

## **Fund Redomiciliations to Ireland: Unit Trusts**

A number of Unit Trusts have recently redomiciled to Ireland from off-shore centres. Following this, the Central Bank is preparing a new process to facilitate the redomiciliation of non-corporate funds. This process is in addition to the specific legislation permitting corporate funds to re-domicile to Ireland, which became operational in September of this year.

## **Re-cap on New Law Facilitating Redomiciliation of Corporate Funds**

New company law enhancements contained in the Companies (Miscellaneous Provisions) Act 2009 (the "2009 Act") introduced a straightforward procedure to re-domicile corporate funds to Ireland.

These procedures became effective on 7 September 2010 and pursuant to this, corporate funds domiciled in any of Bermuda, the British Virgin Islands, the Cayman Islands, Guernsey, the Isle of Man and Jersey can now redomicile to Ireland.

In the past, due to the absence of specific re-domiciliation provisions under Irish company law, a re-domiciliation to Ireland would typically have been effected by establishing a new fund structure in Ireland, transferring the assets of the existing fund to the new Irish fund and ultimately winding up the "shell" of the original fund. While this did enable continuity, the Irish entity was effectively a new structure.

Under the new regime, a fund can migrate directly to Ireland retaining its corporate identity, track record (provided no significant change to investment policy or fee structure occurs) and existing contractual arrangements. Furthermore, a more streamlined process of document registration has been introduced, resulting in a new single-filing registration process at the Irish Companies Registration Office (the "CRO"). It should be noted that an Irish domiciled fund must be authorised by the Central Bank, a process which will occur simultaneously with registration at the CRO and a new filing procedure is currently being finalised by the Central Bank in this regard to facilitate this. [Click here](#) for further information regarding corporate re-domiciliations.

## **Redomiciliation of Unit Trusts**

The legislative provisions in the 2009 Act, discussed above, only apply to corporate vehicles. However, the primary underlying rationale for the redomiciliation of corporate vehicles into Ireland, the desire for a more regulated fund structure, is equally applicable to non-corporate funds and there has recently been a surge of interest in the redomiciliation of such structures.

Non-corporate funds can effect a redomiciliation in accordance with common law principles. The Central Bank, which recently approved the authorisation of two such non-corporate redomiciliations, is currently preparing a new process to facilitate the redomiciliation of non-corporate funds.

This process will introduce a clear regulatory framework to enhance the efficiency of the process to redomicile unregulated non-corporate funds to Ireland and will facilitate them in taking advantage of the following features of such a move:

- the foreign investment fund will operate by continuation in Ireland, allowing the existing identity of the migrating fund to be retained;
- there is no tax inefficient transfer of assets between funds; and
- the fund retains its existing contractual arrangements, its track record and its listing history.

It can be noted that the redomiciliation of non-corporate funds is not confined to the countries listed above, which are specified in the 2009 Act.

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