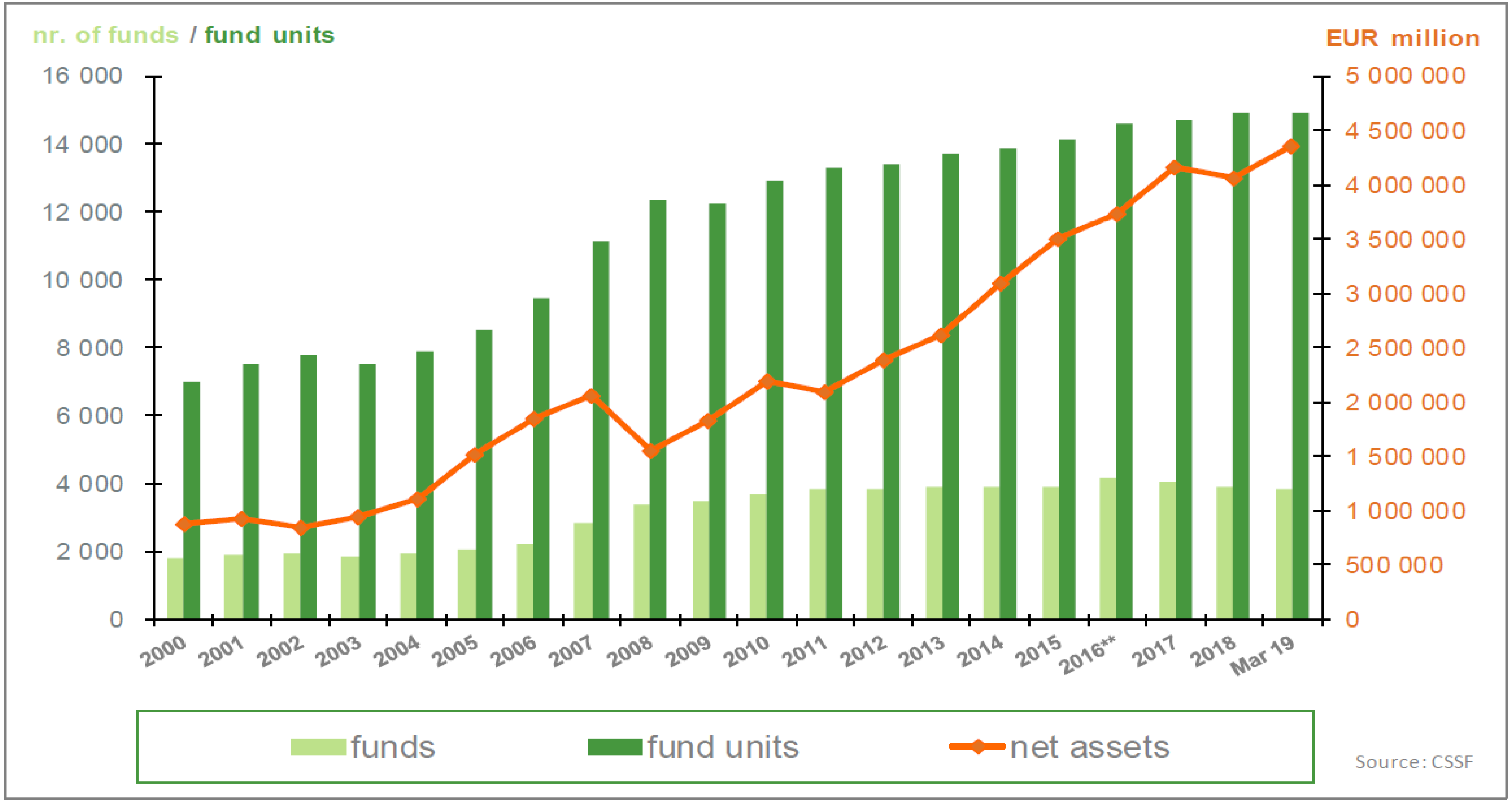
1. Bahrain
2. Barbados
3. Belarus
4. Botswana
5. Brazil
6. Colombia
7. Comoros
8. Congo Democratic Republic
9. Costa Rica
10. Cuba
11. Ethiopia
12. Liberia
13. Mauritania
14. Montenegro
15. Nicaragua
16. Oman
17. Panama
18. Rwanda
19. Sudan
20. Tajikistan
21. Togo
22. Uganda
23. Zambia

