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A Guide to UCITS in Ireland



JANUARY 2012



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Founded on the principles of close client/lawyer relationships, Mason Hayes & Curran is well known for its straight-talking and solution-driven approach to business which has seen it build a first-class reputation with clients. We are particularly focused on understanding clients' requirements and fulfilling their expectations by delivering the most pragmatic business oriented solutions while closely aligning with the market's changing needs.

This approach has seen Mason Hayes & Curran build a leading business law practice in a diverse range of areas, establish a strong international presence and become the preferred legal service provider of many multi-nationals operating in Ireland.

Overview of UCITS in Ireland

Over the last 20 years, Ireland has earned a reputation as a leading jurisdiction for regulated investment funds including UCITS. Currently over US\$1.4 trillion in fund assets are domiciled in Ireland while the Irish fund industry services close to US\$2.75 trillion in assets.

Ireland's growth as a domicile and servicing centre for investment funds is attributed to the successful establishment in 1987 of the International Financial Services Centre ("IFSC") in Dublin and the subsequent implementation of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations in 1989 (S.I. No. 78 of 1989) (the "1989 UCITS Regulations"). Ireland is now recognised as a centre of excellence for investment funds generally and in particular in relation to the domiciliation, management and administration of UCITS. Approximately 62% of the almost 5,000 funds (including sub-funds) domiciled in Ireland are UCITS and these funds hold over US\$1.42 trillion in assets, or 75% of the total of all fund assets held in Irish domiciled funds.

Irish funds are now distributed in over 70 countries. The attraction of Ireland as a domicile for investment funds is based on a unique combination of the Irish legal and regulatory system, the specialist skills and expertise of its workforce, the country's pro-business approach, infrastructure, competitive tax environment and government support. These advantages also pertain to UCITS and the firms providing services to them.

In addition, the willingness of the Irish regulatory authority, the Central Bank of Ireland (the "Central Bank"), to implement timely authorisation processes and to adapt and develop its regulation to keep pace with developments in the investment funds industry both in its interpretation of the UCITS framework and

more generally has contributed hugely to Ireland's success. As a result, the investment funds industry in Ireland has developed rapidly, with more than 12,000 people now directly employed in investment funds related activities.

Over 40% of global alternative investment funds are serviced in Ireland, which has fostered an expertise in administering hedge funds but also familiarity with the sophisticated risk strategies which UCITS are now permitted to use.

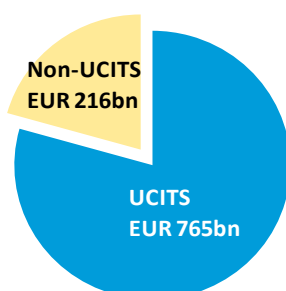
Almost all of the world's major fund service providers, including custodian banks, have a presence in Ireland, ensuring a competitive market and the broadest range of service offerings. Another recent trend has seen the regionalisation of the financial services industry, with major participants establishing additional fund servicing operations outside Dublin. These companies have thus harnessed a larger workforce and lower operating costs - facilitating competition between Ireland and other newer jurisdictions now offering UCITS products.

Ireland is currently ranked in the top ten places in the world in which to do business by the World Bank and Ireland is consistently highly rated in the world's "best places to do business".

To summarise, Ireland presents the international investment funds industry with an unparalleled set of attractions both as a domicile for UCITS and for the enterprises providing services to them.

This publication summarises the legal and regulatory structures under which UCITS may be established in Ireland. We also outline the procedure for authorisation, the primary legal and regulatory considerations applicable when establishing UCITS in Ireland and all relevant supplementary matters to be considered.

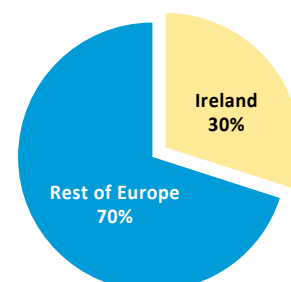
Irish Domiciled Funds – Breakdown in assets between UCITS & Non-UCITS



Source : Central Bank of Ireland, October 2011

Ireland as a Domicile for Cross-Border Funds

*Ireland's Percentage of European Cross-Border Fund Assets**



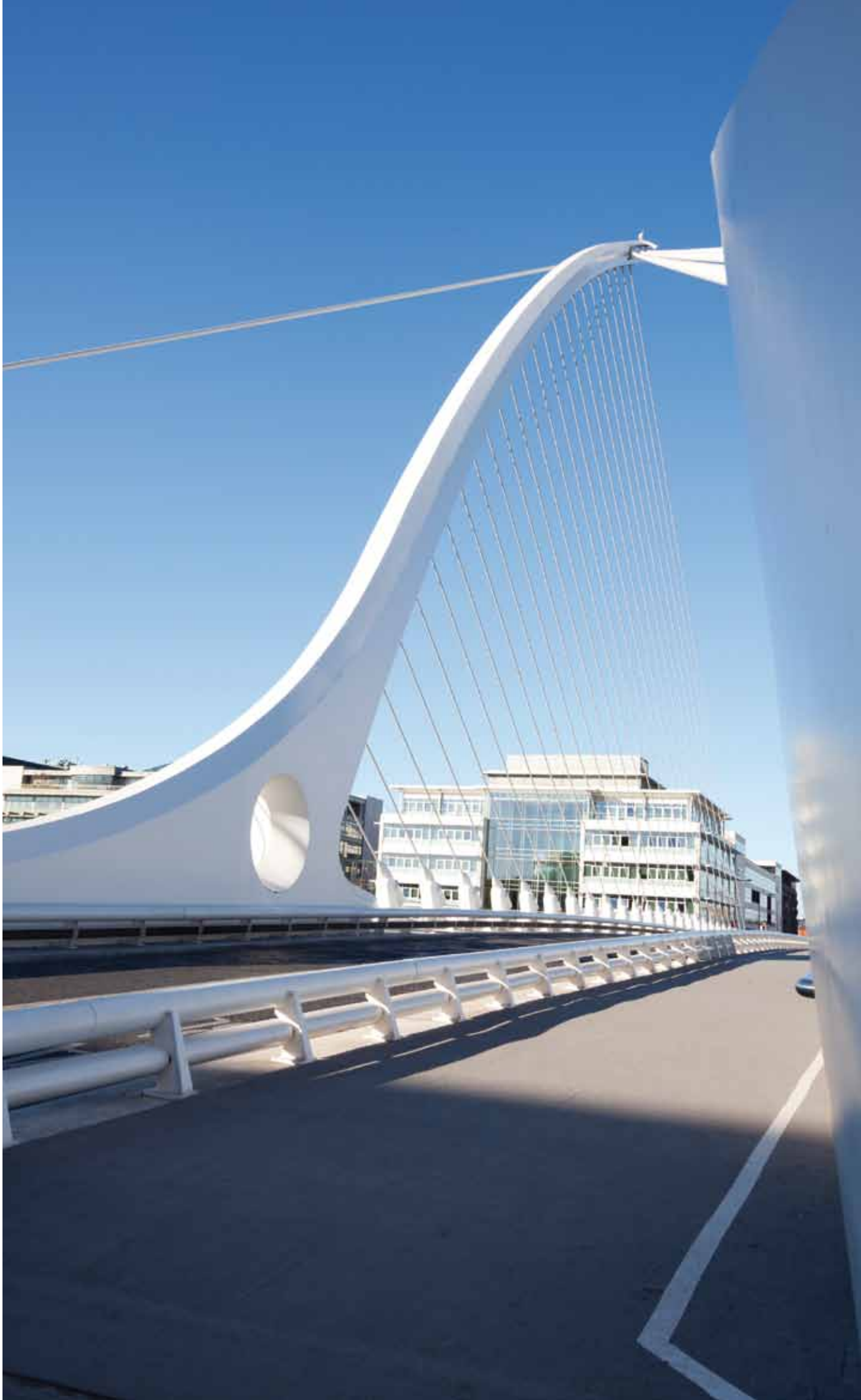
A Cross-Border Fund is defined as one which sources less than 80% of its assets from a single market

