IQEQ

Know how Know you

Fund Domiciliation Report

A guide to the most popular jurisdictions for alternative funds

Preface

Home is a shelter from storms – all sorts of storms. This famous quote by William J. Bennett is of greater relevance to asset managers than ever before.

The global alternatives market not only weathered the storm of unprecedented change in the past couple of years but also overcame the winds of change to emerge stronger and wiser. From 2015 to the end of 2021, data from Preqin indicates that AUM across all alternative asset classes increased at a CAGR of 10.7%. As of the end of 2015, AUM stood at $7.23tn, rising to $13.32tn by the end of 2021. For the way forward, Preqin expects AUM growth to accelerate to 11.7% and reach $23tn in 2026. However, the current macroeconomic situation might have an adverse impact on the predicted growth rate.

The first step for any fund manager is to select a suitable fund domicile. Soberingly enough, with an ever-evolving landscape driven by regulatory, tax, and even macroeconomic changes, this decision has been becoming more and more difficult for asset managers to make. Most crucially, the concept of a one-jurisdiction fits-it all approach for asset managers no longer exists. As such, it is more important than ever to keep abreast of the latest trends influencing the choice of the most preferred jurisdiction among global fund domiciles.

Compounding the complexity of the domicile decision making process, the selection factors for fund domiciliation have broadened over the years. In the past, fund domiciliation decision-making was predominantly influenced by factors such as the reputation of a jurisdiction, investor sentiment, set-up timelines and processes, regulations, costs, and the quality of the service providers. Now, additional aspects are coming to the fore: Base Erosion and Profit Shifting (BEPS), the current geo-political situation, and the drive to introduce local economic substance requirements for companies' tax residency. Domicile decision-making for the alternative fund industry has entered the era of geographic challenges and opportunities.

We released the first edition of our Fund Domiciliation report in 2020, and, against the backdrop of an ever-evolving regulatory landscape, we have worked on an updated version that aims to provide fund managers with a composite overview of the most popular jurisdictions for alternative funds towards guiding them in this crucial selection process.

We would like to thank IFI Global for all their support in this endeavor, and we hope that alternative fund managers will find the latest version of our Fund Domiciliation report useful as they narrow down on the domicile that most suits their funds' requirements.

Justin Partington
Group Head of Fund and Asset Managers

Overview

The alternative asset management industry has been growing strongly. This is obviously good news for the jurisdictions which house their funds. Forecasts suggest that the growth will continue over the next five years – and indeed may well even get stronger. Preqin expects that growth across alternative assets will accelerate in next five years.

Preqin report that the AUM in private capital grew from $4.08 trillion at the end of 2015 to $8.90 trillion at the end of 2021, representing a compound annual growth rate (CAGR) of 13.9%. This was faster than the 8.5% CAGR over the preceding five years, and Preqin is forecasting a faster CAGR of 14.8% to 2026, taking private capital AUM to $17.77 trillion.

Should alternative fund assets reach anything close to $17.77 trillion over this period it would mean that the international fund domiciles will also experience a further period of strong growth.

However, that growth is unlikely to be uniform. There could be significant changes in fund domiciliation pattens in the years ahead. This could come about as a result of the growth of new fund strategies, regulatory changes and, relatedly, demands for yet more local substance in the international fund jurisdictions.

The impact of Brexit

In the last report in this series the point was made that Brexit would mean regulatory divergence between the EU and UK. That is now beginning to happen. But it has taken longer to materialise than many expected.

The EU Commission has made clear that it wants a much more comprehensive degree of financial regulation, banking and capital market integration in Europe post-Brexit. However, to date, it has met with limited success in achieving that objective.

Many have lamented the failure of the EU and UK to strike an agreement on equivalence. On the other hand, it has made little difference to the City's status, according to research from EY. Nor has it caused serious problems for UK fund managers, at least to date.

According to EY Financial Services Brexit Tracker, only 7,600 City jobs have relocated to Europe since the UK voted to leave the EU. This is far less than many forecast, both at the time of the referendum and subsequently. EY's Brexit Tracker shows that there has been surprisingly little structural change to the pan European financial services industry since the UK made the decision to quit the EU in 2016.

This might change. For example, it is still very possible that the UK will trigger Article 16, which means unilaterally suspending parts of the Brexit agreement with the EU over Northern Ireland. Maros Sefcovic, the European Commission vice-president leading the Brexit talks for the EU, has threatened the UK with a trade war if it does trigger Article 16, including in financial services.

Meanwhile the UK Treasury and the FCA are looking at introducing measures to lighten the regulatory burden on UK fund managers. The Treasury has begun working on a wide-ranging liberalisation of rules for the City. Rishi Sunak, the previous Chancellor, had said he would make changes to Solvency II and very probably MiFID II. The UK will not be implementing the SFDR, either.

If the UK does diverge substantially from the EU's rulebook then it could trigger a review of portfolio management delegation rules by Brussels. Major divergence makes it possible that the Commission would step in and curtail delegation - at least for European funds.

Long standing distribution arrangements are also changing. The EU introduced a new directive and more regulations for cross-border fund distribution in August 2021, the Cross-Border Distribution and Regulation of Funds (the CBDF Directive and Regulation). The CBDF includes important changes to pre-marketing rules for non-EU AIFMs. The CBDF amends the existing AIFMD distribution rules with the aim of harmonising the ability for AIFMs to distribute alternative investment funds across the EU, including by introducing a new regime for 'pre-marketing.'

Under the new rules, any subscription by a professional investor in an AIF within 18 months of the commencement by an EU AIFM of pre-marketing activities relating to that AIF, will be considered the result of marketing.

This has implications for non-EU based funds who rely upon reverse solicitation to access European investors. The potential effect of the new pre-marketing rules means that the 18-month period will also cover funds using reverse solicitation too.

Ireland and Luxembourg have been the chief beneficiaries of Brexit. Brexit is a large part of the reason why these jurisdictions have introduced enhanced substance requirements over the last few years. They have been brought in to prevent UK managers from setting up 'letterbox' entities, with just a handful of back-office staff, in EU jurisdictions, with the senior management still making the real decisions from London.

Brexit has therefore meant more substance in EU jurisdictions where funds are domiciled. Measures taken by Luxembourg's Commission de Surveillance du Secteur Financier's (CSSF) and the Central Bank of Ireland (CBI) are an example of this. The CSSF brought in Circular 18/698 for Luxembourg-based fund managers (UCITS and AIFMs including self-managed UCITS and AIFs) and the Central Bank of Ireland's introduced CP86 to improve the effectiveness and local substance of Irish fund management companies.

BEPS & substance

Much of the drive for more substance in international fund jurisdictions is because of BEPS (Base Erosion and Profit Shifting), which is an OECD initiative. Every international fund jurisdiction has signed on for BEPS implementation.

BEPS may well be the most important development for the structure of the alternative fund industry which few people have ever heard about. (Long only funds, known in BEPS parlance as CIVs, are largely exempt.)

BEPS is used as the underlying economic rationale by the EU to impose substance requirements on the offshore jurisdictions. Similarly, BEPS underlies the OECD's Forum on Harmful Tax Practices (FHTP).

The impact of BEPS on fund domiciliation patterns could still be considerable. PwC believe that managers may eventually be talking to investors about their pre and post tax returns because of BEPS. Tim Hames, the previous Director General of the BVCA, said that BEPS will lead to changes in fund structuring in private equity. He believes that the private equity industry is entering a 'taxulation' era ahead in part because of BEPS. Along with BEPS there has been a push by various para-statal entities for more substance in the offshore jurisdictions. Some jurisdictions have been more relaxed about this than others.

Jersey and Guernsey didn't have any difficulty in complying with the EU's Code of Conduct Group's substance requirements. The Channel Islands saw the EU's Code of Conduct Group's substance requirements are effectively codification of what it already does. It means that managers can base their funds there and access EU markets, via private placement, for example.

But Cayman was slower on the uptake and subsequently ran into some blacklisting issues with the EU. Cayman introduced a Tax Co-operation (Economic Substance) Law in 2018, chiefly to comply with BEPS. But this wasn't sufficient for it to have been temporarily blacklisted by the EU in 2020 and to have been placed on Financial Action Task Force's (FATF) grey list in 2021. Cayman is undergoing a 15-month period during which it must implement an action plan agreed with the FATF in order to come off its grey list. In order to come off the FATF's grey list CIMA has been pushing Cayman's service providers to comply with more rigorous reporting requirements, especially for AML.

New asset classes

New asset classes that are emerging on the scene at the moment could have more impact on fund domiciliation patterns than anything that has happened since the alternative fund industry really got going back in the 1990s.

For example, ESG is likely to be influential in the future development of the international fund jurisdictions in a number of ways. Investment houses with over $100 trillion in AUM support the UN's PRI. Bloomberg Intelligence forecasts that global ESG assets will reach $53 trillion by 2025.

Just as some fund domiciles are known today for their connections to private equity funds, hedge funds, ETFs and so forth so it is likely that, in future, they will also be known for their expertise in certain ESG investment categories. For example, it is possible one or more jurisdictions may become the recognised base for sustainable funds by investors and asset managers.

Equally, the fund industry appears to be in the early stages of significant change brought on by the emerging and fast-moving revolution in digital assets. The so-called crypto crash this spring appears not to have had a negative impact on the overall development of digital assets.

Jon Cunliffe, Deputy Governor of the Bank of England, has compared the crypto crash to the dotcom bubble. He has made the point that many of the 'dotcoms' went on to

become the giant businesses of the age. Cunliffe has also said that the Bank of England is considering launching its own digital currency.

When the crash occurred this spring there were over 800 crypto funds and approximately 600 crypto currencies. There are also dedicated crypto custodians and service providers. It is likely that a number of fund jurisdictions will establish themselves as bases for this young and emerging part of the investment industry.

The future

Investors have always been critically important to domicile selection and that will remain the case in future. If anything, their influence will become even greater. That is because regulations may make it more difficult, if not impossible, for certain investors to allocate to funds domiciled in some offshore locations.

For example, many alternative funds are now domiciled in the EU because various categories of institutional investor across Europe now find it difficult to allocate to funds that are, for example, domiciled in the Caribbean.

There has been a marked increase in fund industry service provider M&A over the last few years. That is likely to continue into the future. As almost of all this M&A activity is multi-jurisdictional it makes it easier for managers to select an organisation that can service their funds in multiple domiciles. Use of multiple jurisdictions is often needed for different classes of investors. Service provider selection, therefore, is becoming more integral to domicile choice.

Allied to the industry's M&A activity may be a certain degree of domicile consolidation. Whilst different domiciles will continue to be needed for different classes of investors, in different parts of the world, economies of scale can be obtained by putting as much as possible into one location.

It is therefore likely that the international fund jurisdictions that are the recognised leaders in this industry today will become even more dominant in future. It is going to be difficult for anyone new to break into this business.

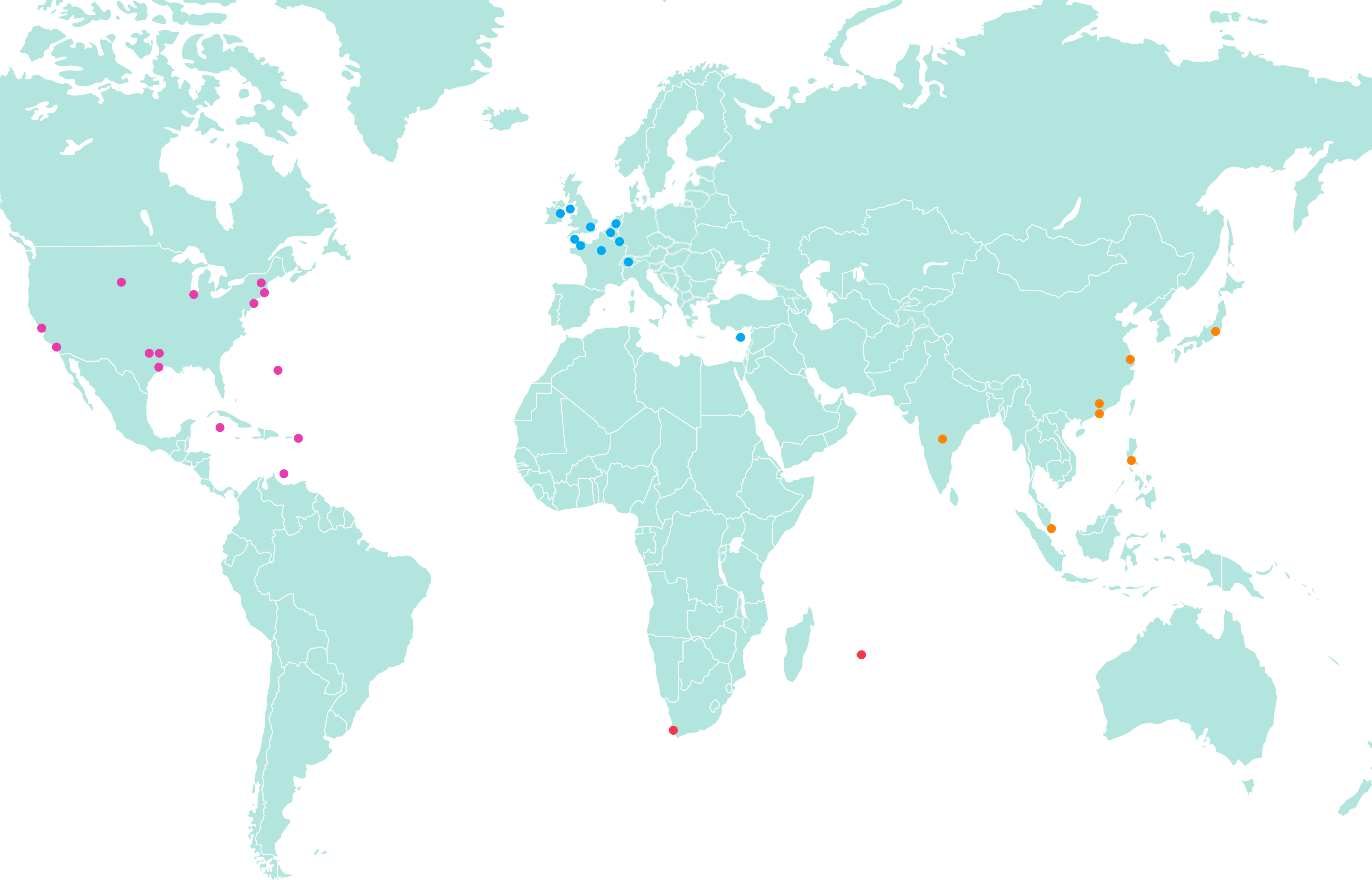


Table of contents

THE AMERICAS

Bermuda 6

Cayman Islands 9

Curaçao 12

USA 15

EUROPE

France 18

Guernsey 21

Ireland 24

Jersey 27

Luxembourg 30

The Netherlands 33

UK 36

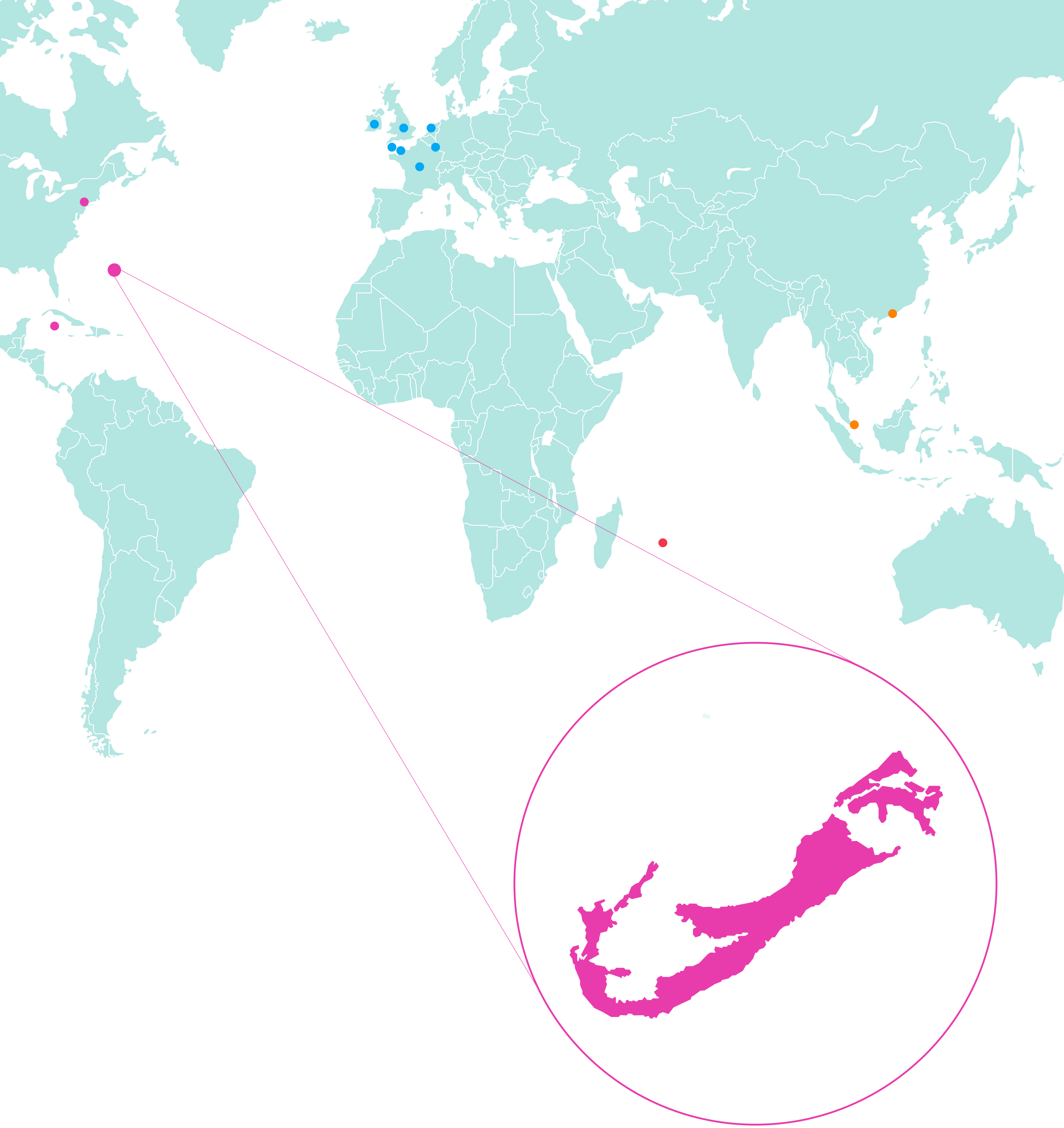
AFRICA

Mauritius 39

ASIA

Hong Kong 43

Singapore 46



Bermuda

Introduction

Bermuda is home to mutual funds and alternative funds such as hedge funds, fund-of-funds, private-equity vehicles and innovative insurance-linked structures. Bermuda has over USD43bn in fund assets and there are over 1,500 investment funds registered in and operating from Bermuda. The Bermuda Monetary Authority (BMA) is the competent authority responsible for supervising, regulating and inspecting financial institutions operating in or from Bermuda and is responsible for exchange control.