Overview of Luxembourg Fund structures



AuM and Number of Funds*

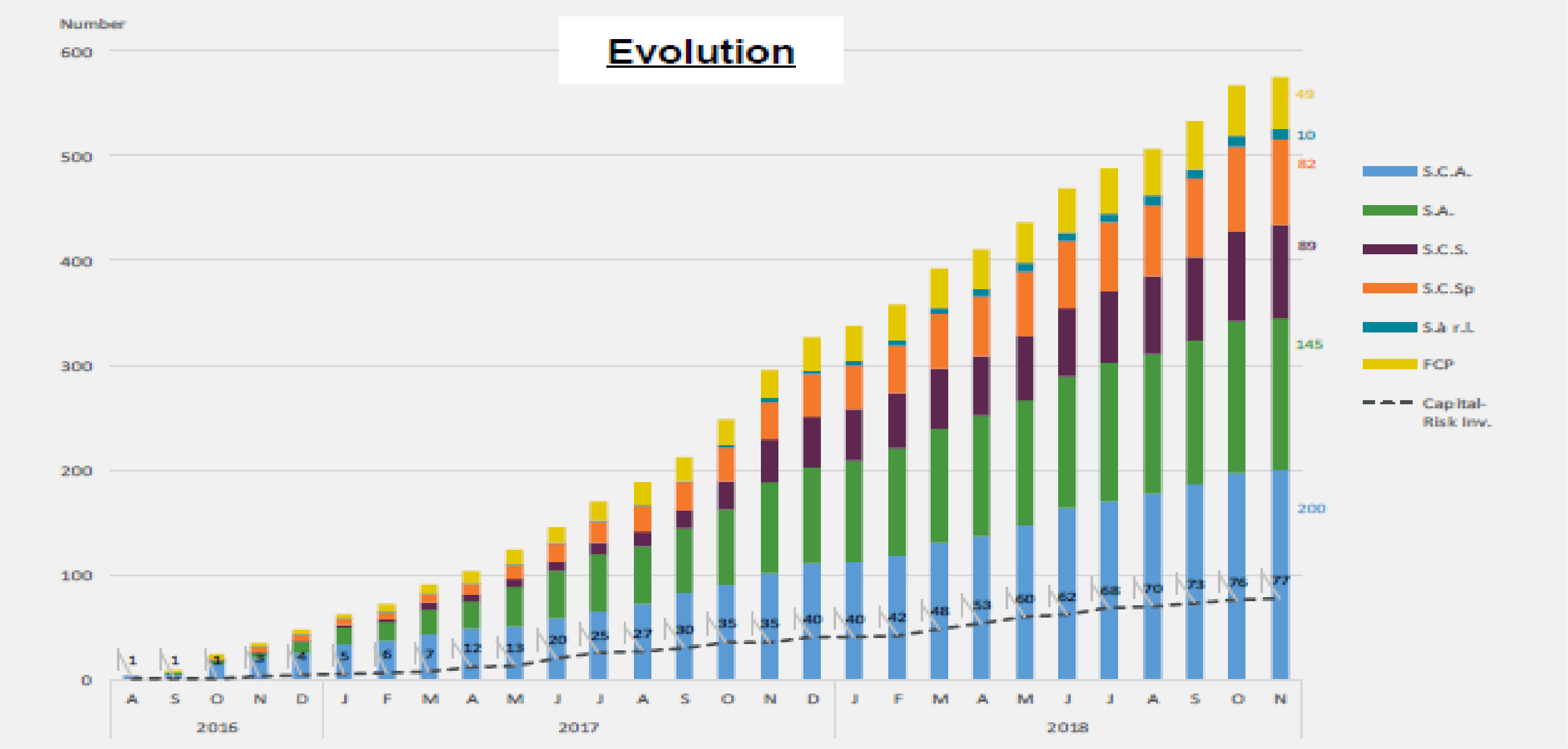
Luxembourg



*Excludes RAIFs

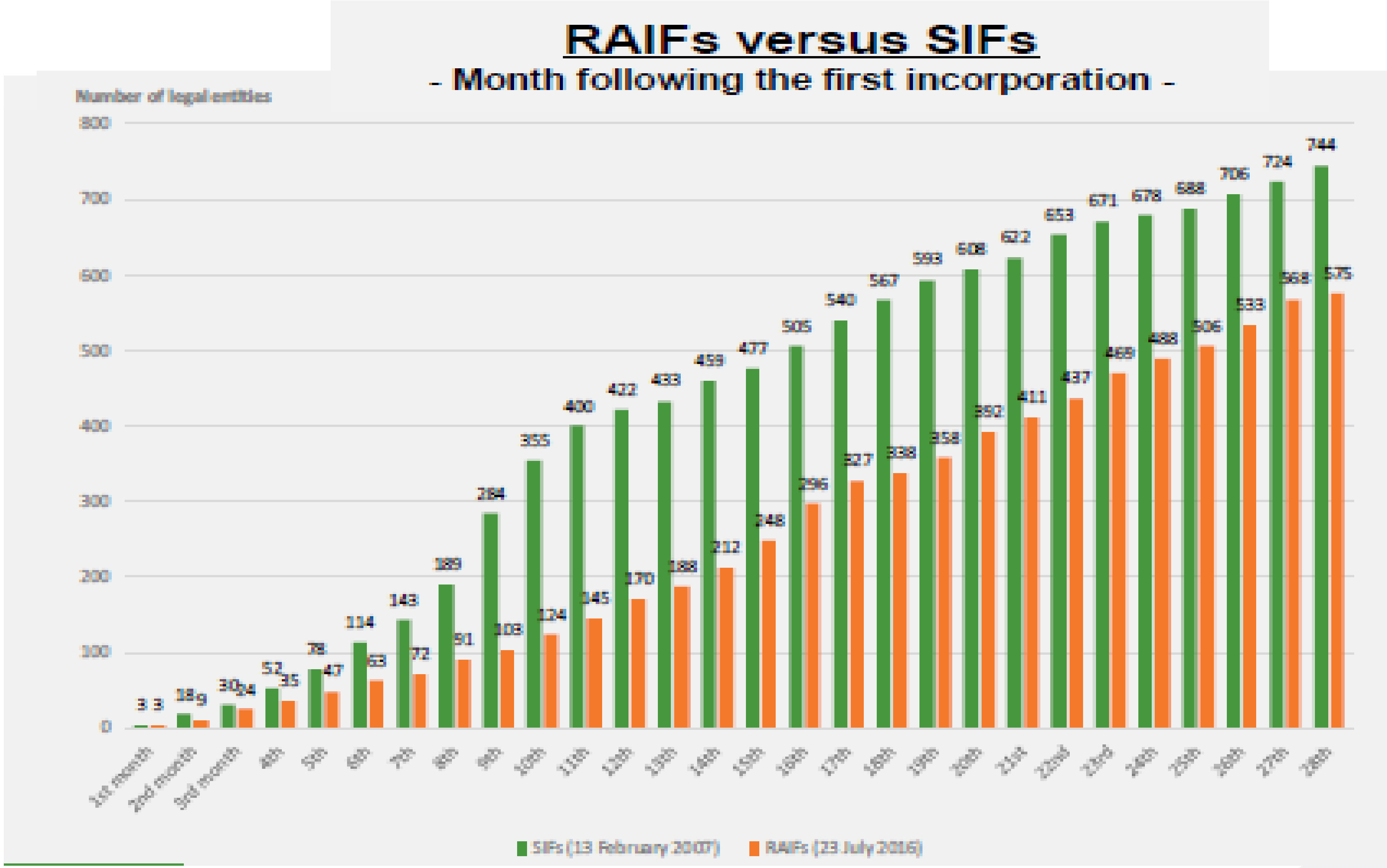
RAIF evolution

Source: ALFI 15 11.18

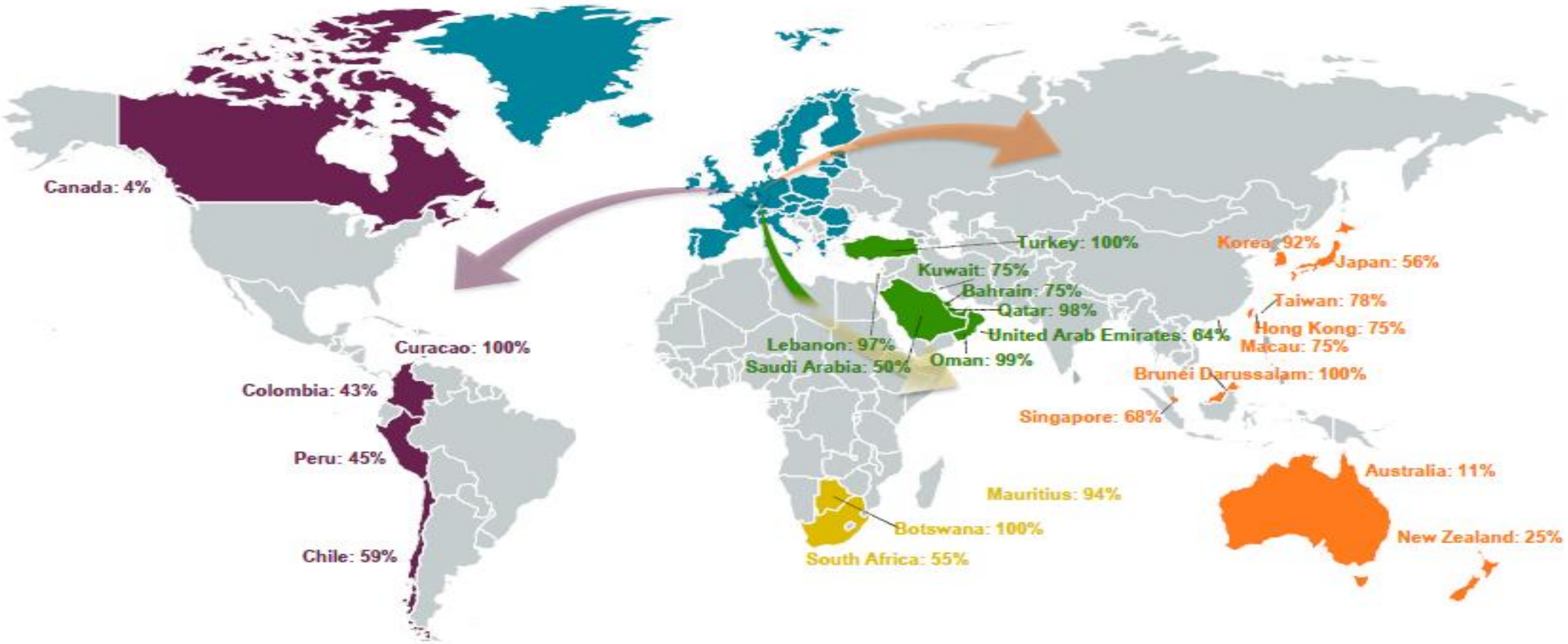


RAIF vs SIF

Source: ALFI 15.11.18



Global Distribution of Luxembourg funds*



Figures as at 31 December 2016. Source: Global Fund Distribution 2017, PwC

*Excludes RAIFs

Most common legal forms used for Luxembourg fund structures

	SICAV				FCP	SICAF			
	Public limited company (SA)	Company limited by shares* (SCA)	Common limited partnership (SCS)*(1)	Special Limited Partnership (SCSp)*(1)		Public limited company (SA)	Company limited by Shares* (SCA)	Common limited partnership (SCS)*(1)	Special Limited Partnership (SCSp)*(1)