Source: Lipper FMI, based on December 2009 Data



Contents

1.	UCITS - GENERAL OVERVIEW	7
2.	PERMITTED INVESTMENTS AND APPLICABLE RESTRICTIONS	11
3.	CERTAIN SPECIALIST FUND TYPES	22
4.	LEGAL STRUCTURES OF UCITS	24
5.	AUTHORISATION PROCEDURE	27
6.	FUNDS RE-DOMICILING TO IRELAND AS UCITS	31
7.	MANAGEMENT COMPANIES	32
8.	TAXATION	35
9.	CONTINUING OBLIGATIONS	37
10.	DISTRIBUTION OF UCITS	38
11.	LISTING ON THE IRISH STOCK EXCHANGE	40
12.	APPENDIX	42
13.	MASON HAYES & CURRAN'S INVESTMENT FUNDS PRACTICE	46
	CONTACTS	47



1.

UCITS - General Overview

1.1 Introduction

In Ireland, each regulated collective investment scheme (a “fund”) is authorised as either a UCITS or a non-UCITS. The essential difference between the two regulatory frameworks is that UCITS funds are authorised pursuant to European legislation as implemented in Ireland and, once authorised in Ireland, can be marketed cross-border throughout the EU (and increasingly in regions such as the Far East, the Middle East and Latin America) without the need for further authorisation in the target countries. non-UCITS funds are, on the other hand, authorised under indigenous Irish legislation and as such cannot currently avail of the right to “passport” to other countries, but do not need to conform to the restrictions applicable to UCITS (it can be noted that Irish non-UCITS will potentially be able to take advantage of the new passport for alternative funds under the Alternative Investment Managers Directive from 2013).

This guide deals with UCITS only. Further details relating to non-UCITS Irish funds, including Qualifying Investor Funds (“QIFs”), are set out in our separate guide “Investment Funds in Ireland”.

1.2 Legal Framework for UCITS

UCITS are currently established in Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations (S.I. 352/2011), (the “UCITS Regulations”). This legislation implemented “UCITS IV” in Ireland.

The Central Bank is the statutory regulator of all investment funds in Ireland including UCITS. Its duties include the approval of international promoters and investment managers and the authorisation and ongoing supervision of Irish investment funds, including UCITS, and the Irish investment business firms servicing these.

The Central Bank issues UCITS Notices and Guidance Notes (collectively the “UCITS Notices”) which deal with various aspects of fund regulation and clarify its approach to, and interpretation of, aspects of the UCITS Regulations. Accordingly, UCITS and their service providers are also authorised and regulated by the Central Bank in accordance with the requirements set out in the UCITS Notices as well as the UCITS Regulations.

Copies of the UCITS Notices are available on the Central Bank’s website: www.centralbank.ie

1.3 General Overview

A UCITS, or “Undertaking for Collective Investment in Transferable Securities”, may be established in Ireland in any of the following legal forms:

- an open-ended investment company with variable capital;
- an open-ended unit trust; or
- an open-ended common contractual fund (“CCF”).

UCITS are regarded as the most highly-regulated funds because of the necessity to comply with a common European standard. UCITS operate on the basis of their potential for availability to the retail investor (although most are, in fact, targeted at institutional investors) and their investment and borrowing restrictions are generally not negotiable. These restrictions are aimed at ensuring an acceptable level of liquidity and risk diversification while limiting leverage.

In general terms, the basic investment requirement for UCITS is that at least 90% of its net asset value (“NAV”) must be invested in (i) transferable securities and money market instruments which are either listed on a stock exchange or which are dealt on a market which is regulated, operating regularly, recognised and open to the public; (ii) recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year; (iii) money market instruments, other than those dealt in on a regulated market; (iv) units of UCITS; (v) units of non-UCITS Collective Investment Schemes (“CIS”); (vi) deposits with credit institutions; and (vii) financial derivative instruments. UCITS can have no more than a 10% exposure to any one issuer (subject to certain exceptions), with the total number of securities held in issuers in which a UCITS invests more than 5% not, in aggregate, exceeding 40% of NAV (this is referred to as the 5/10/40 rule).

Borrowings are restricted to 10% of NAV and may only be made on a temporary basis. A UCITS must be open-ended in nature. See 2.1 Overview of Investment Parameters for further details regarding permitted investments and the principal investment restrictions.

The principal advantage of a UCITS fund is that, once authorised in one EU Member State, it can, through a “passport” regime, be sold in other EU Member States (subject to a registration process in the other relevant Member States) without requiring further authorisation in that target Member State.

UCITS are also having an impact outside Europe. The UCITS brand is now globally recognised and due to its reputation as a regulated product with a strong emphasis on investor protection, with robust risk management procedures, regulators in the Far East, the Middle East and in Latin America, for example, are comfortable to allow UCITS to be sold in their jurisdictions. This is critical for managers seeking global distribution opportunities. See 10. Distribution of UCITS for further details.

It is possible for a fund established as a non-UCITS to later convert to a UCITS. See 5.3 Conversion to UCITS for further details. This may be particularly useful for offshore or hedge fund managers who wish to initially enter the regulated onshore funds world by establishing a (non-UCITS) Qualifying Investor Fund, which is not subject to the same strict investment restrictions as a UCITS and then convert this at a later date when they are more comfortable with the regulated environment.