As the BMA reported in their 2018 annual report to industry, the BMA issued a Discussion Paper (DP) on 'Proposed Enhancements to Investment Business, Investment Funds and Fund Administration Regimes' in March 2018. The DP initiated dialogue regarding potential legislative and regulatory changes to the BMA's investment regimes. In July 2018, the BMA issued a stakeholder letter to the industry. The letter responded to major issues raised from the DP and stated that the BMA would move forward with developing a standalone legislative framework for fund administrators. The BMA is preparing a consultation paper for the 2019 release on this standalone regime for fund administrators.

Fund structures

Bermuda investment funds are generally regulated under the Investment Funds Act 2006 (as amended) (IFA). The IFA establishes and maintains standards and criteria applicable to the establishment and operation of investment funds in Bermuda with a view to protect the interests of investors.

A Bermuda investment fund is typically structured and organised into four types of vehicles: by far the most popular vehicles are the company limited by shares and the limited partnership.

Company limited by shares

Companies limited by shares are formed pursuant to the Companies Act 1981. The main attraction of these entities is that shareholder liability is limited to the amount paid up on the shares.

A unit trust

Unit trusts are used less often and follow a traditional trust structure. They are established pursuant to a trust deed, which generally will provide for the material terms of the investment fund allowing similar flexibility in their tailoring to limited partnerships.

A limited liability company (LLC)

A limited liability company is a new vehicle recently introduced to Bermuda pursuant to the Limited Liability Company Act 2016. This LLC Act is based on the Delaware equivalent legislation. An LLC is essentially a hybrid between a company and limited partnership providing the legislative certainty of companies with the contractual flexibility of limited partnerships.

A limited partnership

The Bermuda limited partnership is patterned after the Delaware and UK model. Bermuda's limited partnership legislation was extensively updated in 2015. The limited partners are not, subject to the satisfaction of certain requirements, liable for the debts and obligations of the partnership beyond the amounts they have agreed to contribute to the partnership.

Funds regime

Broadly speaking, there are two categories of oversight for investment funds by the BMA: a registered fund regime (for small funds and sophisticated offerings and which attracts lesser BMA regulation and oversight) and an authorised fund regime (a fully regulated standard regime with regulatory categories linked to investor profiles).

Registered funds regime

The amendments to the investment fund regime adopted under the Economic Substance Act 2018 (Substance Act) became operational on 31 December 2018. In addition to these new economic substance requirements, the Substance Act also introduced legislative changes to the Investment Funds Act 2006. Under these changes, the names of the fund types changed to professional funds and private funds, which are now known as registered funds. Now, all registered funds must apply to the BMA for registration and approval before they can commence trading. These funds can be distinguished as follows:

Private funds (previously known as excluded funds) - an investment fund is a private fund if the number of participants does not exceed 20 persons and the fund does not promote itself by communicating an invitation or inducement to the public.

Applications for private fund registrations must include information related to the fund, including a copy of the offering document and details about any service providers. The operator of a private fund must appoint a local service provider regulated by the BMA (the definition of "service

provider" in the Funds Act as amended now includes corporate service providers) and a custodian. Professional funds (previously known as exempted funds)-there are two categories of professional funds: Professional Class A and Class B. Professional funds are generally required to appoint an investment adviser or manager, an administrator, a custodian, a registrar and an auditor. A fund will qualify to be a Professional Class A Fund if its investment advisor or manager meets qualification standards and if its securities are offered to 'Qualified Participants'. Funds which do not meet the investment manager qualifications for Professional Class A funds may elect to be designated as Professional Class B Funds if they offer their securities to qualified purchasers. Both classes of professional funds will be treated as 'out of scope' of the European Union Directive on Taxation of Savings Income (the EU Savings Directive).

Authorised funds regime

An investment fund may be authorised in any of the following categories:

- Standard funds - these are subject to the highest level of regulation by the BMA pursuant to the IFA. They are retail in nature and can be offered to any type of investor.
- Institutional funds - these require either a minimum initial investment of USD100,000 or its currency equivalent or that all investors are qualified purchasers.
- Administered funds - where an investment fund has an administrator located and operating in Bermuda, they may register as an administered fund which in addition to having a qualified administrator must either: require a minimum investment of USD50,000; or the securities of the investment fund must be listed on an acceptable stock exchange.
- Specified jurisdiction funds (Japanese funds) - the Investment Funds (Specified Jurisdiction Fund) (Japan) Order 2012, together with the Investment Funds Japan Rules 2012, permit Bermuda domiciled funds established pursuant to the Order to be marketed to the Japanese public.

Taxation

There are no corporation, profits, or capital gains taxes payable in Bermuda by an investment fund or its investors. After incorporation the investment fund may apply for, and is likely to receive, an undertaking from the Bermuda Government that in the event of any such taxes being imposed by Bermuda in the future, those taxes shall not apply to the investment fund until 31 March 2035.

BEPS

Bermuda was one of the first countries to commit to the adoption of the OECD Common Reporting Standard (CRS). In 2013, Bermuda entered into an agreement signed with the USA to facilitate FATCA. Further, in 2016, Bermuda became a signatory of the Multicultural Competent Authority Agreement for the automatic exchange of Country-by-Country reports (CbC MCAA). The CbC MCAA reporting began in 2017.

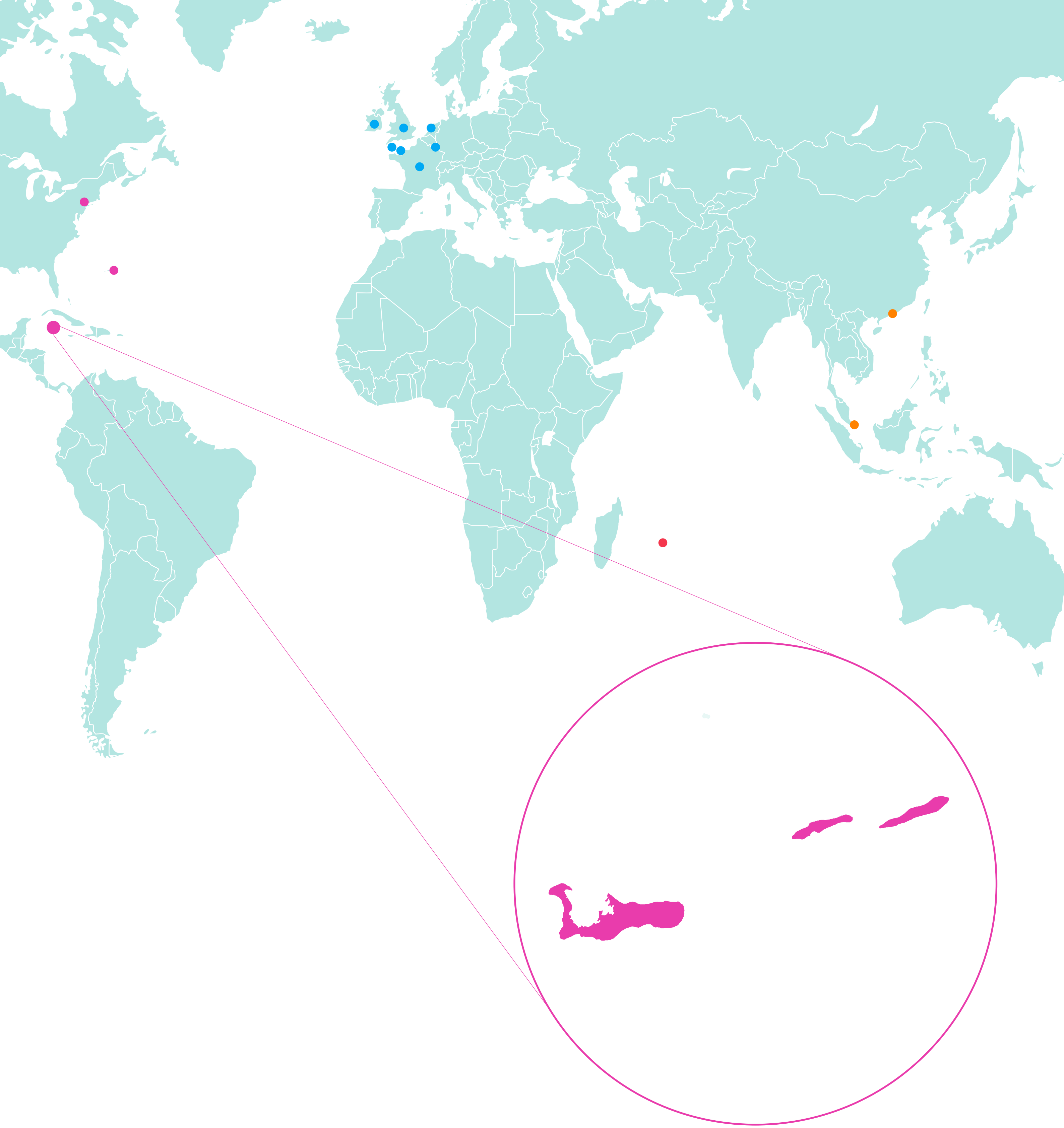
Bermuda has signed over 40 bilateral Tax Information exchange agreements and cooperation agreements with the majority of EU members for the alternative investment fund managers directive. Also, Bermuda is party to the OECD multilateral convention on mutual assistance on tax matters with all G20 countries.

Bermuda has also agreed with the EU to take measures to address their economic substance concerns. This resulted in Bermuda's adoption of the Economic Substance Act 2018 and the Economic Substance Regulations in 2018.

To find out more about fund structures in Bermuda, contact:

Cory Thackeray
Managing Director, Bermuda & The Cayman Islands

E cory.thackeray@iqeq.com
T +1 441 296 4360



Cayman Islands

Introduction

The Cayman Islands (Cayman) is the world's largest offshore fund jurisdiction, particularly for hedge funds. The Cayman Islands Monetary Authority (CIMA) reports that at the end of 2021 there were 27,398 regulated mutual and private funds domiciled in Cayman. This has grown from 24,591 the previous year with regulated mutual funds at a 6.9% growth rate and private funds experiencing a 15.6% increase year over year. These statistics are significantly higher than in any other offshore jurisdiction. According to data from the IMF, Cayman is the world's fifth largest financial centre.

The US Securities and Exchange Commission (SEC) ADV filings, at the end of 2018, show that there are approximately 1,000 fund promoters using Cayman. The vast majority of them use this jurisdiction as a domicile for their alternative funds – mainly hedge funds and private equity funds - which are distributed worldwide, overwhelmingly to institutional and other professional investors.

There are no residency or qualification requirements for directors or shareholders of a Cayman company. However, CIMA published a Statement of Guidance (SOG), in December 2013, for Regulated Mutual Funds (as defined by Mutual Funds Law 2013) that lays out guidance for 'Operators' and the minimum expectations for the sound and prudent governance of Cayman regulated mutual funds.

The SOG addresses oversight functions, conflicts of interest, operator meetings, duties, documentation, relations with CIMA and risk management. Under the SOG, the operator of a regulated fund has the ultimate responsibility for effectively overseeing and supervising the activities and affairs of the fund and for ensuring that the fund conducts its affairs in accordance with the regulations. The SOG also provides guidance on corporate governance standards. CIMA can impose significant sanctions on funds and their operators, including their directors, if it determines that a regulated fund is not being managed in a fit and propermanner or is otherwise in breach of its Mutual Funds Law.

The introduction of the Private Funds Law 2020 requires previously unregulated closed-ended funds to be registered with CIMA as "private funds". This has increased the level of regulatory requirements and volume of ongoing obligations that private funds must adhere to. All regulated funds must have their financial statements audited annually by an approved local auditor. The audited statements must be submitted to CIMA, together with a Fund Annual Return. Funds must have a registered office situated in the Cayman Islands for all notices and communications to be addressed to. The registered office may coordinate the annual fee payable to the Registrar of Companies or the ELP (Exempted limited partnership) Registrar and file the annual return by January 31 of each year.

Cayman has a well-regarded legal system based upon English common law. Regulations generally focus on safeguarding investors but they do not prescribe how a fund should be managed. Also, Cayman has a wide range of professional service providers based in the jurisdiction, including fund auditors, administrators as well as law firms.

Fund structures

There are three main fund structures available in Cayman: the company, the unit trust and the limited partnership.

The most common vehicle for mutual funds in the Cayman Islands is the exempted company (unit trusts are mainly used by promoters marketing their funds to Japanese investors). The term exempted means that the vehicle is exempt from tax. CIMA reports that 92% of reporting funds were exempted companies (including segregated portfolio companies). Exempted limited partnership (ELP) is the main vehicle for closed-ended or private equity funds. The Cayman ELP is much like the one in the United States. Cayman's Exempted limited partnership Law is based on the Delaware equivalent. In 2016 Cayman introduced limited liability companies (LLCs) which operate in a similar manner to Delaware limited liability companies.

There is also an administered mutual fund category for funds that have their principal office in the Cayman Islands. The regulatory responsibility for the administered fund, which has more than 15 investors and which is not a licensed or registered mutual fund, is with the mutual fund administrator. There are three main fund structures available in Cayman: the company, the unit trust and the limited partnership.

Taxation

There is no tax on the income or capital gains of investment funds or their investors and no transfer taxes on the transfer of interests. Given that there is no taxation on income, profit or capital gains a fund can accumulate earnings without taxation at corporate level. Most managers setting up a Cayman Master Fund will make a 'check-the-box' election to treat the Cayman LP as a partnership for US tax purposes which eliminates any tax risk.

Anti-Money Laundering

The Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands (the "AMLRs") have expanded the scope of the local AML regime. Previously only regulated investment funds registered with the Cayman Islands Monetary Authority ("CIMA") were within scope of the AML rules, but this has now been expanded to include private equity/ debt, real estate, infrastructure and Funds of One, whether open or close ended, which are not registered with CIMA and any other entity carrying out relevant financial business. CIMA now requires all Cayman domiciled funds to appoint a Money Laundering Reporting Officer (the "MLRO"), a Deputy Money Laundering Reporting Officer (the "DMLRO") and an Anti-Money Laundering Compliance Officer (the "AMLCO"), (collectively the "AML Officers"), ensuring that the fund adheres to all local regulatory requirements. The AML Officers are required to be suitably experienced natural persons, the MLRO and DMLRO need to be different people although one of these can also act as the AMLCO.

A person acting as an AML Officer must (i) act autonomously; (ii) be independent (have no vested interest in the underlying activity); and (iii) have access to all relevant material in order to make an assessment as to whether an activity is or is not suspicious.

BEPS

Cayman is a member of the OECD's Inclusive Framework on BEPS. BEPS' Country-by-Country Regulations (CbCR) Regulations (BEPS Action 13) have been introduced in Cayman.

Cayman's economic substance law complies with BEPS Action 5 as well as the EU Code of Conduct Group's substance requirements. The Cayman government is issuing an advisory note to the industry on its substance law at present. Relevant entities, including local fund management companies, must be in compliance with the Cayman substance law, but funds are exempt.

To find out more about fund structures in Cayman Islands, contact:

Cory Thackeray

Managing Director, Bermuda & The Cayman Islands

E cory.thackeray@iqeq.com
T +1 441 296 4360

Curaçao

Introduction

Curaçao has a long history and proven infrastructure for the administration of investment funds across various asset classes and strategies, going back to the early days of the industry in the 1970s. Over the last few decades, Curaçao has benefitted from the growth in international fund administration in the Caribbean and especially from the rise of private equity and the use of fund structures to protect family wealth, so-called "family funds", especially for families in Latin America.

Curaçao is a member country of the Kingdom of the Netherlands; has a legal system based on civil law, with ultimate recourse to the High Court in The Hague; and a territorial tax system that is OECD approved and compliant with the FATF recommendations.

Besides funds incorporated in Curaçao, the local team provides services to investment managers who have incorporated their investment funds in all major jurisdictions in the region like the Cayman Islands, BVI, Delaware, and other jurisdictions that allow extra-territorial administrators, such as Canada and the Bahamas.

Fund structures

Curaçao investment funds are generally structured as a legal entity or a partnership. The latter can be open-ended or closed-ended and are regulated under the National Ordinance on the Supervision of Investment Institutions and Administrators (NOSIIA), with their regulatory body and supervisor being the Central Bank of Curaçao and Sint Maarten.

The most popular vehicles are the private company with limited liability, the limited partnership, and the segregated trust cell company. The latter is a hybrid form combining the legal personality of the private company with segregation of capital pools by establishing separate trusts for each asset class.

Let us take a deeper dive into each of these fund structures to understand which is best suited to different investor appetites for risk and liquidity:

- **Private company with limited liability:** This company, limited by shares, is similar to the US Corporation 'Inc' and the Latin American and Continental European SA. Corporate law provides for flexible capitalisation, all major currencies, shares with low or no nominal value and no mandatory publication or audit of annual accounts. Shareholder information is confidential, and companies can have a one-tier board (Anglo-Saxon model) or a two-tier board (civil law model).

- **Limited partnership:** The limited partnership is an agreement between a general partner and limited partners. The partnership agreement can be formalised either in a notarial deed passed by a Curaçao civil law notary, or by private deed between all partners. These can be open partnerships with free transferability of units, or closed, with limited or no transferability. The general partner represents the limited partnership towards third parties. The limited partner contributes certain amounts of capital to the partnership and is not allowed to directly manage the affairs of the limited partnership. The partners are free to determine their respective shares in the profits of the limited partnership. A profit allocation of, for example, 0.0001% for the general partner and 99.9999% for the limited partner is allowed. The legal title of the limited partnership's assets is held by the general partner for the risk and account of the limited partnership.

- **Protected Trust Cell Company** (a.k.a. Curaçao Protected Cell Company or PTC) – These consist of a corporate entity appointed as trustee of several independently established trust cells to hold segregated pools of assets, also referred to as cells. Shares in the capital of this company shall be created that give rights to profits from that specific cell. Investors can invest in different classes of assets with different characteristics, different liquidity, and different risk profiles. There is no cross-contamination of liabilities between cells. PTCs are often used as family funds.

Taxation

As from January 2020, the general profit tax regime in Curaçao transitioned from a worldwide tax system to a territorial tax system. This means that income attributable to the conduct of active business abroad will be exempted from Curaçao profit tax, on the basis of cost allocation.

Expenses for materials are deductible and the classification of local vs foreign profit is determined on the ratio of the direct expenses incurred locally vs internationally. Both direct and indirect expenses are deductible in the same ratios. Passive income, including royalties, is local by default. The regular profit tax rate is 22%.

Notwithstanding the foregoing, if certain circumstances are met, Curaçao companies may still apply for beneficial tax status such as transparent company regime, participation exception, and Curaçao investment company where the companies are subject to a reduced profit tax rate of 0%.