Part II	X				X	X			
SIF	X	X	X	X	X	X	X	X	X
SICAR	X	X	X	X		X	X	X	X
RAIF	X	X	X	X	X	X	X	X	X
AIF with authorised AIFM			X	X		X	X	X	X
AIF with registered AIFM			X	X		X	X	X	X
Non-AIF			X	X		X	X	X	X

* The Company limited by shares is a corporate partnership. It thus offers the possibility to the initiator to control the company through its control of the general partner.
(1) variability of “capital” depends on LPA

Management of Luxembourg funds

	PART II		SIF		SICAR	RAIF		AIF with authorised AIFM	AIF with registered AIFM	Non-AIF
	SICAV	FCP	SICAV	FCP		SICAV	FCP			
Self-managed	X		X		X			X(3)	X(3)	X
UCITS Man Co	X(3)	X(3)	X(3)	X(3)		X(3)	X(3)			
Chapter 16 ManCo	X(2)	X(2)	X(2)	X(2)	X(2)	X(2)	X(2)		X(2)	X(2)
Authorised AIFM	X	X	X	X	X	X		X	X	
Registered AIFM	X	X	X	X	X				X	
Delegated Portfolio Manager	Regulated		Regulated		Regulated	Regulated		Regulated	X(1)	X
Delegated Investment Advisor	X		X		X	X		X	X	X

(1) depending on applicable “product” regulation
(2) Only if non-AIF or if the AuM of teh Chapèter 16 ManCO are below the relevant AIFMD thresholds; in other cases an external authorised AIFM needs to be appointed (art. 125-1) of the 2010 Law; otherwise, the Chapter 16 ManCo needs to be approved as authorised AIFM (art. 125-2)
(3) Only if also authorised as an authorised AIFM

Target investors from a Luxembourg perspective

	Retail Investors	Well-Informed Investors[2]	Professional Investors	Institutional Investors
Fund Structure				
Part II	X[1]	X	X	X
SIF		X	X	X
SICAR		X	X	X
RAIF		X	X	X
AIF with authorised AIFM	X[1]	X	X	X
AIF with regulated AIFM		(X)	(X)[2]	(X)[2]
Non-AIF SIF or SICAR		X	X	X
Non AIF 1915 Law Company	X	X	X	X

[1] Possible only if separately registered in the relevant EEA jurisdiction in which marketing is to take place
[2] Well-Informed Investors comprise: Professional Investors, Institutional Investors and investors that are not Professional or Institutional Investors but that either (i) invest more than EUR 125’000 (or equivalent) or benefit from an assessment confirming their experience and knowledge

European and Irish Structuring Considerations

Andrew Quinn

Why Ireland?

Legal and Regulatory Framework

- EU Member State, Eurozone, OECD and FATF Member Country
- Common law system
- Pro business state/government