1.4 Development of UCITS

UCITS were first introduced in 1985 by Directive 85/611/EC of the EEC, which was subsequently implemented in Ireland by means of the 1989 UCITS Regulations. This regime achieved enormous success both in Ireland and elsewhere in Europe. However, with the passage of time and the introduction and popularisation of new techniques in financial engineering to the markets, aspects of this first framework (“UCITS I”) began to appear dated and in need of adaptation. Initial attempts to reform this regime in the early 1990s, known as UCITS II, faltered as the proposed changes were considered too ambitious at that time and it was not until the introduction in 2001 of Directive 2001/108/EC (generally known as the “Product Directive”) and Directive 2001/107/EC (generally known as the “Management Directive”) that substantive change was eventually introduced. The Product Directive and the Management Directive are generally collectively referred to as “UCITS III” and were implemented in Ireland by way of the

European Community (Undertakings for Collective Investment in Transferable Securities) Regulations (S.I. 212/2003) as amended.

The Product Directive significantly widened the range of investment possibilities for UCITS. Firstly, it introduced a definition of transferable securities for the first time, stating that the following qualify:

- shares in companies and other securities equivalent to shares in companies;
- bonds and other forms of debt instruments;
- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange (financial derivative instruments are excluded from this definition).

Secondly, it enabled a UCITS to invest in a range of other asset classes such as:

- money market instruments;
- units of other collective investment schemes;
- deposits with credit institutions;
- financial derivative instruments; and
- indices.

Subsequent amendments have been effected to the legislation initially passed in 2003, including: (i) in order to implement the “Eligible Assets Directive” (Directive 2007/16/EC as implemented in Ireland by S.I. 832 of 2007), which clarified the interpretation of the range of investments which UCITS are permitted to make; (ii) to permit the creation of UCITS common contractual funds; and (iii) to provide for segregated liability between cells in umbrella companies (the Investment Funds, Companies and Miscellaneous Provisions Act, 2005).

Due to uncertainty in the interpretation of the range of permitted investments between Member States, the Eligible Assets Directive was adopted in 2007 to set down criteria for assessing whether different types of financial instruments are eligible to be held as investments by UCITS. This measure, which was implemented in Ireland by S.I. No. 832 of 2007, helped to remove uncertainty as to whether UCITS can legitimately invest in financial instruments such as asset backed securities, listed closed-ended funds, Euro commercial paper, index based derivatives and credit derivatives.

Among the key clarifications set out in the Eligible Assets Directive is the fact that closed-ended funds and credit derivatives are

Investment Funds in Ireland

both regarded as transferable securities, subject to certain requirements. Financial indices, whether comprised of eligible or ineligible underlying assets, can be considered as eligible financial indices once they are sufficiently diversified, represent an adequate benchmark for the market to which they refer and are published in an appropriate manner. See 2.1 Overview of Investment Parameters for further details.

1.5 New Developments - UCITS IV

Having successfully addressed concerns with the UCITS product itself under UCITS III, the next challenge addressed was to improve the environment in which the product operates. Directive 2009/65/EC (generally known as “UCITS IV”) was adopted by the Council of the European Union in mid 2009 and is now in the process of being implemented in each Member State. Full implementation was required by 30 June 2011 and it came into force on 1 July 2011. It was implemented in Ireland on time by means of the “UCITS Regulations”.

The changes set out in UCITS IV are designed to ensure that investors receive appropriate information regarding each UCITS in a more accessible format than was previously the case and to

facilitate the industry in achieving cost savings and creating more efficient structures.

Accordingly, UCITS IV provides for the following key areas of change:

A. Key Investor Information Document (“KIID”)

UCITS IV aims to ensure that UCITS disclose relevant and meaningful information to investors by requiring the publication of key investor information in a short, concise document, the KIID.

The KIID is required to be short, focused, expressed in plain language, and presented in a way that enables comparisons to be easily made between different offerings. It must provide information regarding essential matters including the past performance of the UCITS, its costs and charges and its risk/reward profile. The KIID may be used without alteration (other than translation) in each Member State where the UCITS is sold. It is anticipated that the KIID will address the shortcomings identified in the (previously required) Simplified Prospectus.

UCITS authorised from July 2011 must produce a KIID but existing UCITS may continue to produce a simplified prospectus until 30 June 2012.

What strategies can be pursued?

Recent market difficulties have led to dramatic changes in investors’ appetite for risk. This revision of asset allocation strategies has resulted in an increased demand by investors for regulated products. More and more, this has led hedge fund managers to move into the regulated funds arena, either as a result of their investor base wishing to move away from unregulated hedge funds or as those managers seek to attract new money.

UCITS funds, in particular, are seen as the product of choice, due to their liquidity, transparency, high level of investor protection and distribution opportunities. Also, flexibility: the UCITS product enables hedge fund managers to replicate many of their hedge fund strategies through the use of an appropriate mix of leverage, shorting and derivatives.

UCITS III significantly widened the range of investment possibilities for UCITS funds. Of major significance is the ability of managers to use financial derivative instruments (“FDI”) to access strategies which were previously the preserve of hedge fund managers.

The opportunity to structure alternative investment strategies within the robust regulatory framework of a UCITS has been critical to the growth of the product. Examples of strategies that are being pursued by UCITS include:

- absolute return
- long/short equity (e.g. 130/30)
- statistical arbitrage
- convertible arbitrage
- global macro
- market neutral
- fixed income arbitrage
- convertible bond
- credit funds
- hedge fund index funds
- commodities index funds
- synthetic ETFs
- fund of funds
- enhanced fixed income
- structured products
- managed futures

Pooled investment via master-feeder structures is also now possible following the adoption of UCITS IV.

B. Notification Procedure

The cross-border passporting procedure for UCITS has been streamlined to transform it into a straightforward regulator-to-regulator filing.

The previous notification process was relatively time-consuming (2 month time period) and could be costly due to local requirements such as requirements for translations, local agents and compliance with marketing requirements. UCITS IV provided for the creation of a streamlined notification process for cross-border fund sales whereby the UCITS notifies its home regulator of its intention to sell in other Member States. The home state regulator reviews the notification documents and transmits these to the host state regulator with a confirmation that the UCITS fulfils its obligations under the amended Directive.

Under UCITS IV the marketing of a fund in host Member States is typically authorised within 10 working days. Where the Member State into which the UCITS wishes to sell has not yet implemented UCITS IV, it may be necessary to comply with pre-existing forms of registration.