In terms of withholding taxes, it may be noted that Curaçao does not levy any such taxes on (inbound or outbound) royalty payments, interest payments, service payments, or similar payments.

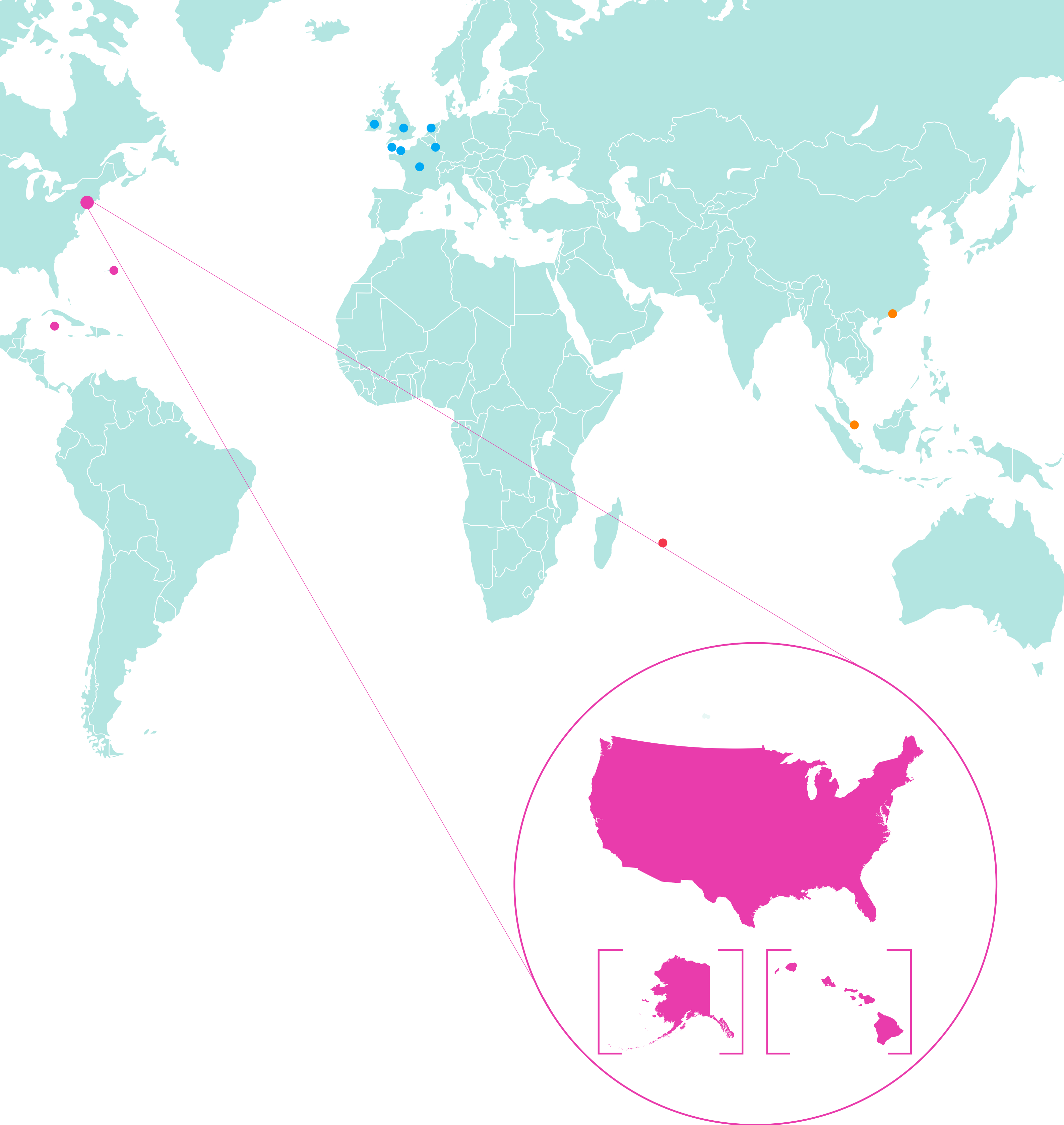
The limited partnership is in principle considered transparent and not subject to taxation in Curaçao, unless its units are freely transferable in which case it is considered a non-transparent entity that is subject to taxation.

To find out more about fund structures in Curaçao, contact:

Cory Thackeray

Managing Director, Bermuda & The Cayman Islands

E cory.thackeray@iqeq.com
T +1 441 296 4360



United States

Introduction

The United States (US) is by far the largest asset management and fund market in the world —in every category, mainstream and alternative. Assets of US funds now exceed USD24tn.

Although US alternative investment funds and their advisers are subject to the laws of the federal government, they are also subject to the jurisdiction of the state in which they are formed and/or are registered. The state of Delaware is the most common jurisdiction in the US for alternative funds and their advisers.

Private equity continues to grow steadily in the US. According to Preqin, there were 3724 private equity funds operating in the US market at the start of 2022, representing a 65.5% increase since the beginning of 2021. In 2021, 1558 private equity investment vehicles raised over $481.54bn in capital commitments.

The US is also dominant in the global hedge fund industry. Preqin reports that 77% of total hedge fund industry assets worldwide are overseen by managers based in the US. The US remains a key driver of the hedge fund industry across the globe, accounting for 77% of the approximately $4.339tn in global assets as of December 2021.

Fund structures

In the United States, pooled investment vehicles operating in the US that invest in securities and their advisers are subject to the laws of the federal government and of the individual state or jurisdiction in which the entities are incorporated, doing business and/or selling securities. Many pooled investment vehicles operating in the US, including alternative investment funds, are generally subject to the jurisdiction of the Securities and Exchange Commission (SEC).

The SEC's jurisdiction comes by way of the Investment Company Act of 1940, as amended, for the activities of investment companies and the Investment Advisers Act of 1940, as amended, for the activities of investment advisers. The offering and sale of interests in Alternative Investment Funds is regulated by the Securities Act of 1933 and the Securities Exchange Act of 1934, and are also regulated by the Financial Industry Regulatory Authority (FINRA). Alternative funds that invest in futures, options, or swaps also come under the jurisdiction of the Commodity Futures Trading Commission (CFTC).

The majority of alternative funds are structured as limited partnerships (LP) or limited liability companies (LLC).

A Delaware LP consists of at least one general partner and one limited partner. The general partner can be either an individual or an entity, such as a corporation. A Delaware LLC is an entity with a legal existence separate and distinct from its owners, referred to as Members. Members and/or managers are not personally liable for the company's debts and obligations.

Alternative funds in the US are often structured as several pooled investment vehicles rather than one vehicle in order to accommodate the tax preferences of different types of investors, reports ICLG. This allows the form and the jurisdiction of the organisation to be varied according to investor type, the most common variation being to house non-US investors within an offshore structure in a tax-neutral jurisdiction.

A parallel fund is a fund through which US tax-exempt investors or foreign investors invest may hold investments through corporations, real estate investment trusts (REITs) or other similar vehicles. These are non-transparent for tax purposes to 'block' income that might otherwise subject them to income tax or reporting requirements in the US.

These parallel fund structures are often used by private equity and other closed-end funds. On the other hand, hedge funds generally prefer a 'master-feeder' structure. In this structure, investors subscribe for interests in 'feeder funds' that in turn invest in one 'master' fund that holds all investments.

US investors also allocate to onshore feeders, and foreign and US tax-exempt investors invest through 'blocker' vehicles (the offshore feeders), classified as corporations for US tax purposes and organised in a tax-neutral jurisdiction such as the Cayman Islands.

The Cayman Islands has become the most common jurisdiction for fund structures domiciled outside the US that are distributed to US tax-exempt investors such as public pension funds and endowments.

Taxation

The overwhelming majority of alternative funds in the US are private funds that are classified as partnerships. They are transparent for US federal income tax.

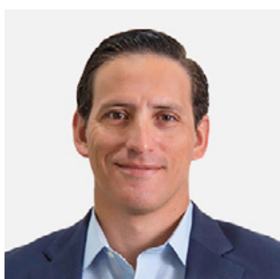
Hedge fund investors, that are taxable in the US, allocate via an onshore feeder that is classified as a partnership (and transparent) for federal income tax purposes, while foreign and US tax-exempt investors invest through an offshore feeder classified as a non-US corporation for US tax purposes and organised in a tax-neutral jurisdiction.

BEPS

The US has not signed the Multilateral Instrument, unlike the vast majority of countries around the world. It has, however, implemented some parts of the BEPS 15-point actions. For example, the US Treasury is has enacted hybrid mismatch rules as part of the US Tax Reform for certain amounts paid or accrued to related parties, and on BEPS Action 6 (prevention of treaty abuse), the US already satisfies this BEPS standard.

Americans of all political persuasion do not want to see US multinational companies paying more tax overseas. Therefore, it is unlikely that much of the BEPS programme will ever be adopted by the US.

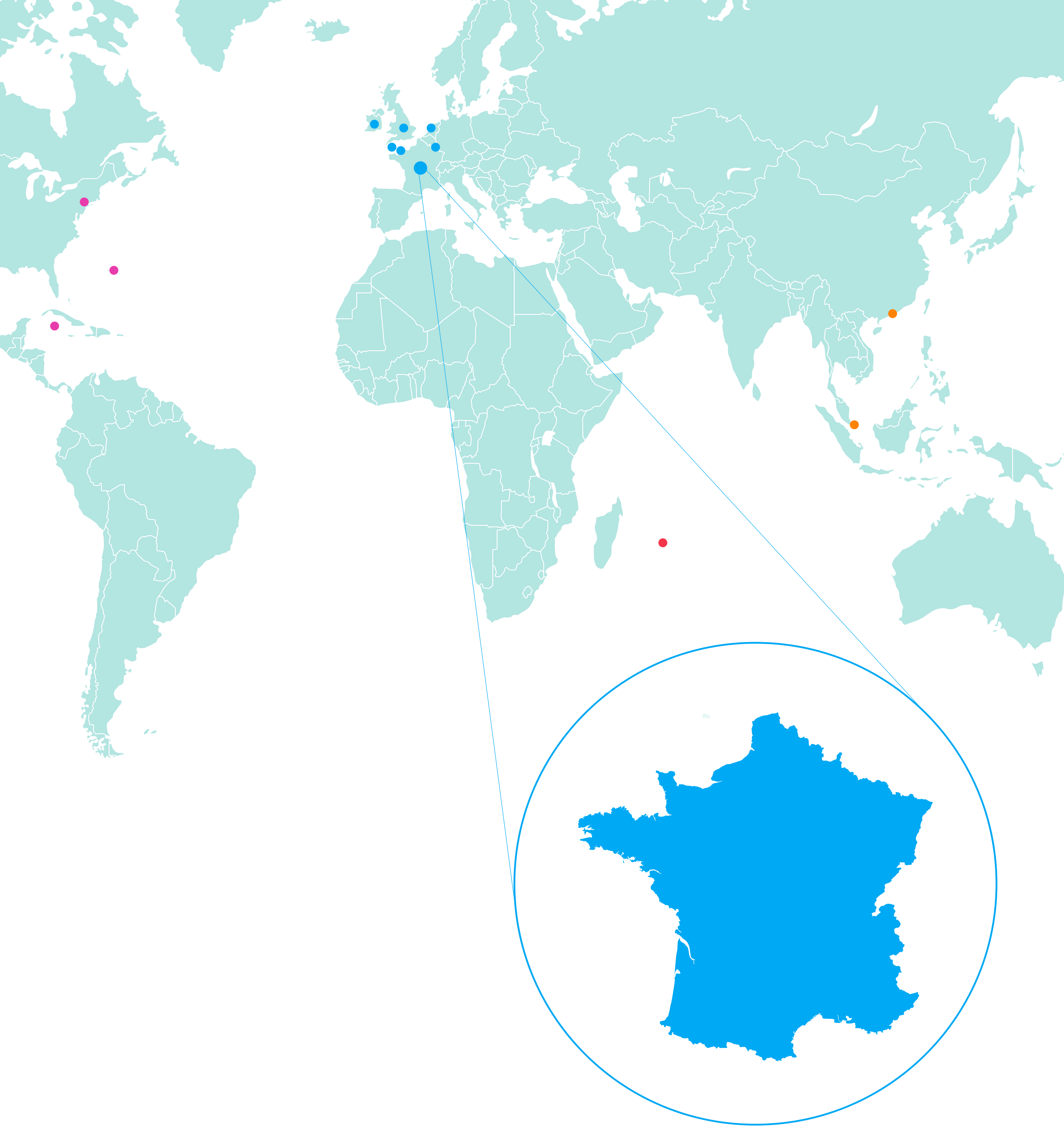
To find out more about fund structures in USA, contact:



JP Gonzalez

Interim Chief Commercial Officer,
The Americas

E jp@iqeq.com
T +1 425 223 1538



France

Introduction

The European Fund and Asset Management Association (EFAMA) recognises the importance of France in its Annual report (published in September 2019): France is the second biggest centre in Europe after the UK for asset management companies and for European assets under management.

The French government is mounting an effort to make Paris more of an international fund management centre than it is at present post-Brexit.

The Autorité des marchés financiers (AMF), the French regulator, is pushing for a review of EU fund passporting rules to give it more of a say on the funds that are distributed in France. It has concerns that the current system relies too much on the regulatory regime of where the fund is domiciled – often Ireland or Luxembourg. The AMF would also like to see a review of delegation rules post-Brexit to prevent what Natasha Cazenave, Managing Director, Policy and International Affairs at the AMF called a 'race to the bottom' after the UK leaves the EU.

The AMF published a study on the country's alternative fund industry in January 2019. It was conducted on the basis of Alternative Investment Fund Managers (AIFM) reporting through to the end of 2017. The AMF provides an insight for the first time into the market of AIFs that are subject to reporting in France. Exposures are consistent with the strategies of the AIFs: 71% of French real estate funds have exposure to physical assets; for private equity funds, it is 85% to securities. Capital raised by French private debt funds increased by 48% in 2018, according to Deloitte and France Invest.

The AMF study says that many French AIFs are not classified correctly due to what it calls reporting limitations under AIFMD. It says that AIFM reporting is based largely on variables that are optional, making their statistical processing difficult to complete, and accurate analysis to perform.

Nonetheless the AMF study suggests that there are 5,168 AIFs based in France, representing USD760bn in net assets at the end of 2017 and USD1.01tn in exposure.

In their latest Activity Report on H1 2021, the French professional association "France Invest", which represents the industry of alternative investment funds in France, shows that the Fund Raising for Private Equity and Infrastructure is resuming its strong growth after a year 2020 affected by COVID 19.

Fund Raising for 2019 raised 35 bn$ to decrease to 23.5 bn$ in 2020. H1 2021 reached 21 bn$ which represents a potential 20% of growth for the full year says that the AUM of the alternative class should reach USD20bn in the coming years.

Fund structures

There are a number of fund products available in France:

UCITS

Société d'Investissement à Capital Variable (SICAV) is an opened investment company, with a variable capital, and is the best known fund structure in France. Anybody who invests in a SICAV becomes a shareholder. A SICAV can manage itself or, as often happens, can hand over this function to a regulated management company.

Fonds Commun de Placement (FCP) is a common structure in France. Unlike a SICAV, a FCP does not have a legal personality.

An investor who purchases units becomes a member of a co-ownership of financial instruments but has no voting rights and is not a shareholder.

While FCP and SICAV are the most common fund structures for traditional investments (i.e UCITS), SLP, FPS and FPCI are the most popular for alternative investments in France (i.e AIFs).

AIF (Alternative Investment Funds)

Fonds Commun de Placement à Risques (FCPR) is a private equity fund for retail investors, pre-authorised and controlled by the AMF, with specific investment rules.

Fonds Professionnel de Capital Investissement (FPCI) is a private equity fund for Qualified or Professional Investors, declared to the AMF (not pre-authorised), with more flexible investment rules.

Both FCPR and FPCI must invest at least 50% of their assets in equity, equity-related securities or securities giving access to capital issued by non-listed companies.

FPCI, according to the article R.214-206 of the French Monetary and Financial Code, has limits on borrowings up to 30% of its assets. In practice, borrowings are made at the level of a special purpose vehicle set up by the FPCI with the Professionnels de Capital Investissement (PCI) granting to the lenders a guarantee of the obligations of the special purpose vehicle.

Fonds Professionnel Spécialisé (FPS), is a Fund which may have a purpose broader than managing a portfolio in order to allow it to invest in a wider range of assets (such as infrastructures for instance). FPS may also acquire receivables and grant loans. There are very flexible investment rules and no legal or regulatory restrictions on borrowings by a FPS. FPS can only be marketed to Qualified or Professional Investors.

Société de Libre Partenariat (SLP) is a relatively new investment vehicle created in 2016 which offers investors a structure similar to limited partnerships in Anglo Saxon countries. The SLP is a FPS (same investment guidelines, same marketing restrictions) with a legal personality, like a SICAV.

Fonds Commun Placement d'Entreprise (FCPE) is a pension fund for employees saving plan. FCPE can be invested in listed assets, private equity... like any fund. Some FCPE are only invested in a single Company equity, and dedicated to the Company employees, for instance as part of a capital increase. FCPE have specific investment guidelines and a specific tax regime for employees.

Taxation

SICAVs, FCPs and SLPs are usually all tax-exempt investment vehicles. Tax schemes depend on the origin of the distribution: income (i.e. revenues) or distributions of assets (i.e. sell of shares, bonds, etc.). When the portfolio structure meets tax expectations, capital gains realised by the investor can be tax exempt or taxed at a low level starting from 12% to 28%.

FPCI, FPS and others are not subject to tax on their income and gains. Instead, French tax is levied on their investors. Tax is assessed according to: (i) the source and the nature of the income flowing through regulated funds; and (ii) the tax status of their investors.

FCPR, FPCI and SLP investing at least 50% of their assets in equity, equity-related securities or securities giving access to capital issued by non-listed companies of the EEE (*Espace Economique Européen*) have a specific tax exemption regime for French resident individual investors.