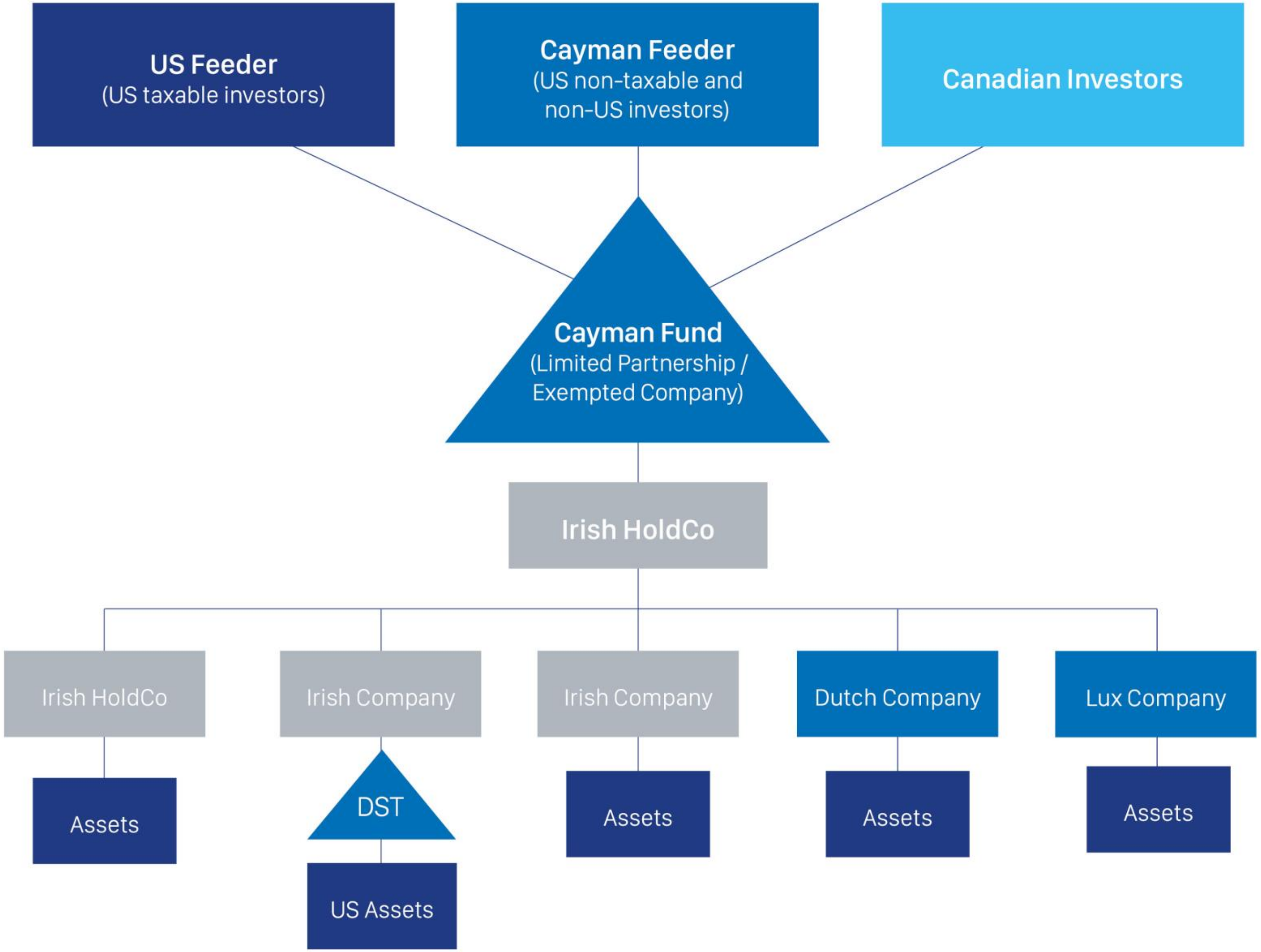
Tax

- A corporation tax rate of 12.5% for trading companies, one of the lowest corporation tax rates in the EU
- An EU-approved stable tax regime, with access to extensive treaty network (comprising over 70 tax treaties) and EU Directives
- Attractive holding company regime, including participation exemption from capital gains tax on disposals of shares in subsidiaries
- Specific measures to incentivise the relocation of internationally mobile employees
- Tax system includes remittance basis for non-domiciled individuals on income and capital gains
- Ireland has a network of 73+ double taxation treaties which protect investors against double taxation

Location

- Favourable time zone for Northern American and UK headquartered firms
- English speaking
- Infrastructure ready human resources, residential and commercial property availability, and flights and access
- Leading global centre for technology and financial services