C. Fund Mergers

UCITS IV has provided for pan-European mergers of UCITS, regardless of the legal structure used in constituting either of the merging entities. It outlines procedures and requirements for such fund mergers and competent authorities may only refuse merger applications if these have not been observed. This is intended to facilitate the consolidation of European fund products, enabling UCITS to benefit from greater economies of scale.

A decision on whether to approve the merger must be reached by the authorities of the merging UCITS within 20 working days.

D. Asset Pooling

UCITS IV introduced the ability to establish master-feeder structures, again facilitating increased economies of scale and lower operating costs.

Specific provisions include:

- the feeder fund is required to have at least 85% of its assets in a single master fund;
- the master UCITS may not be a feeder UCITS or invest into feeder UCITS; and
- the investment policy of the feeder UCITS must be approved by the competent authorities of the home Member State of the feeder UCITS.

E. Management Company Passport

UCITS IV has provided for a new form of EU passport whereby managers may manage UCITS domiciled in other EU Member States (the "Management Company Passport").

The Management Company Passport enables:

- fund management companies to manage funds (both corporate and contractual) domiciled in Member States other than the Member State in which the management company is established;
- fund managers to sell funds across the EU without having to establish a full suite of administrative functions for every jurisdiction; and
- economies of scale where existing fund management companies are consolidated.

1.6 Summary of the Evolution of UCITS

Following the initial success of the UCITS product, developments in financial engineering and the increasing popularity of new and alternative investment strategies began to render the applicable investment parameters as slightly dated over time. Having successfully addressed these concerns with the product itself under UCITS III, UCITS IV has improved the environment in which that product operates. Facilitating fund mergers, improving the framework for cross-border distribution and introducing the Management Company Passport are all intended to reduce cost, improve economies of scale and facilitate easier distribution.

UCITS IV was a further important step towards a single market in financial services. It is likely to transform the European asset management industry over the coming years, enabling managers to operate freely throughout the EU and facilitating a truly cross border fund distribution framework. It will also facilitate the creation of a more efficient and flexible European fund sector, with lower overall costs. This will, in turn enable the European fund sector to compete more effectively with the US where there are a much smaller number of equivalent funds with much greater asset values. Reducing the overall number of UCITS, through newly permitted fund mergers and master feeder structures, will increase the efficiency of the sector, which will ultimately be to the investors' advantage.

As such, these amendments are enhancing the strength of the UCITS product and confirming its position as the global brand of choice for regulated collective investment schemes.

2.

Permitted Investments & Applicable Restrictions

Investment Funds
in Ireland

2.1. Overview of Investment Parameters

In order to seek to ensure investor protection, UCITS are subject to specific investment restrictions – relating both to the types of investments which may be made and the extent of such investments.

Investments of a UCITS are generally confined to:

- (i) transferable securities and money market instruments which are either listed on a stock exchange or which are dealt on a market which is regulated, operating regularly, recognised and open to the public;
- (ii) recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- (iii) money market instruments, other than those dealt in on a regulated market;
- (iv) units of UCITS;
- (v) units of non-UCITS Collective Investment Schemes (“CIS”);
- (vi) deposits with credit institutions; and
- (vii) financial derivative instruments.

The applicable risk spreading rules mean that there are also limitations on the level and extent of investments that may be held in these permitted investments. See Appendix 1 for full details.

2.2. Transferable Securities

In accordance with the definition contained in the Product Directive, the following qualify as transferable securities:

- shares in companies and other securities equivalent to shares in companies;
- bonds and other forms of debt instruments; and
- other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.

This is subject to each such instruments meeting the following criteria (the “Criteria”), as set out in the Eligible Assets Directive:

- (a) the potential loss which the UCITS may incur with respect to holding such instruments is limited to the amount paid for them;
- (b) their liquidity does not compromise the ability of the UCITS to comply with its obligations to redeem units at the request of a unitholder;
- (c) reliable valuation is available for them as follows:
 - (i) in the case of securities admitted to or dealt in on a regulated market, in the form of accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - (ii) in the case of other securities, in the form of a valuation on a periodic basis which is derived from information from the issuer of the security or from competent investment research;
- (d) appropriate information is available for them as follows:
 - (i) in the case of securities admitted to or dealt in on a regulated market in the form of regular, accurate and comprehensive information to the market on the security or, where relevant, on the portfolio of the security;
 - (ii) in the case of other securities in the form of regular and accurate information to the UCITS on the security or, where relevant, on the portfolio of the security;
- (e) they are negotiable;
- (f) their acquisition is consistent with the investment objectives or the investment policy, or both, of the UCITS; and
- (g) their risks and their contribution to the overall risk profile of the portfolio are adequately captured by the risk management process of the UCITS which must be assessed on an on-going basis.

For the purposes of (b) and (e) above, unless there is contrary information available to the UCITS, financial instruments which are admitted to, or dealt in, on a regulated market will be presumed not to compromise the ability of the UCITS to effect redemptions and will also be presumed to be negotiable.

However, in relation to (b) above, where information is available to the UCITS that leads it to determine that a specific security could compromise its ability to meet redemptions, the UCITS must assess its liquidity risk. The following are examples of the matters a UCITS may need to consider when determining this:

- the volume and turnover in the security;
- if price is determined by supply and demand in the market, the issue size, the portion of the issue that the asset manager plans to buy and an evaluation of the opportunity and timeframe to buy or sell;
- where necessary, an independent analysis of bid and offer prices over a period of time as well as of the comparability of available prices, to indicate the relative liquidity and marketability of the instrument; and
- in assessing the quality of secondary market activity in a transferable security, analysis of the quality and number of intermediaries and market makers dealing in the transferable security concerned should be considered.

In the case of transferable securities which are not admitted to trading on a regulated market, neither liquidity nor negotiability can automatically be presumed and the UCITS will therefore need to assess the liquidity and negotiability of such securities.

If the security is assessed as insufficiently liquid to meet foreseeable redemption requests, the security may only be bought or held if there are sufficiently liquid securities in the portfolio so as to be able to meet the obligation to meet investor redemption requests.

2.2.1 Closed Ended Funds

Transferable securities also include units in closed-ended funds, constituted as investment companies, unit trusts or under the law of contract (e.g.: CCFs or Luxembourg domiciled Fonds Common De Placement), which fulfill the Criteria and meet the following conditions:

- (i) they are subject to corporate governance mechanisms applied to companies (or equivalent mechanisms);
- (ii) where asset management activity is carried out by another entity on behalf of the closed ended fund, that entity is subject to national regulation for the purpose of investor protection.