BEPS

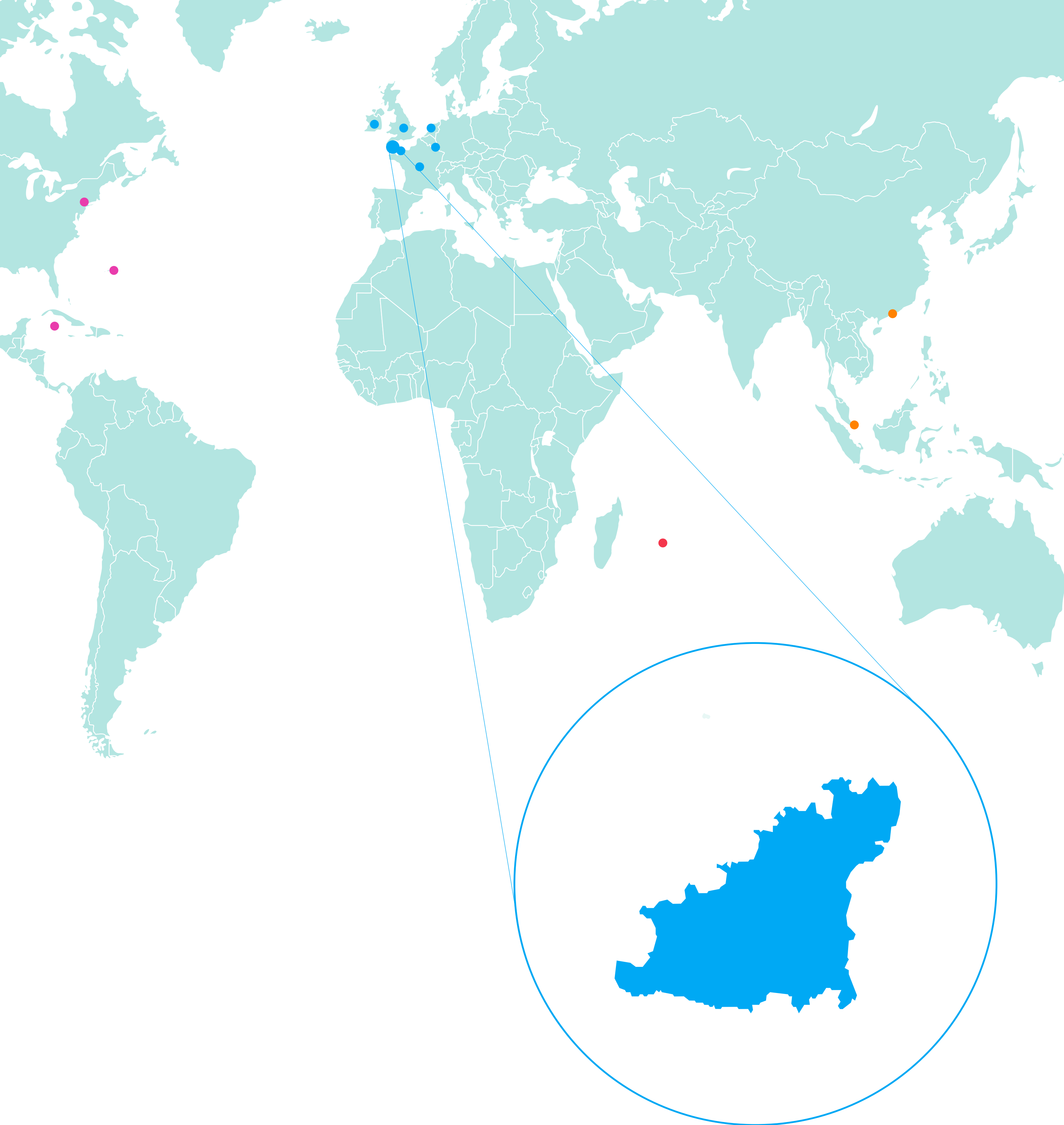
France has implemented many measures to address BEPS issues - sometimes even before the publication of BEPS final reports. These measures deal with hybrid instruments, common fund for commodities, interest deductibility, thin capitalisation rules, treaty abuse, permanent establishment and transfer pricing documentation. The French government has always said that OECD's BEPS Multilateral Instrument will be implemented in full. It came into force in January 2019.

To find out more about fund structures in France, contact:

Sophie Hubert

Chief Commercial Officer
France

E sophie.hubert@iqeq.com
T +33 1 86 65 64 33



Guernsey

Introduction

Guernsey has a long and close association with the alternative fund industry. It has developed into a specialist jurisdiction especially for private equity but also for real estate, infrastructure, hedge funds and debt.

According to the Guernsey Financial Services Commission (GFSC), the net asset value of Guernsey funds was USD392bn at the end of the third quarter of 2021, with the number of regulated funds standing at 833. Whilst the GFSC no longer publishes the number of non-Guernsey schemes serviced in the Island, the latest Monterey Insights report shows that the total number of schemes and sub-funds serviced in Guernsey has increased to 1,222 and 1,443 respectively. We are Guernsey (Guernsey Finance) reports that private equity/venture capital funds remain the most popular by AUM, followed in second position by alternative investment funds. Guernsey's closed-ended fund sector is much larger than its open-ended one. According to the GFSC, it has USD321bn of closed-ended fund assets with USD71bn from open-ended funds.

Guernsey Finance also reports that more than 100 Guernsey companies are listed on the London Stock Exchange. Guernsey is also the headquarters of The International Stock Exchange (TISE) which now has more than 3,000 listed securities on its Official List with a total market capitalisation of more than USD540bn.

New legislation

The Limited Partnerships (Guernsey) (Migration) Regulations, 2020, which came into force in July 2020, provide an express statutory route for the migration of limited partnerships into Guernsey. As legislation already provided for the migration of overseas companies into Guernsey, promoters wishing to migrate their limited partnerships into Guernsey can very easily migrate their general partner companies as part of the same process.

Fund management companies (Mancos), including general partners of funds, looking to migrate to Guernsey require consent to migrate from the GFSC as well as a license under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (POI law). To simplify this process, the GFSC has introduced a new fast track application regime which can be used to combine the two processes within 10 business days.

In May 2021 the GFSC expanded the Private Investment Fund (PIF) regime by the addition of two new types of PIF, pursuant to the Private Investment Fund Rules 2021. Unlike the existing Route 1 PIF, the new categories are not required (although may still elect) to appoint a manager licensed under the POI law. The new categories of PIF include a Qualifying Private Investor PIF (Route 2) and a Family Relationship PIF (Route 3). Guernsey is looking at introducing limited liability companies (LLCs). LLCs are common fund structures in the US and have also been introduced in Cayman. LLCs combine features of a corporation and a partnership. The proposal in principle was considered and approved by the States of Guernsey in March 2021.

The Guernsey Financial Services Commission has announced three significant developments in its policy framework for sustainable finance which came into effect on 20 September 2022:

- the commission has introduced a Natural Capital Fund framework which is a new offer in the growing Guernsey Sustainable Funds Regime. It is a regulatory designation for funds to help channel investment into biodiversity and natural capital projects that make a positive contribution and/or significantly reduce harm to the natural world. The intention is to provide environmentally conscious investors with assurance that their capital is deployed in efforts to promote the protection and recovery of the Earth's natural environment

- the commission has expanded the green criteria in the Guernsey Green Fund regime to include the EU Taxonomy for Sustainable Activities' technical screening criteria for activities contributing to climate change mitigation and adaptation.

- the Commission has also published an anti-greenwashing guidance for the investment sector to ensure that adequate disclosures are made to investors in respect of any environmental sustainability claims made.

Fund structures

Every fund domiciled in Guernsey is subject to its principal funds legislation - the POI law and regulated by the GFSC. All funds must be administered by a Guernsey company which holds the appropriate licence under the POI law. The administrator is responsible for ensuring the fund is managed and administered correctly. Every open-ended fund must also appoint a Guernsey company which holds a licence under the POI Law to act as a custodian (or trustee where the Guernsey fund is a unit trust).

The POI law splits Guernsey funds into two categories: registered funds (including private investment funds (PIFs), which are registered with the GFSC); and authorised funds (including qualifying investor funds (QIFs)), which are authorised by the GFSC. The difference between them is

that authorised funds receive their authorisation following a review of their suitability by the GFSC, whereas registered funds are subject to a fast-track three-day approval process and receive their registration following certain representations from the proposed Guernsey administrator (and from the manager in the case of a Route 1 PIF). PIFs are subject to a one-day approval process.

A three-day approval process is also available for QIFs, but these funds are only open to qualified investors such as professional allocators or individuals investing at least USD100,000. Guernsey makes a fundamental distinction between open-ended funds and closed-ended funds. An open-ended fund is one in which the investors are entitled to have their units redeemed or repurchased by the fund at a price related to net asset value (NAV). In a closed-ended structure, there is no right to have one's shares redeemed. A Guernsey closed- ended fund is not required to appoint a local custodian.

Guernsey funds are usually categorised in one of the following structures:

- Guernsey companies: this is a standard structure for a Guernsey fund. Investments in the company are governed by the terms of the memorandum and articles of incorporation of the company
- Protected Cell Company (PCCs) and Incorporated Cell Company (ICCs): Guernsey pioneered the concept of the cell company. The PCC is a single legal entity, but the company is made up of a core and a number of ring-fenced protected cells. It is a way of creating different portfolios of assets within one company. The ICC has cells like a PCC, but in the case of an ICC each cell is a separately incorporated, distinct legal entity
- Limited partnerships: these are mainly used by private equity fund managers. Investors hold interests in the limited partnership as limited partners so they have limited liability. They are taxed on their share of the partnership assets or profits in their home domicile. A three-day approval process is also available for QIFs

Taxation

Guernsey has a 'Zero 10' taxation regime. Under this regime, most Guernsey registered companies (other than exempt companies) are taxed at zero percent on their profits except for: income from banking and lending activities as well as income from ownership of land and buildings in Guernsey.

Funds are still able to apply for exemption from tax (subject to payment of an annual fee of GBP1,200) but most other Guernsey companies are not. So open-ended and closed-ended funds can be exempt from Guernsey taxation in respect of their non-Guernsey sourced income. This exemption is also available to funds established as unit trusts. Guernsey limited partnerships do not constitute separate taxable entities under current law and practice in Guernsey and therefore are not liable to tax in Guernsey either. Guernsey does not levy any taxes in respect of capital gains, nor does it levy VAT or any goods and services tax. In most circumstances, a Guernsey fund will make dividend payments to non-Guernsey residents free of any withholding tax.

No Guernsey stamp duty will be payable upon the issue of shares. In the event of death of a sole holder of shares, a Guernsey grant of probate or administration may be required in respect of which certain fees will be payable to the Ecclesiastical Registrar in Guernsey. An income tax rate of 10% is applicable to the activities of financial services companies, whilst utility companies are taxed at 20%.

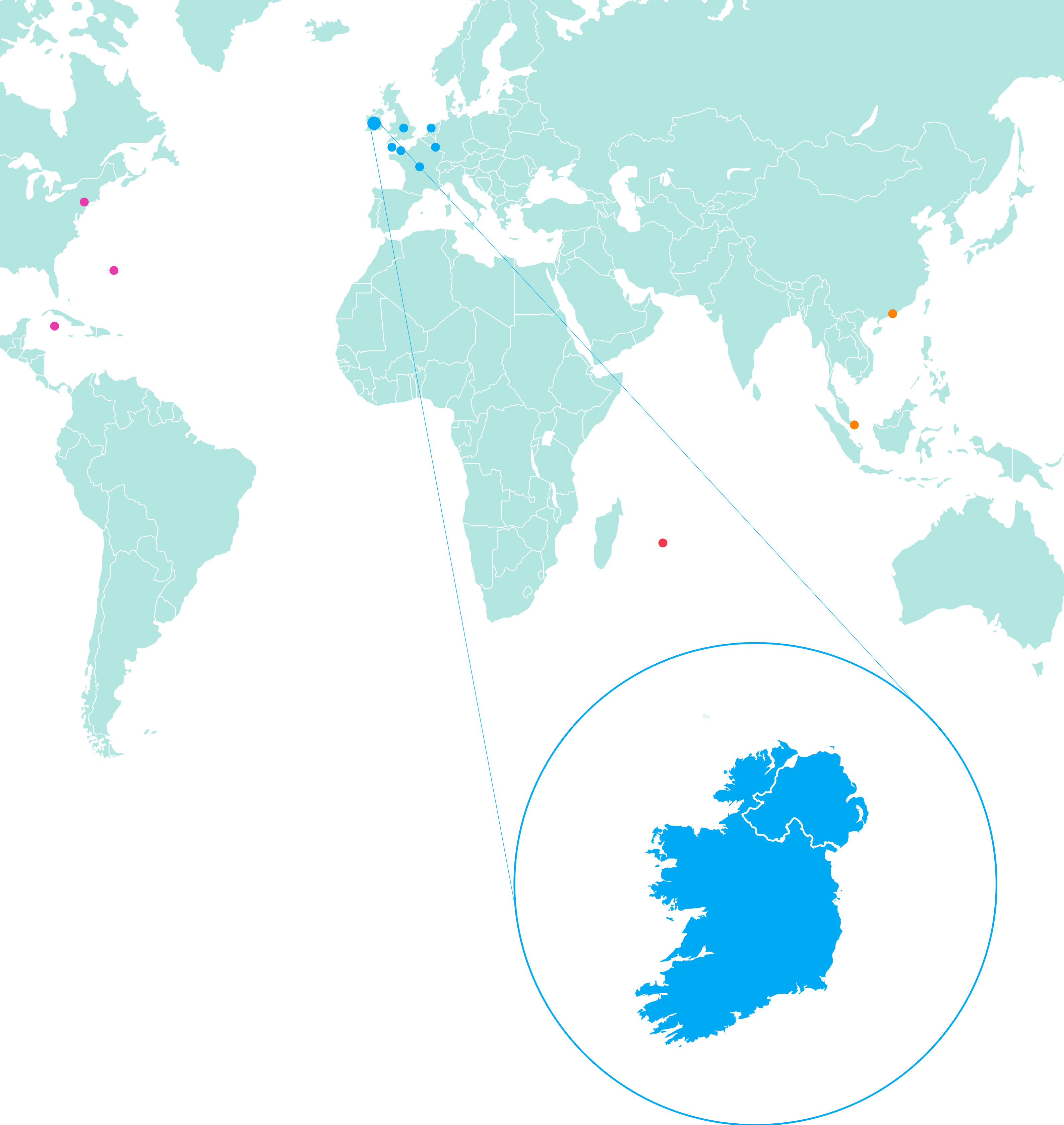
BEPS

Guernsey has joined the BEPS Inclusive Framework and has signed the OECD's BEPS Multilateral Instrument (MLI) to implement tax treaty-related measures. Guernsey has signed up to the Multilateral Competent Authority Agreement (MCAA) to assist with the sharing of relevant information in relation to Country-by-Country Reporting (CbCR) (Action 13), as well as broadly adopting the OECD's CbCR implementation package, to facilitate its implementation of this BEPS minimum standard. Guernsey is also working on the implementation of other BEPS Actions.

To find out more about fund structures in Guernsey, contact:

Jacques Vermeulen
Chief Commercial Officer
Guernsey

E jacques.vermeulen@iqeq.com
T +44 7911 100 005



Ireland

Introduction

Ireland is the domicile for 5.6% of worldwide investment funds assets, making it the third largest global centre for investment fund assets and the second largest in Europe after Luxembourg (EFAMA International Statistical Release, Q2 2019). It has experienced a strong growth since becoming an international fund jurisdiction in the early 1990s. The net assets of Irish domiciled funds passed the USD2.75tn mark in June 2019 for the first time, to reach USD3tn. There are 7,531 funds domiciled in Ireland, according to Irish Funds, an industry association.

Ireland has a close connection with the alternative side of the industry. According to the Central Bank of Ireland (CBI) in December 2018 approximately 25% of all Irish funds are alternatives. Ireland was the first jurisdiction to provide a regulated framework for Alternative Investment Funds (AIFs). There are now over 2,200 AIFs domiciled in Ireland.

This jurisdiction also services approximately USD1.1tn of alternative funds that are not domiciled in Ireland. First Dublin, and now other Irish cities, have become well known centres of hedge fund servicing. According to Irish Funds, over 40% of global hedge fund assets are serviced in Ireland, making it the largest hedge fund administration centre in the world and Europe's leading hedge fund domicile. There is also a particularly strong connection between Cayman and Ireland.

Irish AIFs are predominantly from the hedge fund, private equity and real estate sectors. These funds are distributed to over 70 countries.

Ireland has been more affected by Brexit than any other international fund jurisdiction. According to New Financial, a City of London think tank, 100 of the 269 British financial institutions that have relocated at least some of their business to the EU have picked Dublin. The New Financial Report also states that nearly 50% of UK asset management firms have also chosen Dublin. The CBI has made clear that managers setting up in Ireland must have local substance, including senior management based in the jurisdiction.

In 2018 the CBI introduced new rules for fund management company effectiveness, commonly referred to as CP86. It covers all Irish management companies and self-managed funds. CP86 is widely forecast to add more substance to the Irish fund industry. In particular, CP86 is causing the industry to switch over to the management company (ManCo) model, at the expense of self-managed funds. This summer the CBI has undertaken a survey on the effectiveness of CP86. It is possible that there will be a number of modifications to it as a result of this survey.

Fund structures

In 2016 Ireland introduced the Irish Collective Asset-Management Vehicle (ICAV). It sits alongside Ireland's existing fund structures. It is a form of collective investment vehicle for both AIFs and UCITS funds. The ICAV was introduced in part to reduce the administrative burden on setting up in Ireland and so to encourage fund redomiciliation from the Caribbean and elsewhere. One of the ICAV's chief selling points is that it represents a simpler product for US investors from a tax perspective.

In late 2020 the Ireland made amendments to the existing Limited Partnership structure to create the Investment Limited Partnership (ILP).

The ILP is a regulated common law partnership structure, tailored specifically for Irish investment funds. The ILP is established on receiving authorisation by the Central Bank of Ireland (Central Bank) and is constituted pursuant to a limited partnership agreement (LPA) entered into by one or more general partner(s) (GPs), who manage the business of the partnership on the one hand, and any number of limited partners (LPs) on the other hand.

Typical to common law partnerships, the GP is the operative legal entity, responsible for managing the business of the ILP and is ultimately liable for the debts and obligations of the ILP to the extent the ILP does not have sufficient assets. The GP must: (i) be authorised by the Central Bank to act as a GP; or (ii) avail of the right to manage an Irish alternative investment fund (AIF) on a cross-border basis under the Alternative Investment Fund Managers Directive (AIFMD).

All of the assets and liabilities of an ILP belong jointly to the partners in the proportions agreed in the LPA. Similarly, the profits are directly owned by the partners also in the proportions agreed in the LPA.

The ILP can be structured to suit all major investment strategies and can avail of a full suite of liquidity options making it suitable for PE, real estate, venture capital, infrastructure, credit, lending vehicles, managed accounts, hybrid funds and hedge. ILPs are not subject to legal risk spreading obligations, making them extremely useful for single asset funds and/or funds with very concentrated positions.

Since the introduction of the AIFM Directive in 2013, Irish AIF managers must be authorised under this Directive. Non-Irish EU AIFMs managing Irish AIFs are required to be authorised in their home jurisdictions. They have to sign up for the passporting provisions covered in Article 33 of the AIFM Directive. Non-EU AIFMs must be approved by the CBI and

may manage an Irish QIAIF provided they are designated by the QIAIF as the AIFM. As an ILP constitutes an AIF under AIFMD, an AIFM with primary responsibility for the investment management of the AIF must be appointed.

Taxation

Irish domiciled QIAIFs are not subject to any taxes on their income or gains arising on their underlying investments.