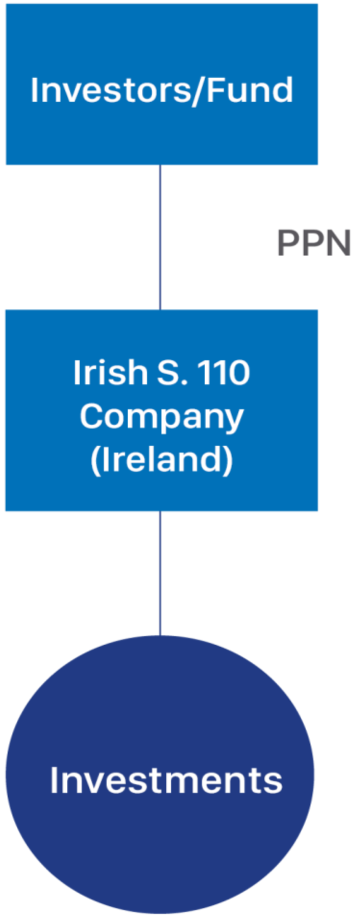
European Investment Platform



Section 110 Company

Conditions

- The Company must be Irish tax resident;
- The Company must only acquire interests in qualifying assets for the purposes of Section 110;
- The Company must only carry on a business of holding or managing its qualifying assets (generally includes financial assets). Aside from activities ancillary to that business, the Company must not carry on any other activities.



Section 110 Company

- On the first day on which the Company acquires qualifying assets, the market value of those qualifying assets must not be less than €10 million;
- All transactions which the Company enters into must be bargains made at arms' length (other than in respect of payments of interest or distributions in respect of the Securities);
- Notify the Irish Revenue Commissioners of the intention for the Company to be a qualifying company for the purposes of Section 110 within 8 weeks from its first acquisition of qualifying assets.

Holding Company

Irish HoldCo - Tax Treatment

- Generally chargeable to Irish tax at a rate of 25% unless active trade or business
- However, a number of exemptions and reductions may be available to lower the effective rate of tax, including:

  - Capital Gains Tax Participation Exemption - no capital gains tax (CGT) will apply to the disposal of shares in a subsidiary resident in an EU or double tax treaty country where the following conditions are met:
    - ~ IrishCo holds at least 5% of the shares in a subsidiary for a continuous period of at least 12 months; and
    - ~ either the subsidiary itself or the group as a whole (the Irish company, the subsidiary and any other 5% subsidiaries) must be engaged ”wholly or mainly” in trading activities (i.e. wholly or mainly means greater than 50% and the primary tests are the proportion of net trading profits and proportion of net trading assets).

  - A tax deduction for interest payments made in connection with the acquisition of ordinary shares in a trading subsidiary company may be available if the relevant conditions are satisfied

Holding Company

Tax on Dividends Received:

- 12.5% standard rate of corporation tax may apply to dividends from EU or DTT countries which are sourced from trading activities (and to dividends from foreign portfolio companies i.e. in which the holding company owns less than a 5% interest)
- 25% rate of corporation tax will apply to all other foreign dividends
- Treaty or unilateral credit reliefs or credit pooling arrangements
- Other strategies for repatriation of cash to Ireland (e.g. large intercompany debt created through the redomiciliation)
- Stamp duty exemption for shares of an Irish incorporated company listed in the US

Holding Company

Tax implications for Shareholders in Irish HoldCo

- No tax on gains arising to non-resident investors from disposals of shares in Irish companies (other than Irish land-rich companies)
- 20% dividend withholding tax (DWT) on dividends and distributions unless an exemption applies. However, there are a number of domestic exemptions available
- No stamp duty applies on subscription for shares in Irish companies (stamp duty of 1% does apply on acquisition of such shares unless held in a US depositary system).

European Anti-Tax Avoidance Directives

- EU ATAD I and EU ATAD II - two separate EU directives implementing OECD BEPS in the EU to combat corporate tax avoidance which will apply to most European corporate entities, including a S.110 company.
- EU directives require implementation by EU Member States.