In assessing whether the corporate governance mechanisms for closed ended funds in contractual form are equivalent to investment companies, factors including unit holder rights, the scheme's liquidation rules and provisions regarding segregation of fund assets from those of the investment manager will be taken into consideration.

Investments in closed ended funds for the purposes of circumventing the investment limits set out in the UCITS Regulations are prohibited.

2.2.2 Structured Financial Instruments

In accordance with the provisions of the Eligible Assets Directive, transferable securities include financial instruments which:

- (a) fulfill the Criteria; and
- (b) are backed by, or linked to the performance of, other assets; provided that where a financial instrument contains an embedded derivative component, the general requirements regarding use of derivatives apply to that component. See 2.6 Financial Derivative Instruments for further details regarding this requirement.

2.3 Money Market Instruments

Money market instruments are now specifically included in the list of permitted investments for UCITS. This term is defined as (i) instruments normally dealt in on the money market; (ii) which are liquid; and (iii) have a value which can be accurately determined at any time. Both listed and unlisted instruments can qualify, subject to the conditions set out below.

2.3.1 General Criteria

Money market instruments are those which fulfill one of the following criteria:

- (a) they have a maturity at issuance of up to and including 397 days;
- (b) they have a residual maturity of up to and including 397 days;
- (c) they undergo regular yield adjustments in line with money market conditions at least every 397 days; or

- (d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in subparagraphs (a) or (b), or are subject to a yield adjustment as referred to in subparagraph (c).

2.3.2 Liquid

The reference to such instruments as being “liquid” means that they can be sold at limited cost in an adequately short timeframe, taking into account the obligation of the UCITS to repurchase or redeem its units at the request of any unit holder. In determining this, it is necessary to take into account factors at both the level of the instrument and the fund.

Relevant factors at the instrument level include:

- (i) frequency of trades and quotes for the instrument in question;
- (ii) number of dealers willing to purchase and sell the instrument, willingness of the dealers to make a market in the instrument in question, nature of marketplace trades (times needed to sell the instrument, method for soliciting offers and mechanics of transfer);
- (iii) size of issuance/program; and
- (iv) possibility to repurchase, redeem or sell the money market instrument in a short period (e.g. seven business days), at limited cost, in terms of low fees and bid/offer prices and with very short settlement delay.

Relevant factors at the fund level include:

- (i) unit holder structure and concentration of unit holders of the UCITS;
- (ii) purpose of funding of unit holders;
- (iii) quality of information on the fund’s cash flow patterns; and
- (iv) prospectuses’ guidelines on limiting withdrawals.

The fact that some of these conditions are not fulfilled does not automatically imply that the financial instruments should be considered as non-liquid. These elements must ensure that UCITS will have sufficient planning in the structuring of the portfolio and in forecasting cash flows in order to match anticipated cash flows with the selling of appropriately liquid instruments in the portfolio to meet those demands.

2.3.3 Accurate Valuation Possible

In order for money market instruments to be deemed to have a value which can be accurately determined at any time it is necessary to have accurate and reliable valuations systems available which:

- (a) enable the calculation of a NAV reflecting the value at which the instrument could be exchanged between knowledgeable willing parties in an arm’s length transaction; and
- (b) are based either on market data or on valuation models.

If the amortization method is used for valuations this must not result in a material discrepancy with the realizable value of the instrument.

The liquidity and valuation requirements can be presumed to be fulfilled in the case of financial instruments which are admitted to, or dealt in on, a regulated market unless there is information available that would lead to a different determination.

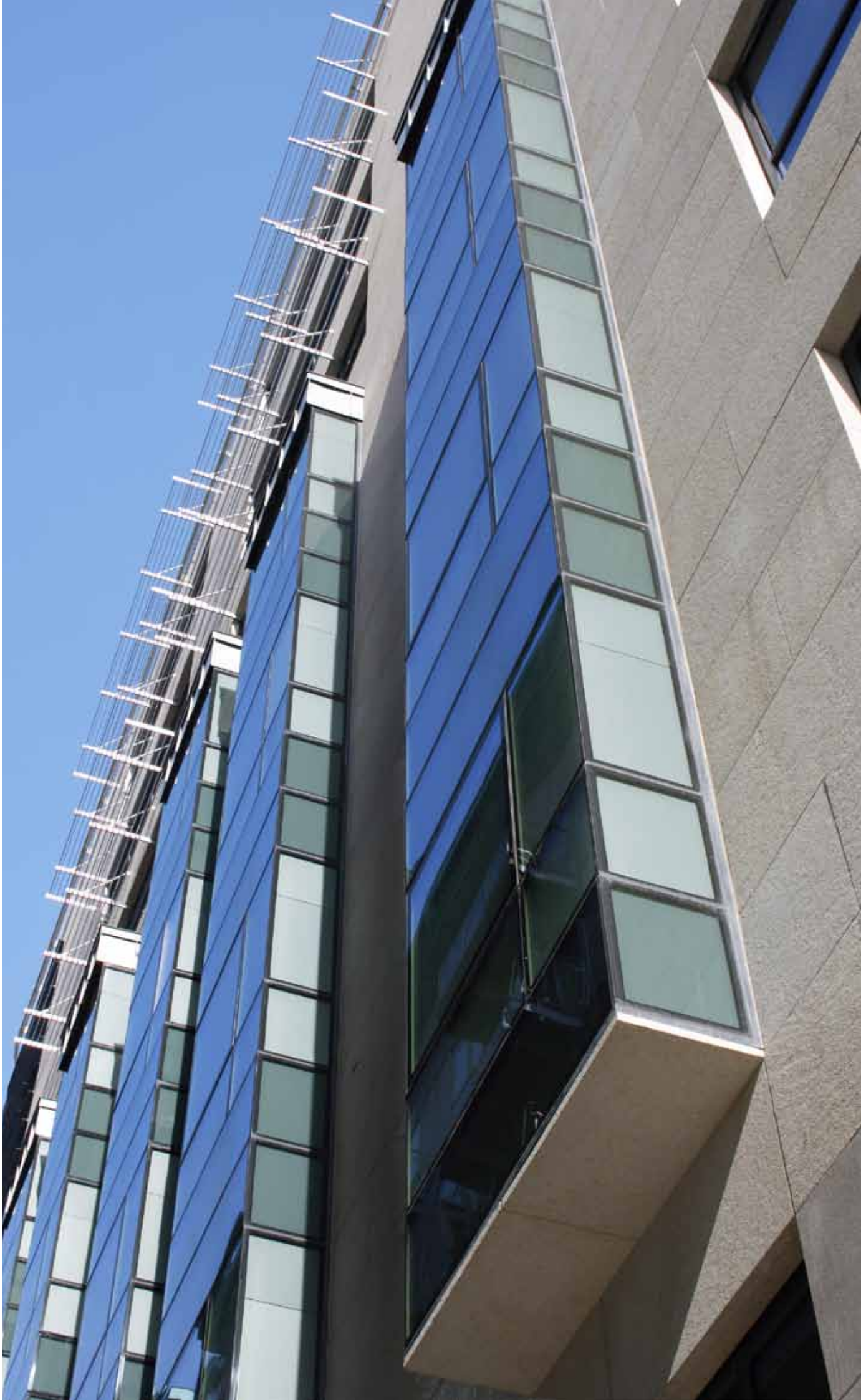
2.3.4 Off-market Instruments

Money market instruments, other than those dealt in on a regulated market, can constitute valid investments provided they meet the general requirements outlined above (and those regarding liquidity and valuations), are issued or guaranteed by an appropriate body (as discussed below), and:

- i) appropriate information is available for them; and
- ii) they are freely transferable.

In this context such “appropriate information” depends on the nature and legal status of the issuer of the instrument but includes:

- (a) information on both the issue or the issuance programme and the legal and financial situation of the issuer prior to the issue of the money market instrument;
- (b) updates of the information referred to above on an annual basis and whenever a significant event occurs;
- (c) verification of the above information by appropriately qualified third parties not subject to instructions from the issuer; and
- (d) available and reliable statistics on the issue or the issuance program or other data enabling an appropriate assessment of the credit risks related to the investment in such instruments.



The types of issuers whose securities of this type are deemed acceptable for investment by UCITS are set out in the legislation and include central, regional or local authorities of a Member State, the European Central Bank, the European Union or the European Investment Bank, Member State Central Banks, non-Member States or public international bodies to which one or more Member States belongs. Also included are those issued or guaranteed by an entity subject to prudential supervision, including entities that are:

- (a) located in the European Economic Area or the OECD countries belonging to the Group of Ten; or
- (b) have at least an investment grade rating; or
- (c) can be demonstrated to be subject to prudential rules at least as stringent as those laid down under EU legislation.

2.4 Open-ended CIS

Closed ended funds may be held subject to the conditions described in 2.1 Overview of Investment Parameters above. A UCITS may invest in CIS of the open-ended type if the CIS are UCITS (prohibited from investing more than 10% of NAV in other open-ended CIS) or non-UCITS, where such CIS is authorised as one of the types of non-UCITS CIS deemed acceptable or otherwise complies with the criteria set out below and subject to an overall limit of 30% of NAV being invested in non-UCITS.

The Central Bank permits investment by UCITS in the following categories of non-UCITS CIS:

1. schemes established in Guernsey and authorised as “Class A Schemes”;
2. schemes established in Jersey as “Recognised Funds”;
3. schemes established in the Isle of Man as “Authorised Schemes”;
4. non-UCITS retail CIS authorised by the Central Bank provided such CIS comply in all material respects with the provisions of the UCITS Notices; and
5. non-UCITS CIS authorised in a Member State of the European Economic Area (“EEA”), the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Notices.

In determining whether a CIS complies in “all material respects” with the UCITS Notices for these purposes, key consideration is given to the following factors:

- the existence of an independent trustee/custodian with similar duties and responsibilities in relation to both safekeeping and supervision;
- requirements for the spreading of investment risk including concentration limits, ownership restrictions, leverage and borrowing restrictions, etc.;
- availability of pricing information and reporting requirements;
- redemption facilities and frequency; and
- restrictions in relation to dealings by related parties.

Other jurisdictions and types of CIS may be considered by the Central Bank on the basis of submissions made for that purpose. It will be necessary for any such non-UCITS to also meet the requirements of the UCITS Regulations in order to be deemed acceptable. Specifically, non-UCITS CIS must be:

- collective investment undertakings within the meaning of the UCITS Regulations;
- authorised under laws which provide that they are subject to supervision considered by the Central Bank to be equivalent to UCITS;
- subject to a regulatory regime such that the level of protection for unit holders is equivalent to that provided for unit holders in a UCITS; and
- required to report on a half yearly and annual basis to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

The relevant considerations regarding other acceptable CIS are set out in the Central Bank’s Guidance Note 2/03. This provides that in assessing whether other types of CIS are acceptable, the Central Bank will have regard to:

- memoranda of understanding (bilateral or multilateral), membership of an international organisation of regulators, or other co-operative arrangements (such as an exchange of letters) to ensure satisfactory cooperation between the Central Bank and the competent authority of the CIS;

- the management company of the target CIS, whether its rules and its choice of trustee were approved by its regulator; and
- whether the CIS is authorised in an OECD jurisdiction.

The Central Bank will examine the following in particular when determining whether equivalence exists;

- rules guaranteeing the autonomy of the management of the CIS and management in the exclusive interest of the unit holders;
- the existence of an independent trustee/custodian with similar duties and responsibilities in relation to both safekeeping

and supervision. Where an independent trustee/custodian is not a requirement of local law as regards the CIS, robust governance structures may provide a suitable alternative;

- availability of pricing information and reporting requirements;
- redemption facilities and frequency;
- restrictions in relation to dealings by related parties;
- the extent of asset segregation; and
- the local requirements applicable to the CIS relating to borrowing, lending and uncovered sales of transferable securities and money market instruments.

It can be noted that the Central Bank has now entered into over 20 MOUs as illustrated by the table below:

COUNTRY	AUTHORITY	DATE SIGNED
Belgium	Banking and Finance Commission	July 1993
China	China Securities Regulatory Commission	October 2008
Czech Republic	Czech Securities Commission	December 2001
Denmark	Finanstilsynet	July 1994
Dubai	Dubai Financial Services Authority	July 2008
France	The Commission Bancaire and the Comite des Etablissements de Credit	August 1993
Germany	Bundesaufsichtsamt fur Das Kreditwesen	December 1993
Hong Kong	Securities and Futures Commission	November 1997
Isle of Man	Financial Supervision Committee	September 2001
Italy	Banca d'Italia	October 1999
Jersey	Jersey Financial Services Commission	April 2007
Luxembourg	Institut Monetaire Luxembourgeois	July 1996
Netherlands	De Nederlandsche Bank NV	July 1993
South Africa	South African Reserve Bank	July 2003
Switzerland	Federal Office of Private Insurance	February 2006
Taiwan	The Financial Supervisory Commission of Taiwan	June 2009
United Kingdom	Financial Services Authority	July 1998
United States of America	Commodity Futures Trading Commission	March 2004
United States of America	The Delaware Department of Insurance	November 2009

UCITS must confirm to the Central Bank that investments in non-UCITS CIS fall under the categories outlined above and the trustee/custodian is obliged to confirm that it has procedures in place to ensure this on an ongoing basis.