Dividends, interest and capital gains that an AIF receives with respect to its investments may be subject to taxes. However these taxes are either eliminated or reduced under Ireland's network of tax treaties.

BEPS

Ireland has signed the OECD's BEPS Multilateral Instrument (MLI) to implement tax treaty-related measures. The Irish government has introduced Country-by-Country Reporting legislation. It has been in discussions with the Irish fund industry in relation to the further BEPS measures.

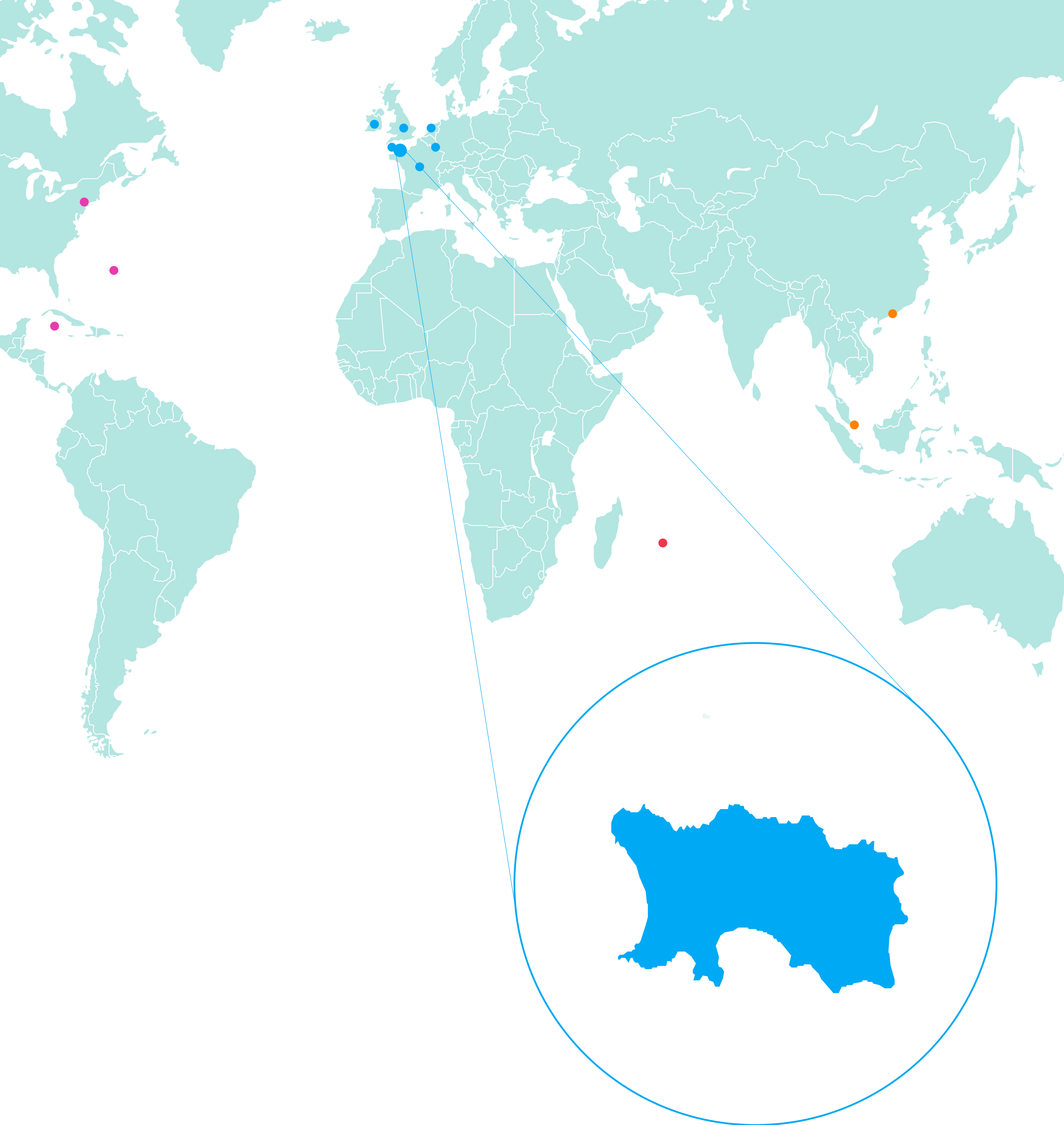
Ireland has also implemented the EU's Anti-Tax Avoidance Directive (ATAD). Amongst the measures contained in ATAD is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4. ATAD II, to apply from 2022, focuses largely upon the provision of minimum standards for hybrid mismatches involving EU Member States and third countries. But these rules are not expected to have much relevance for AIFs.

Nonetheless implementation of BEPS and the ATAD will play a growing part in Irish alternative fund structuring in the future.

To find out more about fund structures in Ireland, contact:

Joanne McEnteggart
Managing Director, Fund Administration & Head of Corporate Services, UK and Ireland

E joanne.mcenteggart@iqeq.com
T +353 1 631 6053



Jersey

Introduction

Jersey provides significant flexibility for investor needs and continues to improve laws and regulations in order to provide better choices for investors. According to Jersey Finance, the net asset value of regulated funds under administration in Jersey has passed the GBP 450.2bn mark. Alternative asset classes represent 89% of total funds business in Jersey, with private equity and venture capital up 36.5% from June 2020 to £203.6bn.

Jersey Finance reports that the number of Jersey based fund promoters is up 101% since 2019 and that there are 781 regulated funds in this jurisdiction.

Where Jersey funds are marketed to investors in the EU such marketing takes place via the National Private Placement Regimes (NPPRs). Jersey is not part of the EU funds domiciles, but in order to market to EU investors it needs to comply with the relevant parts of AIFMD and its own AIF regulations.

Fund structures

There are a number of fund products in Jersey, ranging from unregulated private structures to highly regulated retail products. The Jersey Financial Services Commission (JFSC) has published a policy and guide for a number of these products including Jersey private funds (JPFs), expert funds, listed funds, eligible investor funds and unregulated funds, each of which contain the rules which govern those respective fund types.

Funds can be formed using any available vehicle type in Jersey, including limited companies, limited partnerships, separate limited partnerships, incorporated limited partnerships or unit trusts. Examples of the range of fund products available in Jersey include:

Jersey private funds (JPF)

Since March 2017 a single regulatory regime has applied to all private funds in Jersey: the Jersey private funds regime. The number of offers to potential investors in Jersey or elsewhere must not exceed 50 and such investors must be Eligible or Professional investors.

Jersey private funds can be structured using any of the available fund vehicles, including companies, partnerships or unit trusts. Unlike for unclassified funds, the promoter of a JPF fund does not need to comply with the JFSC's promoter policy.

Jersey Finance reports over 530 Jersey Private Funds have been formed since their launch in 2017.

Unclassified funds

Unclassified funds are collective investment funds that do not fall within the definition of a recognised fund or the simplified regulatory regimes for listed, expert or eligible investor funds. Unclassified funds are certified funds and are suitable structures for public offerings.

They are governed by the Collective Investment Fund (Jersey) Law 1988 (CIF Law) and the promoters of such funds must comply with the JFSC's promoter policy, which includes an evaluation of the track record, experience and reputation of the investment manager/promoter as well as of the financial resources and spread of ownership.

Unclassified funds must have a Jersey based manager and, in the case of an open-ended fund, a Jersey custodian. Any unclassified funds marketing into EU/ EEA will also need to comply with the AIF Codes.

Expert funds

Expert funds are open to investment solely by Expert Investors. The minimum investment level is USD 100,000 unless an investor satisfies any other Expert Investor criteria in the Expert Fund Guide. There is no limit on the number of offers that can be made for or the number of investors in an expert fund.

Expert funds can be established on an expedited basis and require lighter touch regulation than the more retail fund products. Expert funds and service providers to those expert funds are required to comply with the relevant code of practice issued by the JFSC. A Jersey based manager, trustee or administrator is required to be appointed and there must be adequate arrangements for safe custody, if the expert fund is open-ended.

Listed funds

Listed funds must be structured as a closed-ended Jersey company, however, there is no restriction on the type of investor and no minimum investment level. Listed funds can be established on an expedited basis and may only be listed on exchanges or markets listed in the Listed Fund Guide issued by the JFSC. Independent directors must form the majority of a listed fund's board and there must be at least two Jersey resident directors. A Jersey based manager or administrator is required to be appointed and there must be adequate arrangements for safe custody. Listed funds are eligible to be marketed into the EU/EEA in accordance with the AIFMD through NPPR.

Eligible investor funds

Eligible investor funds are restricted to 'eligible investors', which includes a person committing at least USD1m to the fund. There is no limit on the number of offers that can be made for or the number of investors in an eligible investor fund. Eligible investor funds can be established on an expedited basis and require lighter touch regulation than the more retail fund products.

Eligible investor funds and service providers to those eligible investor funds are required to comply with the relevant code of practice issued by the JFSC. A Jersey based manager, trustee or administrator is required to be appointed and there must be adequate arrangements for safe custody.

Unregulated funds

An unregulated fund is not a certified fund and therefore the relevant code of practice for certified funds is not applicable. An unregulated fund is a fund that can be offered to certain eligible investors only, which includes a person committing at least USD1m to the fund, or is listed on an approved exchange or market and opts out of regulation as a fund in Jersey.

There are two types of unregulated funds: Unregulated eligible investor funds and unregulated exchange traded funds.

Recognised funds

Recognised funds are collective investment funds that have been granted a recognised fund certificate under the Collective Investment Funds (Recognised Funds) (Rules) (Jersey) Order 2003.

They are the most highly-regulated funds in Jersey and provide investors with access to a statutory compensation scheme. Functionaries to recognised fund are regulated under the CIF Law. Recognised funds are authorised as collective investment funds. Funds of this type may be marketed directly to the public in the UK under the United Kingdom Financial Services & Markets Act 2000, taking advantage of Jersey's designated territory status for the purpose of this legislation. Recognised funds can also be marketed directly in Australia, Belgium, Hong Kong, the Netherlands and South Africa.

Taxation

There is no income tax on non-Jersey source investment income and profits. Jersey has a general zero rate for corporate tax, there is no applicable capital gains tax in Jersey and profits of a capital nature are not liable to Jersey income tax. Funds established as companies pay no Jersey income tax and there is no requirement to withhold tax on interest or dividends payable by such corporate funds.

Limited partnerships, separate limited partnerships and incorporated limited partnerships are tax transparent vehicles and are not, therefore, subject to Jersey income tax in their own names. Non-Jersey resident investors in a Jersey limited partnership, separate limited partnership or incorporated limited partnership do not pay any Jersey tax in respect of non-Jersey source investment income or profits, or in respect of interest on bank deposits held by the partnership in Jersey. There is no stamp duty payable on the transfer of interests in a Jersey limited partnership, separate limited partnership or incorporated limited partnership.

BEPS

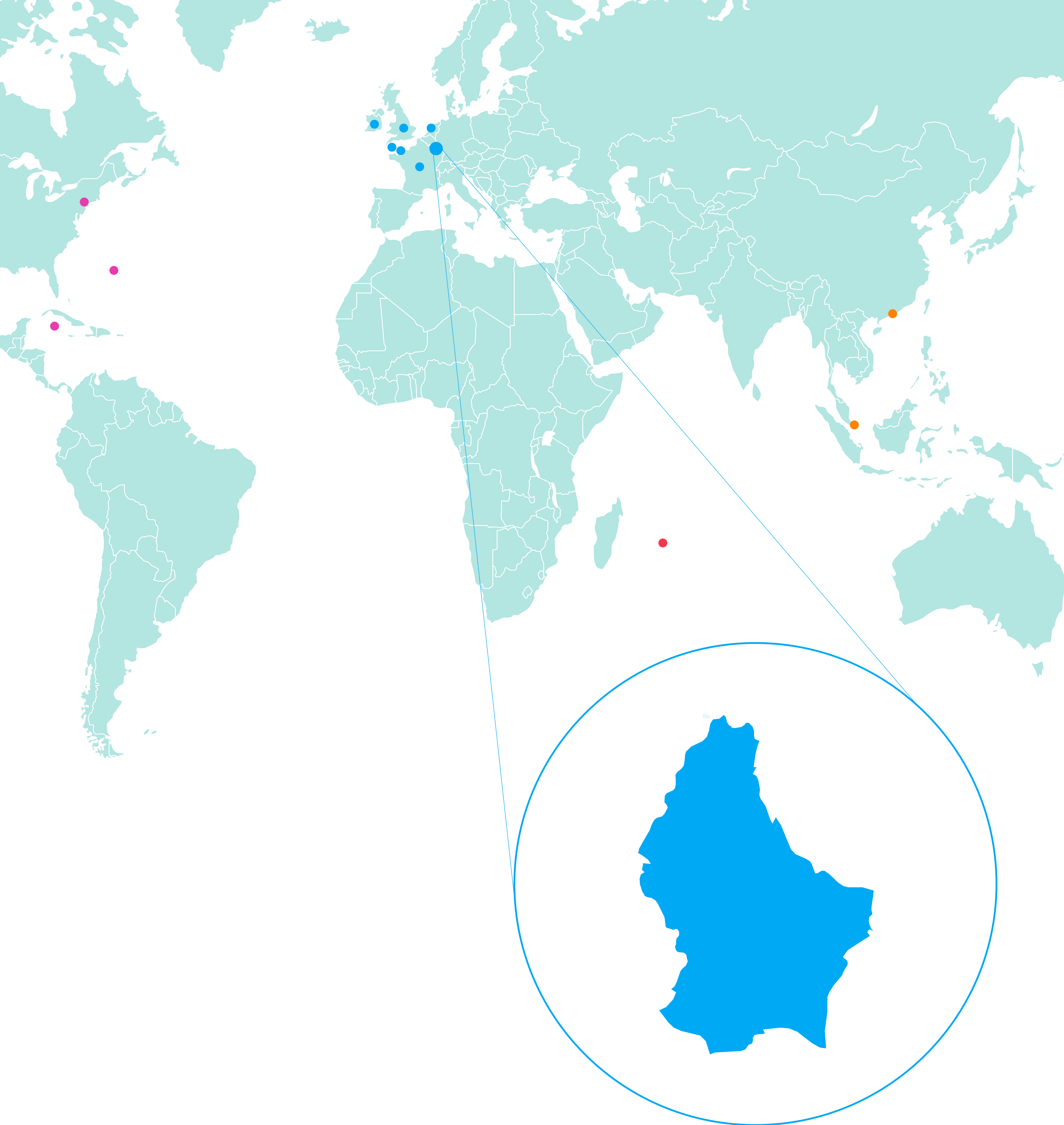
Jersey is a BEPS Associate, a member of the BEPS Inclusive Framework and a signatory to the multilateral instrument (MLI) that is a key part of the BEPS. Jersey has also recently introduced the Economic Substance Law in order to comply with the standard set by the EU's Code of Conduct Group. The Economic Substance Law has been introduced to comply with the requirements set by the EU, but it is also relevant to BEPS Action 7.

To find out more about fund structures in Jersey, contact:

Mirek Gruna

Chief Commercial Officer, Jersey

E mirek.gruna@iqeq.com
T +44 7700 785 320



Luxembourg

Introduction

Luxembourg is the world's largest cross-border fund domicile. After the US, it is also the biggest jurisdiction for funds, of any form, worldwide. According to the PwC Global Fund Distribution report 2018, Luxembourg handles 62% of cross- border investment funds worldwide, from over 70 countries. Plus 98% of the top 100 asset managers worldwide have funds domiciled in Luxembourg. This is reflected by the industry statistics, and the Commission de Surveillance du Secteur Financier (CSSF) reported Luxembourg fund assets reached a record USD81.8bn in June 2019, from 14,851 fund units.

Luxembourg has had a strong recent growth on the alternative side of the industry. There are now 5,864 Alternative Investment Funds (AIFs) domiciled there, according to the Association of the Luxembourg Fund Industry (ALFI), meaning that 39% of all of Luxembourg's funds now come from one of the alternative fund categories.

Private equity is the alternative fund category that Luxembourg has traditionally been best known for. According to a study by Deloitte and ALFI, assets in the 629 regulated private equity funds, at the end of 2017, were worth USD53bn.

The Luxembourg Real Estate Investment Funds Survey, conducted in 2018, recognises Luxembourg as the leading location to establish multi-geographical and multi-sectoral regulated real estate investment funds (REIFs). Its Loan Fund Survey showed a 23.5% increase in assets from this category, from the year before, to reach USD53bn.

Brexit has had a considerable impact on Luxembourg. New Financial's report on EU destinations shows that it is the second most popular destination for UK managers, after Ireland. Largely as a consequence of Brexit, Luxembourg has been reinforcing its substance rules to ensure that UK managers coming in, and others, have real local management and control in the jurisdiction itself. For example, the CSSF's Circular of August 23, 2018 (the circular 18/698) requires more local substance from Luxembourg based management companies.

An important part of the reason for the recent strong growth of alternative funds in Luxembourg has been the introduction in 2016 of the Reserved Alternative Investment Fund (RAIF). The 2018 Luxembourg Private Equity and Venture Capital Investment Fund Survey showed that the RAIF has given Luxembourg a big boost.

RAIFs must appoint an authorised external Alternative Investment Fund Manager (AIFM). If the AIFM is domiciled in the EU, RAIFs can market their shares, units or partnership interests via a specific passport to investors across the EU. A key feature of the RAIF is it is not subject to authorisation or direct supervision by the CSSF thus greatly speeding up time to market – assuming that the manager is already regulated by another EU jurisdiction.

Fund structures

Alternative funds in Luxembourg fall under Part II of the law. All AIFs established in Luxembourg must be managed by an AIFM, responsible for ensuring compliance with the AIFM Law. In certain cases, this AIFM can be the General Partner or the AIF itself with its Board of the AIF. An AIF fund can be constituted in several different legal forms:

- *A fonds commun de placement* (FCP), i.e. a common contractual fund. The FCP has no legal personality and must be managed by a Luxembourg management company
- *A société d'investissement à capital variable* (SICAV) or société d'investissement à capital fixe (SICAF), i.e. open- or closed-ended investment companies with variable capital and fixed capital respectively
- *Société d'investissement en capital à risque* (SICAR) is an investment company in risk capital, an investment vehicle that was designed for investments in private equity and venture capital. It usually qualifies as an alternative investment fund (AIF) and can be sold to well- informed investors. SICARs that have appointed an EU AIFM can market their shares or partnership interests via a specific passport to well-informed investors across the EU. Investment in a SICAR is limited to "well-informed" investors that are able to adequately assess the risks associated with an investment in such a vehicle
- The Reserved Alternative Investment Fund (RAIF) is an investment fund that can invest in all types of assets. It qualifies as an alternative investment fund (AIF) and is not itself subject to CSSF product approval. RAIFs must appoint an authorised external Alternative Investment Fund Manager (AIFM). If the AIFM is domiciled in the EU, RAIFs can market their shares, units or partnership

Interests via a specific passport to well-informed investors across the EU. The RAIF may be constituted as a FCP, a SICAV or a SICAF. The FCP or SICAV/SICAF may be set up as a single fund or as an umbrella structure with an unlimited number of compartments. The fund and compartments respectively may have an unlimited number of share/unit

classes, depending on the needs of the investors to whom the fund is distributed.