Interest Deductibility Limitation Rule	**Anti-Hybrid Rule**
ATAD provides that interest costs in excess of the higher of (a) €3,000,000 or (b) 30% of entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but would be available for carry forward Only in respect of amount by which borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets"	A hybrid mismatch is a cross-border arrangement using a hybrid entity or instrument, resulting in a mismatch in the tax treatment of a payment across jurisdictions ATAD II covers hybrid mismatches between: - associated enterprises; - head offices and permanent establishments; - permanent establishments of the same entity. If a hybrid mismatch results form differences in characterisation of a financial instrument, the EU member state where payment is sourced from shall deny the deduction

Ireland Network of Double Taxation Treaties

Albania	Ghana*	Poland
Armenia	Hong Kong	Portugal
Australia	Hungary	Qatar
Austria	Iceland	Romania
Bahrain	India	Russia
Belarus	Israel	Saudi Arabia
Belgium	Italy	Serbia
Bosnia and Herzegovina	Japan	Singapore
Botswana	The Republic of Korea	Slovakia
Bulgaria	Kuwait	Slovenia
Canada	Latvia	South Africa
Chile	Lithuania	Spain
China	Luxembourg	Sweden
Croatia	Macedonia	Switzerland
Cyprus	Malaysia	Thailand
Czech Republic	Malta	The Republic of Turkey
Denmark	Mexico	Ukraine
Egypt	Moldova	United Arab Emirates
Estonia	Montenegro	United Kingdom
Ethiopia	Morocco	United States
Finland	Netherlands	Uzbekistan
France	New Zealand	Vietnam
Georgia	Norway	Zambia
Germany	Pakistan	
Greece	Panama	

*Signed but not yet in force

International Structuring Considerations

1. OECD BEPS - “principal purpose test (PPT) for tax treaty entitlement / OECD Multi-Lateral Instrument (MLI)
    - OECD case studies for alternative investment funds

2. European Court of Justice Danish "anti-conduit" cases

3. US / Ireland double tax treaty
    - Possible to avail of the DTA using a S.110/Holdco/ICAV
    - LOB test
        - 50% US / Irish
        - "derivative test" – 7 or fewer EU/NAFTA (i.e. Canada)

International Structuring Considerations

4. “Economic substance and business purpose" becoming more significant

5. What to do:
   - Examine existing structures
   - Expect governance/business purpose/operational substance to be a key driver as tax aligns with economic value creation
   - There may be different approaches for different deals and strategies

Irish Regulated Funds

- ICAV is treated for Irish tax purposes as a corporate vehicle which is fully exempt from Irish tax on its income and profits.
- ICAVs can be used to claim double tax treaty relief.
- Exit tax will not apply to distributions by an ICAV to its shareholders who are resident outside of Ireland.
- Irish stamp duty will not apply to transfers of shares in an ICAV.
- An ICAV can “check the box” for US tax purposes to elect to be a disregarded entity for US domestic tax purposes.

Key Tax Considerations for a Manager with an Irish ManCo

An Irish Manco may be used in conjunction with an Irish/Lux regulated fund

- How the ManCo is taxed
- Impact of the ManCo on the funds it manages

How the ManCo is Taxed

- Irish company taxed at 12.5% on the worldwide profits of an Irish trade, other profits at 25%
- Requirements to demonstrate an Irish trade is being carried on
- How taxable profits are calculated
- Dividend withholding tax – exemptions
- Interest withholding tax – exemptions

Impact of the ManCo on the international funds it manages

- Irish Investment Management Exemption
- Non-Irish funds should not be taxed in Ireland because of the activities of a regulated Irish manager
- International Tax Considerations

  a) OECD BEPS / Action 6 on “tax treaties” – principal purpose test or PPT

  b) OECD guidance on the tax treaty entitlement of alternative investment funds – three real life case studies

  c) Helpful from a substance perspective to have an Irish based manager

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