2.5 Deposits with Credit Institutions

A UCITS may invest in deposits provided that they are repayable on demand or have the right to be withdrawn, will mature in no more than 12 months and are made with a credit institution which falls under one of the following categories:

- (i) a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- (ii) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

(together the credit institutions in (i)-(iii) above being "Relevant Credit Institutions").

A UCITS may also hold ancillary liquid assets.

A UCITS may not invest more than 20% of NAV in deposits made with the same credit institution but deposits with any one credit institution (other than a Relevant Credit Institution), held as ancillary liquidity, must not exceed 10% of NAV. This limit may be raised to 20% in the case of deposits made with the trustee.

2.6 Financial Derivative Instruments

Providing UCITS with the ability to invest in Financial Derivative Instruments ("FDI") was one of the principal amendments to the UCITS investment restrictions effected by UCITS III.

Investments in and use of FDI must be in accordance with the UCITS' Risk Management Process (See 5.7 Risk Management for further details) and subject to this, UCITS may now invest in FDI where;

- (i) the relevant reference items or indices are appropriate;
- (ii) the FDI do not expose the UCITS to risks which it could not otherwise assume (e.g. gain exposure to an instrument/

issuer/currency to which the UCITS cannot have a direct exposure); and

- (iii) the FDI do not cause the UCITS to diverge from its investment objectives.

In order to satisfy (i) above the relevant reference items must consist of one or more of the following:

- eligible assets, i.e. transferable securities, money market instruments, other UCITS, or financial instruments having similar characteristics to these;
- financial indices;
- interest rates;
- foreign exchange rates; or
- currencies.

Additional requirements apply to financial derivative instruments used for efficient portfolio management, see 2.8 Efficient Portfolio Management Techniques and Instruments below for further information.

2.6.1 Financial Indices

Financial indices must generally fulfill the following criteria to be deemed appropriate for investment:

- (a) be sufficiently diversified;
- (b) represent an adequate benchmark for the market to which they refer; and
- (c) be published in an appropriate manner.

These criteria are further defined in the Notices and Guidance Note 2/07. Sufficient diversification in this context means:

- (a) that the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index; and
- (b) that the general UCITS diversification rules for indices are observed (i.e.: a maximum, subject to the foregoing, of 20% of NAV may be invested in one security, although up to 35% can be invested in a single issuer in exceptional circumstances).

An adequate benchmark means that the index (which should be subject to periodic revision to ensure continued relevance) measures the performance of a representative group of underlyings from the given market in a relevant and appropriate way. The underlying reference assets must be sufficiently liquid to allow users to replicate the index, if necessary.

Publication is deemed to be appropriate where material information on matters such as index calculation, rebalancing, methodologies, index changes or any operational difficulties (for example in providing timely or accurate information) is provided on a wide and timely basis. The publication process should rely on sound procedures to collect prices and to calculate and to subsequently publish the index value (including pricing procedures for components where a market price is not available). The Central Bank can be approached with a request to give prior approval to an index where it is not clear whether the proposed index meets these requirements set out above.

It should be noted that commodity focused derivatives remain prohibited to UCITS except to the extent that the assets concerned constitute eligible investments (e.g. they qualify as transferable securities). Indices based on financial derivative instruments (such as futures) on commodities which themselves are not eligible for direct investment by UCITS (such as wheat, for example) may be eligible for investment by UCITS provided that they comply with the Central Bank's requirements for such indices. In the past the Central Bank has, subject to conditions, even accepted single commodity indices (again, such as a wheat index, for example) in this regard.

2.6.2 Credit Derivatives

UCITS are permitted to invest in credit derivatives where:

- (i) they allow the transfer of the credit risk of a permitted investment (i.e. a transferable security, money market instrument, other UCITS or similar financial instrument), independently from the other risks associated with that asset;
- (ii) they do not result in the delivery or in the transfer of assets other than those which the UCITS is permitted to hold; and
- (iii) their risks are adequately captured by the risk management process of the UCITS.

2.6.3 OTC Derivatives

In general in order to be eligible for investment by UCITS, FDI must be dealt in on a market which is regulated, operating regularly, recognised, open to the public in a Member State or non-Member State and listed in the constitutional documents of the UCITS.

However, notwithstanding the above, UCITS may also invest in FDI dealt in over-the-counter ("OTC derivatives") provided that (i) the counterparty meets certain criteria (e.g.: it is a suitably authorised credit institution or investment firm or has a minimum credit rating of A2 or equivalent, or is deemed by the UCITS to have an implied rating of A2); (ii) risk exposure to the counterparty does not exceed the Central Bank's limits; and (iii) the counterparty values the transaction reliably and contracts to close out the transaction at any time at the request of the UCITS at fair value.

UCITS must ensure any OTC derivatives held are reliably valued on a daily basis. This requires obtaining a reliable estimate of fair value based on an up-to-date market value of the instrument, or, (if not available), a pricing model using an adequate recognised methodology. Valuations based on market quotations by the counterparty are not acceptable. Verification of such valuations must be carried out by an independent source.

2.6.4 Cover and Collateral Requirements

There are strict rules applicable to the global exposure a UCITS may assume through its dealing in FDI and also in relation to the collateral which may be accepted in conjunction with FDI and how this collateral may be treated.

A UCITS must ensure that its global exposure relating to FDI does not exceed its total NAV. Global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the position. A UCITS may not therefore be leveraged in excess of 100% of NAV.

A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a UCITS must be covered as follows:

- (a) in the case of FDI which automatically, or at the discretion of the UCITS, are cash settled, a UCITS must hold, at all times, liquid assets which are sufficient to cover the exposure;
- (b) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a UCITS. Alternatively a UCITS may cover the exposure with sufficient liquid assets where:

- the underlying assets consist of highly liquid fixed income securities; and/or
- the UCITS considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the RMP and details are provided in the prospectus.

2.7 Applicable Restrictions

In order to ensure diversification in the portfolio of a UCITS, specific limits and restrictions are imposed on the range, extent and concentration of investments which UCITS may make. These are set out in full in Appendix 1 but the table below provides an overview of the main restrictions and limits.