Alternative funds can also be structured as a limited partnership Company (SCS or SCSp) or a holding company (like the société de participations financières (SOPARFI)).

The ELTIF is a pan-European regime for AIFs allowing investors to put money into companies and projects that need long-term capital, for example infrastructure projects

Taxation (for part II funds)

There is an annual subscription tax in Luxembourg calculated and payable quarterly on aggregate net assets valued on the last day of each quarter. SIFs and RAIFs (other than RAIFs investing exclusively in risk capital) have an annual subscription tax of 0.01% calculated and payable quarterly. Exemptions are available for certain institutional cash funds, pension pooling funds and microfinance funds as well as funds investing in other funds already subject to the subscription tax. Funds are exempt from any Luxembourg income, withholding, capital gains or net wealth taxes.

Investment management companies established in Luxembourg are subject to corporate income tax, municipal business tax and net wealth tax at standard rates. Many fund management services supplied in Luxembourg are exempt from VAT under certain conditions.

Luxembourg VAT is applicable under the reverse charge mechanism whereby a Luxembourg-based fund receives services from suppliers located in other EU Member States. A VAT exemption is available to portfolio management services, investment advisory services and certain administrative services. The VAT exemption on administrative and management services is also available to certain outsourced services.

BEPS

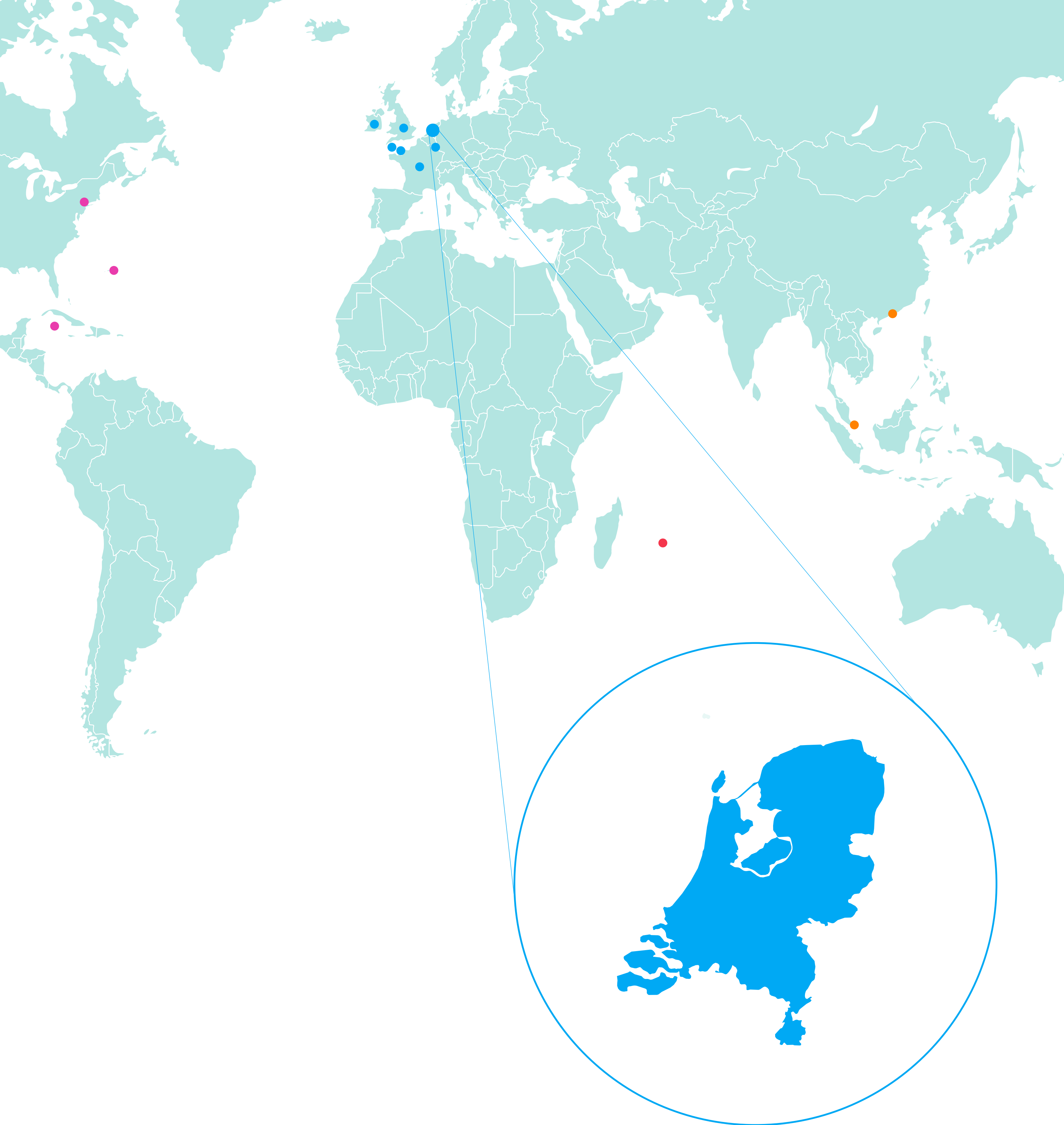
Luxembourg has now implemented a large part of the overall BEPS agenda. For example, it has implemented BEPS Action 2 on hybrid mismatches on the prevention of double non- taxation deriving from hybrid loan arrangements. It has also implemented BEPS Actions 3 and 4 including interest deductions, which are also subject to the EU's Anti-Tax Avoidance Directive (ATAD). On top of which, it has also adopted BEPS Action 5 on harmful tax practices, and BEPS Action 6 on treaty abuse, as well as BEPS Action 7 on permanent establishment, and BEPS Actions 8 to 10 covering transfer pricing, and BEPS Action 13 also on transfer pricing documentation and country-by-country reporting.

To find out more about fund structures in Luxembourg, contact:

Bram Eijsbouts

Chief Commercial Officer, Luxembourg

E bram.eijsbouts@iqeq.com
T +352 466 111 2390



The Netherlands

Introduction

The Netherlands is recognised as an important centre for asset management particularly for pension funds. According to OECD 2019 findings on pension funds, the Netherlands is, together with the UK, one of the two biggest countries in Europe in terms of pension funds' assets. ABP, PGGM and other leading Dutch pension funds have been pioneers choosing to invest in alternative assets.

The Nederlandse Vereniging van Participatiemaatschappijen (NVP) is the trade body for private equity and venture capital in the Netherlands, which reported that 2018 was an excellent year for the industry, with a record venture capital investments to start-ups, a rise in number of smaller buyouts, and exceptionally strong fundraising for venture capital, buyout funds and private equity investments.

Fund managers which only offer participation rights to professional investors and manage (one or more) alternative investment institutions whose total assets under management is greater than USD549m, in the case of a manager who manages funds that are closed end for the first five years and do not use leverage; or in excess of USD111m have to be fully AIFMD compliant and so go through the full licensing process to become an AIFM, with ongoing supervision from the AFM.

As well as standard regulatory arrangements for alternative funds, under AIFMD, the Netherlands also offers a 'light' regime for smaller funds. Those in this category do not need to be licensed. However, funds that qualify for 'light' supervision have to be registered with the Dutch regulator, the Authority for the Financial Markets (Autoriteit Financiële Markten, AFM), and provide periodic information to the AFM and Dutch Central Bank (De Nederlandsche Bank, DNB) and have a registered office for their management company in the Netherlands.

Fund structures

Dutch limited partnerships or commanditaire vennootschap (CV) are normally used for real estate, venture capital and private equity funds. Limited partnerships (CVs) can be structured as tax transparent vehicles.

Private limited liability company (BV) and public limited liability company (NV): the BV provides more flexibility than the NV, with respect to share capital, criteria for distributions to shareholders and voting rights. More stringent capital protection restrictions apply to NVs.

Cooperation (Coop): a Coop shares some characteristics with partnerships. There are no minimum capital requirements for a cooperation and its capital may be expressed in a currency other than the euro. FGR: a fund for joint account (FGR) is formed by contractual agreements between the investment manager, investors and a legal owner entity (usually a Dutch foundation) rather than by a deed of incorporation, which means the process is more flexible, quicker and more cost efficient. An FGR includes a separated legal owner entity that holds the assets of the fund separate from those of the investment manager.

Taxation

Dutch investment funds can fall under one of the following tax categories; the tax-exempt investment fund; the fiscal investment fund or the tax transparent fund. Each of them will benefit from certain tax advantages.

The Dutch exempt investment fund

Open-ended retail funds and hedge funds can enter the category of exempt investment funds which benefit from exemptions from the Dutch corporate and withholding taxes. In order to benefit from these exemptions, these must comply with certain requirements, one of the most important ones being to have a license issued by the Dutch Financial Authority.

The taxation of fiscal investment funds in the Netherlands

Fiscal investment funds will benefit from a 0% rate on the corporate tax. They will also be subject to a 15% withholding tax applicable to the distribution of dividends unless the domestic dividend withholding tax exemption applies or a double tax treaty signed by the Netherlands provides otherwise. One of the conditions for this tax treatment is for the fund to be registered as a Dutch private or public limited liability company.

The tax transparent fund in the Netherlands

From a taxation point of view, a Dutch investment fund can be transparent if:

- it is not deemed as a legal person from a corporate and withholding taxes point of view
- it is registered as a closed investment fund for joint account (FGR)
- the fund or its manager has no registered seat in the Netherlands
- the fund does not have a license from the Dutch Financial Supervisory Authority Netherlands;

BEPS

The Netherlands has signed the OECD's BEPS Multilateral Instrument (MLI) to implement tax treaty-related measures. The Dutch Lower House of Parliament on 12 February 2019 passed legislation for ratifying the multilateral convention to implement tax treaty-related measures to BEPS including through the use of commissionaire arrangements (Article 12 MLI).

Subsequently there was some concern by the legislature in the Netherlands that there is no international consensus on the definition of permanent establishment or on the profit allocation to a permanent establishment. The MLI allows for an entire opt-out of a certain provision, only if countries decide on accepting the exact same position on a certain provision, it will be applied under the respective tax treaty.

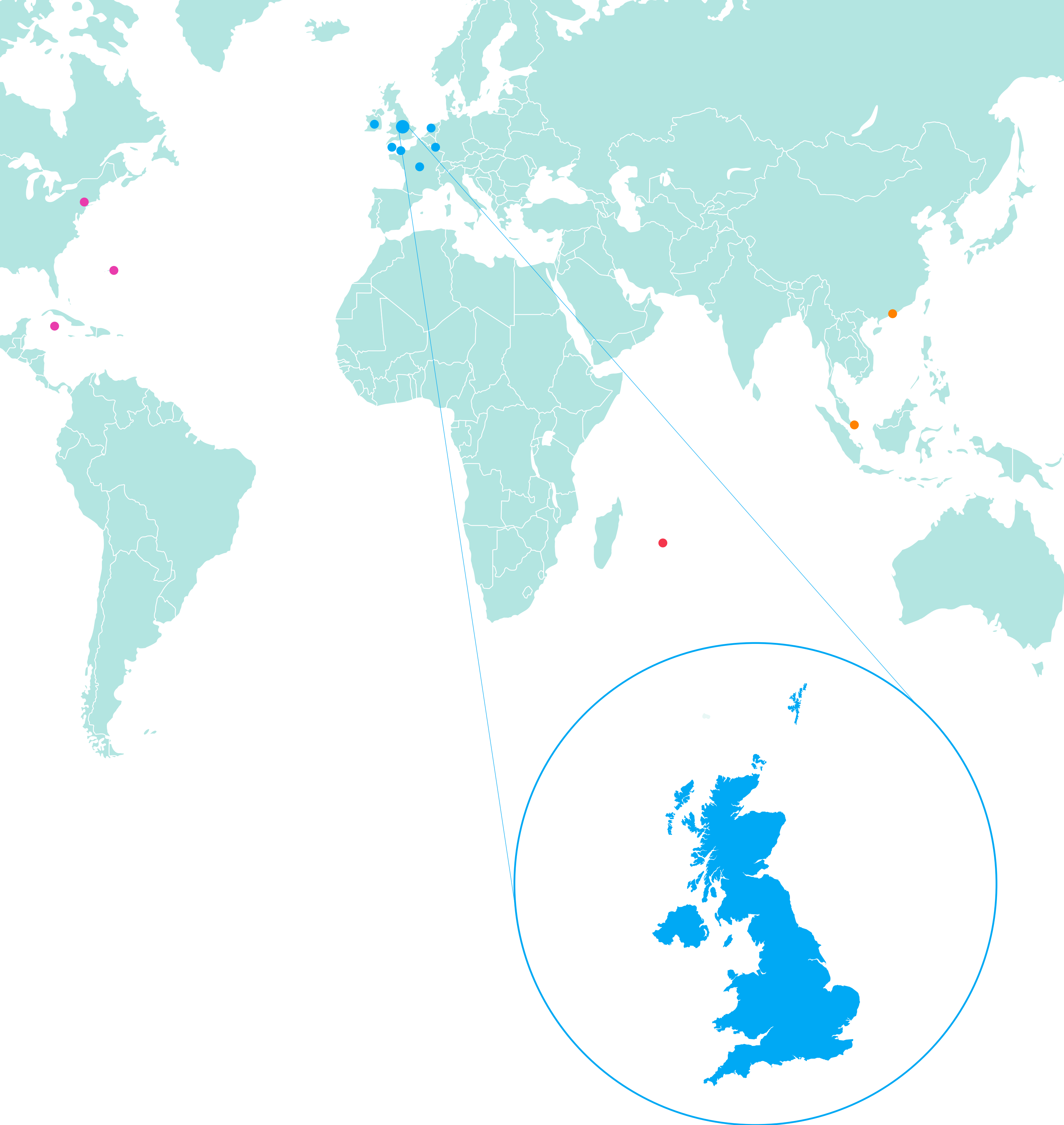
Consequently, the Netherlands made a reservation on Article 12 until an effective dispute resolution between a sufficient number of signatories to the MLI and the Netherlands is in place. The Netherlands is in the process of ratifying the BEPS' Multilateral Convention (MLI). MLI ratification requires modifying thousands of bilateral tax treaties to eliminate double taxation. The Dutch government opted to do this to prevent the artificial avoidance of permanent establishment status under BEPS as many multinational corporations use the Netherlands as a base, so BEPS implementation is more complex than in some other jurisdictions.

To find out more about fund structures in The Netherlands, contact:

Juan Dagniaux

Chief Commercial Officer,
The Netherlands

E juan.dagniaux@iqeq.com
T +31 20 522 24 51



United Kingdom

Introduction

The United Kingdom (UK) has the largest asset management industry in the world after the US. It is the biggest centre of asset management in Europe with over 37% of all assets managed in Europe managed in the UK which is more than the next three European centers combined (according to The Investment Association Annual Survey 2020-2021).

The asset management industry in the UK reached an estimated £9.4tn (a rise of 11% on previous year) at the end of 2020 based on the UK's Investment Association annual member survey published in September 2021. The impact of Brexit has not had a material effect on the industry as managers in the UK invest approximately USD2.4tn on behalf of continental European investors, often through delegated portfolio management arrangements for funds domiciled in EU jurisdictions, like Ireland and Luxembourg. 44% of total assets managed in the UK are managed on behalf of overseas clients. The industry has outlined three key elements to maintain a competitive landscape post Brexit for fund delivery internationally: opportunities for innovation, improving the operating environment, and support for competitive delivery.

Five key trends identified in the Survey include:

- The increase in Responsible Investment with 49% of total assets applying ESG integration in their investment process
- Significant increase in asset being allocated to alternative investment funds (i.e. Private Equity, Private Credit, Real Estate, Venture Capital, Infrastructure and Hedge Funds) with £350bn in hedge funds and £420bn in Private Equity
- Continued investment in technology with emphasis in how managers communicate with investors and how they engage a new generation of investor
- A robust operating culture is core to delivering positive outcomes for investors
- Post Brexit, there remains concerns regarding the preservation of current delegation model and meeting international regulatory standards

Fund structures

A private alternative investment fund domiciled in the UK is normally structured as a closed-end fund. In particular, private equity, real estate and infrastructure funds are structured as limited partnerships. In April 2017, the limited partnerships (LP) Act was the subject of extensive reform. The reforms were introduced to simplify the law, reduce administrative costs, and ensure that the UK remains an attractive location for private funds. The reforms apply only to a limited partnership that is 'designated' as a Private Fund limited partnership (PFLP).

The general partner is responsible for the management of the limited partnership, but has unlimited liability for the debts and obligations of the partnership over and above the partnership assets. The liability of a limited partner will be limited to the amount of capital it contributes to the partnership.

UK limited partnerships are flexible vehicles in their internal governance and control. The constitutional document (meaning the limited partnership agreement) is a negotiable document between the fund manager and the investors.

Many alternative funds that are managed by the UK are domiciled outside the country, especially hedge funds and private markets funds. It is possible for a private closed-end fund in the UK to be structured as a unit trust.

The new fund structure introduced by the FCA in October 2021 of the Long-Term Asset Fund ("LTAF") will broaden access to illiquid assets and also address issues around liquidity mismatch in funds. The current structure is used for DC pension schemes, sophisticated investors and high net worth individuals.

Taxation

Limited partnerships are fiscally transparent and not taxable in the UK (although they do submit tax returns). This fiscal transparency means each limited partner is treated for UK tax purposes as owning his proportionate share of the assets of the partnership and is subject to tax on the income and gains allocated to it under the limited partnership agreement.

There are no taxes levied in connection with an investor's participation in an alternative investment fund, reports the International Comparative Legal Guides (ICLG). Stamp duty may be payable on the transfer of limited partnership interests if the partnership property includes stock or marketable securities, although there are several methods of mitigating the effect of such taxes. Stamp duty land tax may be payable when the partnership property includes land.

BEPS

The UK signed the Multilateral Instrument (MLI) in Paris on 7 June 2017 and deposited its instrument of ratification and final list of reservations and notifications on 29 June 2018.

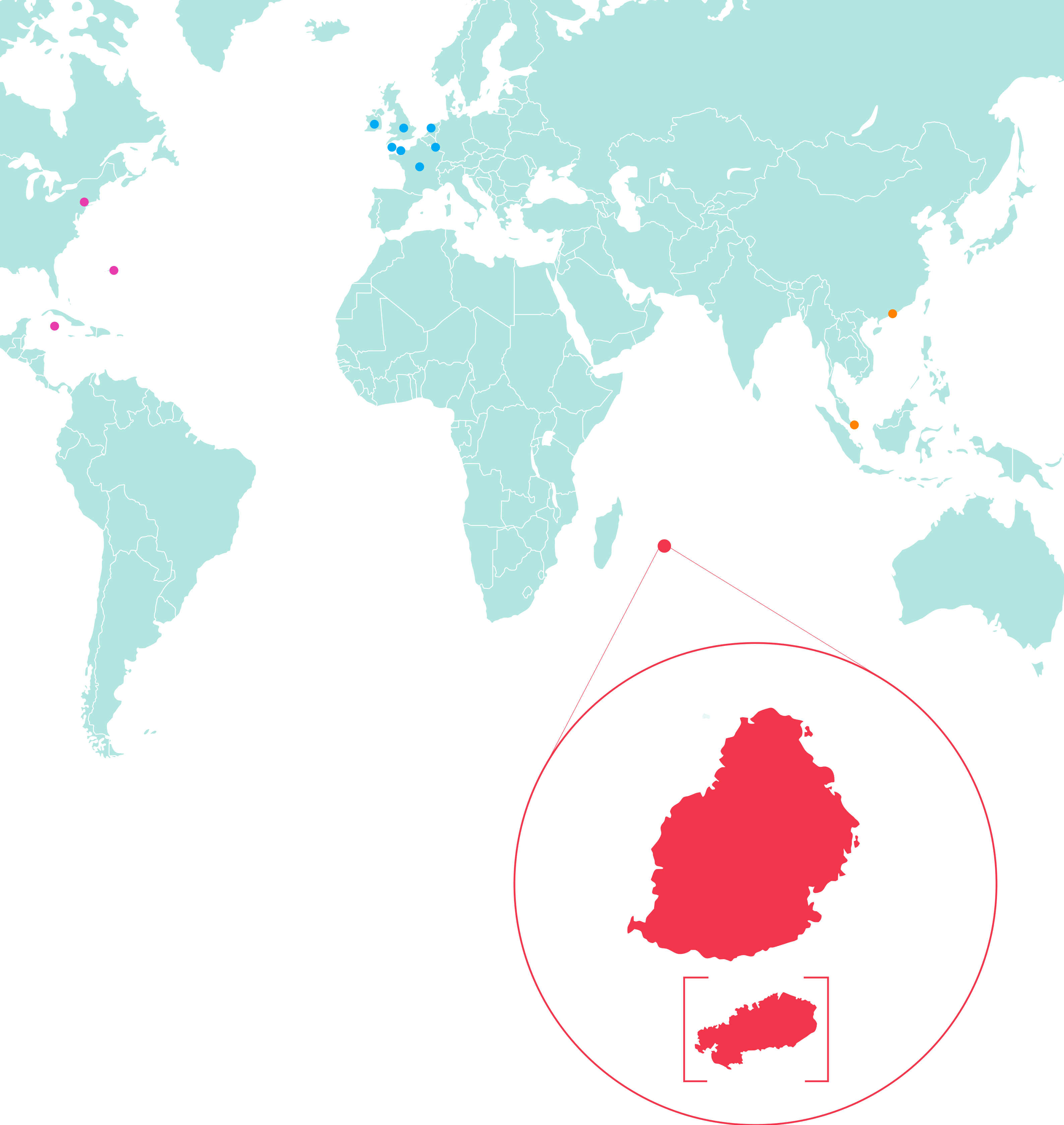
The Multilateral Instrument, MLI, was passed by the House of Commons on May 23, 2018. The MLI modifies tax treaties that the UK has with other countries. The date which individual UK tax treaties are modified by the MLI depends on the date other treaty partners deposit their instruments of ratification, acceptance or approval.

To find out more about fund structures in UK, contact:

Edwin Chan

Chief Commercial Officer,
UK & Ireland

E edwin.chan@iqeq.com
T +44 207 367 6923



Mauritius

Introduction

Mauritius is an internationally recognised and leading jurisdiction for funds targeting Asia and Africa. As a member of major African trading blocs including the Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), the African Union and the African Continental Free Trade Area (AfCFTA) coupled with extensive bilateral networks (DTAAs and IPPAs), Mauritius offers an attractive investment platform for fund managers and investors and provides preferential access to African markets. Mauritius was also the first African country to have entered into a free trade agreement with India and China respectively through the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) and the China-Mauritius Free Trade Agreement (FTA).

It has been ranked as 1st in Africa and 13th globally (out of 190 countries) by the World Bank for Ease of Doing Business in 2020. It is also rated 1st in the Mo Ibrahim African Governance Index.

The Financial Services Commission Mauritius (FSC) reported that as at December 2021, there are 947 funds which have been licensed which include both collective investment schemes (CIS) and closed-end funds (CEF) compared to 991 as at December 2020, the majority of which are private funds.

The collective AUA of the fund market in Mauritius is in excess of US$500 billion, with investors ranging from DFIs, institutional investors, sovereign wealth funds, family offices and conglomerates.

Fund structures

As a proven and matured fund administration domicile boasting a modern and flexible securities legislation, Mauritius provides a wide array of investment vehicles, which include single and multi-class companies, protected cell companies and limited partnerships. From structuring perspective, various types of funds are on offer including private equity funds, venture capital funds, hedge funds, traditional one-tiered structure funds, master-feeder funds, side-by-side funds and funds with parallel vehicles and holding companies. These vehicles can either operate as a CIS, commonly known as an open-ended fund, or as a CEF which is a private equity fund. Both categories are regulated under the Mauritius securities legislation.

All alternative funds domiciled in Mauritius need to apply for the Global Business Licence (GBL) in order to conduct their business principally outside Mauritius or with such category of persons as may be specified by the FSC.

CIS

The key features of a CIS are: pooling of funds from investors; collective investment of those funds into a portfolio of investments; investment based on risk diversification principle; redemption at the option of the investors and investors do not participate in the day-to-day management.

There are four different categories of CIS that may be established in Mauritius: Global scheme, Professional CIS, Specialised CIS and Expert Funds:

- The Global Scheme is a Global Business Corporation, as approved by the Financial Services Commission, and is authorised to carry out activities falling within the definition of a CIS
- The Professional CIS offers its shares solely to sophisticated investors or as private placements. The Professional CIS is exempt from some regulations generally imposed on CIS provided that (i) the shares acquired by its investors are not to be resold to the public and they are so advised of this restriction at the moment of subscription; and (ii) it is not listed for trading on a securities exchange
- The Specialised CIS invests in real estate, derivatives, commodities or any other product authorised by the FSC
- The Expert Fund is only available to expert investors, i.e. investors who make an initial investment for their own account of no less than USD100,000 or sophisticated investors. It is exempt from some regulations generally imposed on CIS, subject to necessary authorisation from the FSC

CEF

The CEF is commonly referred to as a 'private equity fund'. A CEF which is not a reporting issuer can also qualify as a Professional CIS.

The key features of a CEF are: funds raised from public, retail or sophisticated investors based on prospectus; arrangement or a scheme, other than a CIS, constituted in legal form; investment of funds, collected from subscribers, during an offering of a portfolio of securities, or in other financial or non-financial assets, or real estate property, and investors do not participate in day to day management.

Special Purpose Fund (SPF)

Revamped effective 6 March 2021, the new SPF is a tax-exempt entity with economic substance in Mauritius, aimed at providing additional flexibility and ease of access to new markets to internal fund promoters and managers. Key characteristics of a SPF include:

- Offer of shares by way of private placements to investors having competency, significant experience and knowledge of fund investment
- Maximum of 50 investors allowed, with minimum subscription per investor of USD100,000
- SPF to be managed by a CIS Manager and administered by a CIS Administrator, and
- SPF to carry out its core income generating activities in, or from, Mauritius – direct or indirect employment and incur minimum expenditure proportionate to level of such activities

Variable Capital Company (VCC)

Effective 16 May 2022, VCC is the latest fund structures launched by the Mauritius IFC to enhance its competitiveness as a domicile for investment funds. VCCs can be set up as a standalone investment fund or structured as an umbrella fund with underlying sub-funds and/or special purpose vehicles (SPVs) holding segregated portfolios. The umbrella fund may operate as both a collective investment scheme (CIS) and a closed-end fund at the same time, while the SPV can only operate as an investment holding or special purpose company. A VCC may be used as a vehicle for both traditional funds and alternative funds, including hedge, private equity, real estate and infrastructure.

VCC boasts an impressive palette of additional features, making it very attractive to fund promoters and investors including:

- A VCC may issue shares of varying amounts and/or issue shares for payment of calls as agreed between its shareholders
- The share capital of a VCC will always be equal to its net assets, thereby providing flexibility in the increase and reduction of capital
- A VCC allows for flexibility regarding the distribution and payment of dividend out of capital rather than profits
- A sub-fund and an SPV may elect to have a separate legal personality from the umbrella VCC, such that the assets and liabilities of one sub-fund or SPV are segregated and ring-fenced from those of another. As such, the liabilities of a sub-fund under an umbrella VCC can only be discharged from its assets and not out of the assets of the other sub-funds or SPVs
- VCCs may sue or be sued in respect of particular sub-fund, hence mitigating the contagion risk of the whole entity
- VCC can be quite cost-effective with economies of scale through appointment of same CIS Manager, custodian, director or service provider for all of its sub-funds

Licensing conditions

A fund holding GBL shall at all times:

- Carry out its Core Income Generating Activities (CIGA) in, or from, Mauritius, as required under the Income Tax Act
- Be managed and controlled from Mauritius, and
- Be administered by a management company

In determining whether the conduct of business will be or is being managed and controlled from Mauritius, FSC has regard to such matters as it may deem relevant in the circumstances and may take into consideration whether the corporation:

- has at least 2 directors, resident in Mauritius, of sufficient calibre to exercise independence of mind and judgement
- maintains at all times its principal bank account in Mauritius
- keeps and maintains, at all times, its accounting records at its registered office in Mauritius
- prepares its statutory financial statements and causes to have such financial statements to be audited in Mauritius, and
- provides for meetings of directors (to include at least 2 directors from Mauritius)

Taxation

The maximum income tax levied on a fund that is tax resident in Mauritius is 15%. A partial exemption of 80% is available on income derived by a CIS, CEF, CIS Administrator and CIS Manager, subject to the entity meeting the below substance conditions:

- Carry out its core income generating activities in Mauritius
- Employ, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities, and
- Incur a minimum expenditure proportionate to its level of activities

Where a fund is not claiming partial exemption, it is not required to demonstrate CIGA in, or from, Mauritius. A fund may claim credit for actual foreign tax suffered in terms of withholding tax, underlying tax and income tax spared against its Mauritius tax liability arising from its foreign sourced income. A fund may either claim partial exemption or actual foreign tax suffered on an income stream. There is no capital gains tax, no exchange controls and no withholding tax on dividends and interest in Mauritius. There are currently no formal transfer pricing legislations in Mauritius. However, the Income Tax Act provides that all transactions between related parties shall be conducted at arm's length. Also, as announced in the past national Budgets, the Government is working towards formalising the transfer pricing framework in Mauritius. Funds can be structured as an exempt Partnership whereby the structure is transparent and not taxed in Mauritius. SPFs are tax-exempt entities – all interest, rents, royalties, compensations, and other amounts paid by SPF to non-residents are exempt from Mauritius income tax and there is no capital gains tax in Mauritius.

BEPS

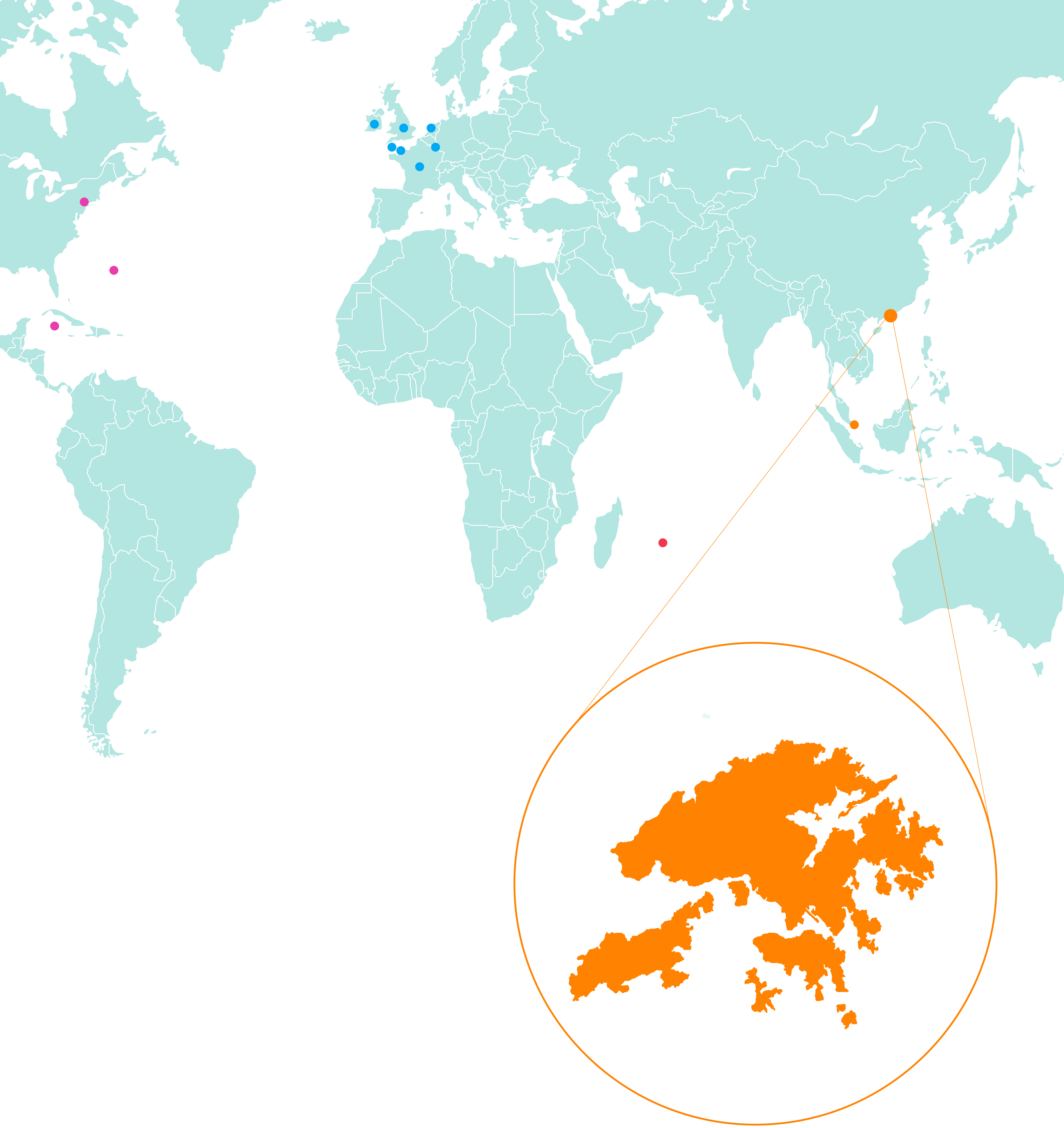
Mauritius signed the Multilateral Instrument (MLI) on 5 July 2017. The Ministry of Finance and Economic Development reports that the Multilateral Convention in the first instance covers 23 of the existing Double Taxation Avoidance Agreements of Mauritius (mostly European countries). The International Monetary Fund further outlines in detail Mauritius' reservations and notifications.

To find out more about fund structures in Mauritius, contact:

Rehma Imrith

Commercial Director,
Mauritius

E rehma.imrith@iqeq.com
T +230 213 9902



Hong Kong

Introduction

Hong Kong is one of the world's largest capital markets and continues to be one of the leading financial cities. In the latest Global Financial Centres Index (GFCI) Report published on 24 September 2021, Hong Kong ranked third worldwide and first in APAC.

The private equity industry in Hong Kong, ranking second in Asia after China, has been strongly growing. China's Belt and Road Initiative (BRI), 14th Five-Year Plan formulation and the greater bay area initiative also play parts in strengthening the attractiveness as both PE fund hubs and investment destinations. The BRI is a global infrastructure and investment project led by China to connect Asia with Africa and Europe via land and maritime networks with the aim of improving regional integration, increasing trade, and stimulating economic growth. The 14th Five-year Plan formulation is greatly related to Hong Kong as the Chinese Government would strengthen Hong Kong's status as a global offshore Renminbi (RMB) business hub, an international asset management center, and a risk management center. The development of Guangdong and Macao Greater Bay Area is also a key content of the 14th Five–Year Plan in deepening and widening mutual access between the financial markets of the Mainland, and Hong Kong and Macao.

According to the key findings of the Asset and Wealth Management Activities Survey conducted by the Securities and Futures Commission (SFC), in 2020, the size of Hong Kong domiciled SFC authorised funds increased by 17% to HK$1,427 bn and the AUM of Hong Kong's asset and wealth management business stands at HK$34,931 billion. Moreover, the asset management and fund advisory business recorded a year-on-year increase of 20% to HK$24,038 bn.

As of 31st December 2020, non-Hong Kong investors remain a major source of funding for the industry and accounted for 64% of the total AUM. 58% of the total AUM of the asset management business is managed in Hong Kong, and 54% of which are assets invested in equities.

Fund structures

Hong Kong has an authorised, retail hedge fund sector that is licenced by its regulator, the SFC. Retail hedge funds must be authorised by the SFC under the Securities and Futures Ordinance (SFO) and must comply with the subsidiary legislation and the relevant codes and guidelines issued by the SFC.

Private hedge funds do not need to be authorised and regulated by the SFC as licenced corporations. These fund managers are licenced under Part V of the SFO.

The SFC also regulates Hong Kong's private equity industry, including licensing and supervising private equity managers and advisers and setting and enforcing key regulations covering private equity fund management and marketing.

Private equity funds are structured as partnerships or trusts and come under regulation by the SFO. However, both partnership and trusts are not the preferred structure for a PE fund, and the Hong Kong government introduced a new fund structure on 31 August 2020 under the Limited Partnership Fund Ordinance (LPFO) which provides for the registration of Limited Partnership Funds (LPFs). The LPFO contains provisions which:

- allow flexibility in capital contributions and distribution of profits
- allow the parties in an LPF to freely contract according to their commercial intentions
- provide for a simple registration process with the Registrar of Companies, and
- provide a straightforward and cost-efficient dissolution mechanism

The new structure is aimed to make the process of setting PE funds more convenient in order to increase the attractiveness of Hong Kong as a financial center. KPMG believes the introduction of the LPF will put Hong Kong in a better position and become an alternative location with comprehensive regulatory frameworks for GPs and assets managers to domicile their funds.

Taxation

A unified profits tax exemption (UFE) for all privately offered funds became operative on 1 April 2019 in Hong Kong. The UFE exemption to all funds, irrespective of whether or not the central management and control are exercised in Hong Kong, and subject to certain conditions.

Three conditions must be met to be qualified for the tax exemption:

- It meets the definition of a fund for the purpose of the tax exemption
- The assessable profits are earned from qualifying transactions (and incidental transactions subject to a 5% threshold), and

- The qualifying transactions are carried out in Hong Kong by or through or arranged in Hong Kong by a specified person, or alternatively the fund is a qualified investment fund

The meaning given to a fund for the purpose of the tax exemption is similar to that of a collective investment scheme under SFO.

The Inland Revenue Department (IRD) issued a Departmental Interpretation and Practice Notes No. 61 (DIPN 61) on 30 June 2020 to further elaborate the details of the UFE. PwC explained in their article that DIPN 61 stated the fund from 1 January 2019 to 31 March 2019 will not be qualified for the UTE.

The article also pointed out if the fund with a pool of assets has different classes of interests may not be considered as a separate fund under DIPN61 which could affect the qualification of the tax exemption. The article further elaborated and mentioned the IRD will consider the fund as a single fund if there is no segregation of assets and liabilities which are meant to reduce the burden of the fund operator. The unified profits tax exemption provides opportunities for funds with operations in Hong Kong to simplify their operating protocols and undertake more investment-related activities in Hong Kong.

The UFE provides a good start in improving the fund ecosystem of Hong Kong but still has some uncertainty in the interpretation of the application of the tax exemption to SPEs. At this point, Deloitte said this uncertainty is limiting the availability of the tax exemption to an SPE in a private equity fund and the investments and activities of the SPE are restricted. They suggested the IRD should allow more flexibility in SPEs. The UFE should provide a clear guideline that makes it easier for funds looking to establish new operations in Hong Kong. There are also potential opportunities for funds to invest in new classes of alternative assets in Hong Kong without the risk of additional tax on the investment returns received by the fund.

BEPS

The Hong Kong government welcomes the tax reform on base erosion and profit shifting (BEPS) (commonly known as BEPS 2.0) and its implementation plan in 2023.

The Hong Kong government said the BEPS 2.0 will only affect the large NME group and should not have any affection to the small and medium companies in Hong Kong. The profits tax rate of 16.5% is competitive compared to other countries. The BEPS 2.0 ensured the tax rate of MNE groups will be at least 15% across jurisdiction and the Hong Kong government believed the BEPS 2.0 helps in reducing the attractiveness for the low tax countries, and Hong Kong could be advantaged under the level play in terms of taxation.

To find out more about fund structures in Hong Kong, contact:

David Kim

Chief Commercial Officer, Asia

E david.kim@iqeq.com
T +65 6955 1668

Singapore

Introduction

Singapore has developed into one of the world's major fund management centres. According to the Monetary Authority of Singapore (MAS), its asset management industry has been growing strongly. In 2018, there was a growth in AUM of 5.4% to USD2.5tn. The MAS annual poll reports that growth was driven by a surge in alternative assets to USD470bn in 2018, supported by strong inflows and continued gains across private market asset classes including private equity (PE), venture capital (VC) and real estate.

Singapore serves both as an investment hub into and out of Asia. Singapore is the domicile of choice for asset managers and investors wishing to tap into the region's growth opportunities, with 75% of AUM sourced from outside of Singapore. A majority of the total AUM was invested in the Asia-Pacific region, with investments into ASEAN countries accounting for a sizable share. There was a 15% growth in private market asset classes AUM in 2018 and a decrease of 7% in traditional asset classes AUM.

In 2017, according to PwC, Singapore had USD26bn in mutual funds and USD299bn in alternatives. There is also USD2.3bn in ETFs, USD99bn in private equity and USD112bn in real estate funds. Singapore has 416 licensed fund managers, 38 fund administrators, as well as 42 custodians and 85 law firms specialising in asset management, reports PwC. AUM in Asia Pacific is also expected to almost double from 2017 to about USD30tn in 2025, PwC estimates.

Looking forward, the growth and diversity of the Singapore ecosystem will be driven by ongoing demand from global investors in private markets, infrastructure and green investments.

Fund structures

Common alternative fund structures in Singapore are private limited companies, limited partnerships, and unit trusts. If the Alternative Investment Fund (AIF) is structured as a private limited company, the applicable governing legislation is the Companies Act of Singapore. Singapore also has a limited partnership Act for limited partnership structures. There is no specific governing legislation applicable to an AIF and so alternative funds can also be structured as unit trusts.

Variable Capital Companies (VCC)

The Variable Capital Company (VCC) is a new corporate structure for investment funds constituted under the Variable Capital Companies Act which took effect on 14 Jan 2020. The VCC will complement the existing suite of investment fund structures available in Singapore.

All VCCs must be managed by a Permissible Fund Manager. Fund managers will be able to constitute investment funds as VCCs across both traditional and alternative strategies, and as open-ended or closed-end funds. Fund managers may also incorporate new VCCs or re-domicile their existing investment funds with comparable structures by transferring their registration to Singapore as VCCs.

The VCC is similar to other structures in key fund jurisdictions, such as the Irish Collective Asset-management Vehicle (ICAV) of the Republic of Ireland and the Open-Ended Investment Company (OEIC) of the UK.

A VCC is characterised with features that cater to the needs of investment funds that are currently lacking in existing legal structures, i.e. companies, limited partnerships and unit trusts.

The introduction of the VCC has promoted Singapore as a one- stop location for fund management and domiciliation.

Taxation

AIFs that meet the qualifying criteria are exempt from income tax in Singapore. AIFs incorporated as Singapore companies are usually taxed at a fixed rate of 17% on their chargeable income. There is an exemption if an AIF owns 20% or more of the ordinary share capital of another company and has held those shares for at least 24 months prior to their disposal, then the gains will be exempt from tax, provided they are disposed of by 31 May 2022.

No tax is levied at partnership level on limited partnerships in Singapore. However, the share of income accruing to each partner that forms the limited partnership will be taxed at the rates applicable to their individual circumstances. Singapore does not impose tax on capital gains; however, gains from the disposal of investments are generally construed to be income in nature and thus subject to Singapore income tax. Managers, therefore, need to distinguish between capital gains and trading income.

BEPS

Singapore was one of the first countries to sign the OECD's BEPS Multilateral Instrument (MLI) to implement tax treaty-related measures. Joining the inclusive framework means that Singapore will work with other jurisdictions to ensure implementation of all measures under BEPS. The Singapore government has also stated that it is committed to implementing the four main standards of BEPS: countering harmful tax practices, preventing treaty abuse, transfer pricing, and dispute resolution.

To find out more about fund structures in Singapore, contact:

David Kim

Chief Commercial Officer, Asia

E david.kim@iqeq.com
T +65 6955 1668

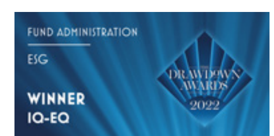
Professional service.
Personal touch.

IQ-EQ is a leading investor services group that combines global expertise with an unwavering focus on client service delivery.

With a team of 4300+ people operating across 24 jurisdictions, we support fund managers, global companies, family offices and private clients operating worldwide – including 11 of the top 15 private equity firms.

Our global team of fund professionals provides services for open and closed-ended fund structures, combining their technical understanding of alternative funds with a proven track record in private equity, venture capital, real estate, hedge, debt and credit across multiple jurisdictions. As a third party AIFM, we provide integrated AIFM services for (EU and Non-EU) alternative fund managers. We also have a dynamic digital assets fund team with experience of digital currencies, block chain and distributed ledger technology.

Our people bring the know how and the know you. We are IQ-EQ.



Key facts and figures

People worldwide

4300+

Worldwide locations

24

Assets under administration

$750+bn

Funds under administration

800

Supporting top PE firms*

11/15

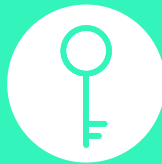
Minimum senior team experience

20yrs

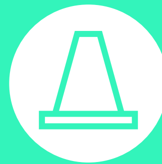
Our expertise

Private Equity & Venture Capital

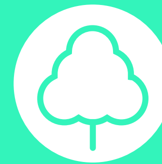
Real Estate



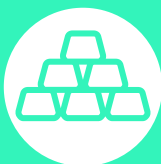
Energy & Infrastructure



Hedge Funds

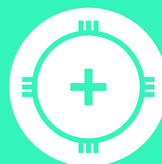


Long-only / Mutual Funds

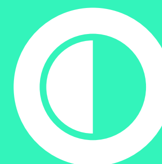


Debt / Credit

Digital Assets



Hybrid Funds



* Private Equity International – PEI300 survey

Sources

Bermuda

- Bermuda Monetary Authority (BMA) (Website: https://www.bma.bm/)

Cayman Islands

- Cayman Islands Monetary Authority (Website: https://www.cima.ky/)

USA

- Preqin Special Report on Hedge Funds in the US released in July 2019 (Website: https://docs.preqin.com/reports/Preqin-Special-Report-Hedge-Funds-in-the-US-July-2018.pdf)
- The International Comparative Legal Guides (ICLG) to: Alternative Investment Funds released in August 2019 (Website: https://iclg.com/practice-areas/alternative-investment-funds-laws-and-regulations/usa)

France

- Autorité des marchés financiers (Website: https://www.amf-france.org/en_US/)

Guernsey

- Guernsey Financial Services Commission (GFSC) (Website: https://www.gfsc.gg/)
- We are Guernsey (Guernsey Finance) (Website: https://www.weareguernsey.com/)

Ireland

- Central Bank of Ireland (CBI) (Website: https://www.centralbank.ie/)
- EFAMA International Statistical Release for Q2 2019 released in September 2019
- New Financial (City of London Think Tank) (Website: https://newfinancial.org/)

Jersey

- Jersey Finance (Website: https://www.jerseyfinance.je/)
- Jersey Financial Services Commission (Website: https://www.jerseyfsc.org/)

Luxembourg

- Association of the Luxembourg Fund Industry (ALFI) (Website: https://www.alfi.lu/)
- Commission de Surveillance du Secteur Financier (CSSF) Circular 18/698 released in August 2018

The Netherlands

- Organisation for Economic Co-operation and Development (OECD) Report titled 'Pension Funds in Figures' released in May 2019 (Website: https://www.oecd.org/daf/fin/private-pensions/Pension-Funds-in-Figures-2019.pdf)

UK

- The UK's Investment Association Report titled 'Asset Management in the UK 2017-18' released in September 2018 (Website: https://www.theia.org/sites/default/files/press-releases/document/20180913-fullsummary.pdf.pdf)
- The International Comparative Legal Guides (ICLG) to: Alternative Investment Funds released in August 2019 (Website: https://iclg.com/practice-areas/alternative-investment-funds-laws-and-regulations/united-kingdom
- EFAMA (Website: https://www.efama.org/SitePages/Home.aspx)

Mauritius

- Financial Services Commission (Website: https://www.fscmauritius.org/en)
- Ministry of Finance and Economic Development of Mauritius (Website: http://mof.govmu.org/English/Pages/default.aspx)
- The International Monetary Fund Country Report No. 17/363 released in December 2017 (Website: file:///C:/Users/IFI/Downloads/cr17363%20(1).pdf)
- The World Bank Doing Business Report 2020 (Website: https://openknowledge.worldbank.org/bitstream/handle/10986/32436/9781464814402.pdf)

South Africa

- Association for Savings and Investment for South Africa (ASISA) (Website: https://www.asisa.org.za/)

Novare Hedge Fund Survey 2018 of December 2018 as referenced by Thomson Reuters' Practical Law (Website: https://a.uk.practicallaw.thomsonreuters.com/w-016-4764)

Japan

- Financial Services Agency (FSA) of Japan's Report 'Results of Monitoring of Funds' of November 2017 as referenced by Thomson Reuters' Practical Law
- The International Comparative Legal Guides (ICLG) to: Alternative Investment Funds released in August 2019 (Website: https://iclg.com/practice-areas/alternative-investment-funds-laws-and-regulations/japan)
- JP Morgan Asset Management's 12th annual survey of Japanese corporate defined benefit plans released in August 2019
- The Financial Times' article titled 'Japanese pension funds put record amounts into alternatives' by Chris Flood published in August 2019 (Website: https://www.ft.com/content/802cbaf6-11c6-3152-b137-f2d58995b274)
- PwC's Report on BEPS titled 'Changes in the Japanese Tax Laws following the OECD BEPS Project – The 2015 Tax Reform Proposal' released in February 2015 (Website: https://www.pwc.com/jp/en/taxnews-beps/assets/beps-news-issue-18-en.pdf)

Singapore

- Monetary Authority of Singapore (MAS) (Website: https://www.mas.gov.sg/)
- PwC's fund jurisdiction comparison tool referenced with focus on Singapore (Website: http://www.fundjurisdictions.com/fund-domicile/singapore)

Jurisdictional maps by freevectormaps.com

Abbreviations

- AIF (Alternative Investment Fund)
- AIFM (Alternative Investment Fund Manager)
- AIFMD (Alternative Investment Fund Managers Directive)
- ALFI (Association of the Luxembourg Fund Industry)
- AMF (Autorité des marchés financiers)
- ASEAN (Association of Southeast Asian Nations)
- ASISA (Association for Savings and Investment for South Africa)
- ATAD (Anti-Tax Avoidance Directive)
- AUM (Assets Under Management)
- AFM (Autoriteit Financiële Markten)
- BEPS (Base Erosion and Profit Shifting)
- BMA (Bermuda Monetary Authority)
- BRI (Belt and Road Initiative)
- BV (Besloten Vennootschap)
- Cayman (The Cayman Islands)
- CbC MCAA (Multicultural Competent Authority Agreement for the automatic exchange of Country-by-Country)
- CbCR (Country-by-Country Reporting)
- CBI (Central Bank of Ireland)
- CEF (Closed-End Fund)
- CFTC (Commodity Futures Trading Commission)
- CIF Law (Collective Investment Fund (Jersey) Law 1988)
- CIGA (Core Income Generating Activities)
- CIMA (Cayman Islands Monetary Authority)
- CIS (Collective Investment Scheme)
- CISCA (Collective Investment Schemes Control Act)
- CIV (Collective Investment Vehicles)
- Coop (Cooperation)
- CRS (Common Reporting Standard)
- CSSF (Commission de Surveillance du Secteur Financier)
- CV (Commanditaire Vennootschap)
- DIF (Domestic Investment Fund)
- DNB (De Nederlandsche Bank)
- DP (Discussion Paper)
- EFAMA (European Fund and Asset Management Association)
- ELP (Exempted limited partnership)
- ELTIF (The European Long-Term Investment Fund)
- ENCP (En Commandite Partnership)
- ETF (Exchange-Traded Fund)
- EU (European Union)
- EU Savings Directive (European Union Directive on Taxation of Savings Income)
- FCA (Financial Conduct Authority)
- FCP (Fonds Commun de Placement)
- FGR (Fonds Voor Gemene Rekening)
- FHTP (Forum on Harmful Tax Practices)
- FIF (Foreign Investment Fund)
- FINRA (Financial Industry Regulatory Authority)
- FPCI (Fonds Professionnels de Capital Investissement)
- FPS (Fonds Professionel Spécialisé)
- FSA (Financial Services Agency of Japan)
- FSC (Financial Services Commission)
- GFSC (Guernsey Financial Services Commission)
- GP (General Partner)
- GPIF (Government Pension Investment Fund)
- IA (Investment Association)
- ICAV (Irish Collective Asset-Management Vehicle)
- ICC (Incorporated Cell Company)
- ICLG (International Comparative Legal Guides)
- IFA (Investment Funds Act)
- ITICA (Investment Trusts and Investment Corporations Act)
- JFSC (Jersey Financial Services Commission)
- JPF (Jersey Private Fund)
- J-REIT (Japanese Real Estate Trust)
- LLC (limited liability companies)
- LP (Limited Partnership)
- ManCo (Management Company)
- MAS (Monetary Authority of Singapore)
- MCAA (Multilateral Competent Authority Agreement)
- MLI (Multilateral Instrument)
- NPPRs (National Private Placement Regimes)
- NAV (Net Asset Value)
- NCAs (National Competent Authorities)
- NV (Naamloze Venootschap)

- NVP (Nederlandse Vereniging van Participatiemaatschappijen)
- OCIF Guide (Open-ended Collective Investment Fund Guide)
- OECD (Organisation for Economic Cooperation and Development)
- OEIC (Open-Ended Investment Company)
- OFC (Open-Ended Fund Company)
- PCC (Protected Cell Company)
- PCI (Professionnels de Capital Investissement)
- PE (Private Equity)
- PFLP (Private Fund limited partnership)
- PIF (Private Investment Fund)
- POI (Protection of Investors)
- QIAIF (Qualifying Investor Alternative Investment Fund)
- QIF (Qualifying Investor Fund)
- RAIF (Reserved Alternative Investment Fund)
- REIFs (Real Estate Investment Funds)
- REIT (Real Estate Investment Trust)
- SCS (Société en Commandite Spéciale)
- SEC (Securities and Exchange Commission)
- SFC (Securities and Futures Commission)
- SFO (Securities and Futures Ordinance)
- SICAF (Société d'Investissement à Capital Fixe)
- SICAR (Société d'Investissement en Capital à Risque)
- SICAV (Société d'Investissement à Capital Variable)
- SIF (Specialised Investment Fund)
- SLP (Société de Libre Partenariat)
- SOG (Statement of Guidance)
- SOPARFI (Société de Participations Financières)
- SPE (Special Purpose Entity)
- TISE (The International Stock Exchange)
- UCITS (Undertakings for Collective Investment in Transferable Securities)
- UFE (Unified Profits Tax Exemption)
- UK (United Kingdom)
- US (United States)
- VAT (Value-Added Tax)
- VC (Venture Capital)
- VCC (Variable Capital Company)

IQEQ

Know how Know you

This report was commissioned by IQ-EQ group of companies from IFI Global Ltd. Other than where indicated on page 54 and 55 of the report, the source for all information provided is independent research conducted by IFI Global Ltd for and on behalf of IQ-EQ. All currency amounts referenced in the report have been converted to USD using the Morningstar exchange rate of 3 November 2019. The information contained in this approach is based on the laws of the various jurisdictions as at 16 December 2019. While we have made every attempt to ensure that the information contained in this site has been obtained from reliable sources, IQ-EQ is not responsible for any errors or omissions, or for the results obtained from the use of this information. All information in this report is provided "as is", with no guarantee of completeness, accuracy, timeliness or of the results obtained from the use of this information, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. Nothing herein shall to any extent substitute for the independent investigations and the sound technical and business judgment of the reader. In no event will IQ-EQ, IFI Global Ltd or their respective officers, employees or agents, be liable to you or anyone else for any decision made or action taken in reliance on the information in this report or for any consequential, special or similar damages, even if advised of the possibility of such damages. This report is provided for information purposes only and does not constitute legal, tax, investment, regulatory, accounting or other professional advice. For more information on the legal and regulatory status of IQ-EQ companies please visit www.iqeq.com/legal-and-compliance

Find out more at
www.iqeq.com/funds

Reference: SNDE483_26102022_1

© IQ-EQ 2022