2.8 Efficient Portfolio Management Techniques and Instruments

In addition to the range of permitted investments outlined at 3.1 above, UCITS may also, in accordance with conditions imposed by the Central Bank and the UCITS Regulations, employ techniques and instruments relating to transferable securities and money market instruments which are used for the purpose of efficient portfolio management. The following criteria are used to assess the suitability of such techniques and instruments:

- (a) they must be economically appropriate and realised in a cost-effective way;
- (b) they must be entered into for one or more of the following specific aims:
 - (i) reduction of risk;
 - (ii) reduction of cost;
 - (iii) generation of additional capital or income (with a level of risk which is consistent with the risk profile of the UCITS and the applicable risk diversification rules);

What are the principal investment restrictions?

- a UCITS may invest no more than 10% of its NAV in one issuer, with the aggregate of all investments in excess of 5% not to exceed 40% of NAV. The 10% limit is raised to 25% for bonds issued by EU credit institutions that are subject to laws protecting bondholders. The aggregate of any such investments in excess of 5% may comprise up to 80% of the UCITS NAV.
- the limit of 10% above is further raised to 35% if the securities or instruments are issued or guaranteed by a government or its local authorities or by a public international body.
- a UCITS can invest up to 10% of its NAV in unlisted transferable securities and money market instruments.
- a UCITS can invest up to 20% of its NAV in any one CIS. Investment in non-UCITS CIS may not, in aggregate, exceed 30% of NAV.
- a UCITS can invest up to 20% of its NAV in deposits made with the same credit institution. This limit is raised to 20% for deposits made with the fund's custodian.
- the risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of NAV. This limit is raised to 10% in the case of credit institutions in the EEA or other specified countries.
- a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the net asset value of a UCITS:
 - investments in transferable securities or money market instruments;
 - deposits; and/or
 - counterparty risk exposures arising from OTC derivatives transactions.
- the Central Bank may authorise a UCITS to invest up to 100% of its NAV in different transferable securities and money market instruments issued or guaranteed by any government, local authority or public international body subject to certain conditions.

- (c) inherent risks must be adequately captured by the Risk Management Process of the UCITS, and
- (d) they must be compatible with the UCITS' declared investment objective and risk policy.

Repurchase and reverse repurchase agreements (“repo contracts”) and stock lending may also be effected provided this is in accordance with normal market practice and the Central Bank’s requirements. These requirements which include detailed provisions regarding the form of collateral (both cash and other assets) which may be accepted under such arrangements, how such collateral may be treated by the UCITS, acceptable counterparties and the termination provisions for any such contracts. For example, collateral obtained under a repo contract or stock lending arrangement must be liquid and in the form of one of the following:

- (i) cash;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by relevant institutions;
- (iv) bonds/commercial paper issued by relevant institutions or by non-bank issuers where the issue and issuer are rated A1 or equivalent;

- (v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions; or
- (vi) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

Repo contracts, stock borrowing and stock lending are not deemed to constitute borrowing or lending for the purposes of the UCITS investment restrictions.

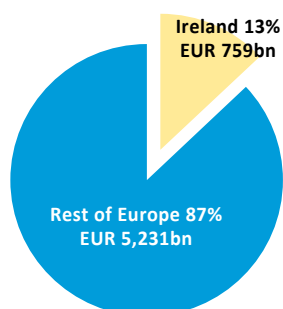
2.9 Risk Management

In addition to observing the applicable investment restrictions, a UCITS must employ a Risk Management Process (“RMP”) to monitor, measure and manage the risks attached to the positions and their contribution to the overall risk profile of the portfolio.

See 5.7 Risk Management for further details.

Ireland as a Domicile for UCITS

Total Assets of UCITS = Eur 5,990 Billion

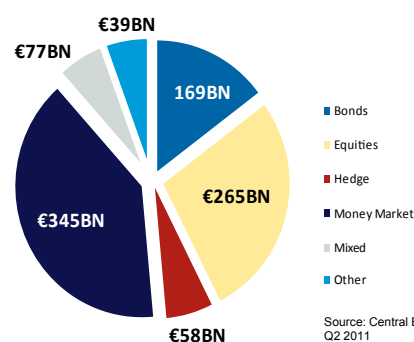


Between 2007 and 2010, Ireland increased its share of the UCITS market from 10% to 13%

Source: EFAMA, December 2010

Irish Domiciled Funds: Breakdown by Type

Eur Billion



Source: Central Bank of Ireland, Q2 2011



It is now possible for funds authorised as UCITS to pursue specific strategies that were previously confined to funds targeting institutional investors or high net worth individuals.

Examples of some of the types of funds that can now be established as Irish-domiciled UCITS due to the broader strategies now available (following UCITS III and IV) are included below:

- Hedge Funds
- Funds of Funds
- Money Market Funds
- Index Tracking Funds
- 130/30 funds
- Master-feeder Structures

3.1 Hedge Funds

Hedge funds are not defined, as such, under Irish law but are typically understood to refer to leveraged funds which appoint a prime broker and pursue alternative investment strategies. Following the adoption of UCITS III, many hedge fund managers sought to take advantage of the wider investment options available under UCITS to use derivatives for investment purposes (as detailed in 2.6 above) by restructuring their existing schemes as UCITS or launching new UCITS products to complement their existing products.

However, due to restrictions on UCITS appointing a prime broker as such (because of the re-hypothecial provisions typically provided for) and because hedge funds typically use more aggressive strategies than those that are available to UCITS funds, non-UCITS Qualifying Investor Funds continue to be popular structures for the establishment of hedge funds in Ireland.

It can be noted that where the use of derivatives forms a fundamental part of a UCITS investment objective, as would generally be the case for alternative investment managers, the UCITS will be required to measure its global exposure and leverage using an appropriate advanced risk measurement methodology (see 5.7 Risk Management for further information).

Uncovered short sales remain prohibited to UCITS.

3.2 Funds of Funds

UCITS are now specifically permitted to invest into other CIS (as detailed in 2.4 Open-ended CIS above), thereby creating the possibility of having fund of funds schemes authorised as UCITS.

In addition to the general rules regarding permitted investments of UCITS, when considering seeking a UCITS authorisation for a fund of funds, the following considerations are relevant:

- (i) investment in any one CIS may not exceed 20% of the NAV of a UCITS, although each sub-fund of an underlying umbrella fund may be regarded as a separate CIS for this purpose;
- (ii) where a UCITS invests in a linked CIS, subscription or redemption fees cannot be charged on such investments; and
- (iii) there are additional disclosure requirements applicable where more than 20% of NAV in aggregate is to be invested in other CIS. In particular:
 - the prospectus must disclose:
 1. the maximum level of management fees that may be charged to the UCITS and to the underlying CIS;
 2. the jurisdictions in which prospective CIS investments will be domiciled, and
 3. the types of CIS in which the UCITS will invest, including a description of their regulatory status.
 - the annual report must disclose information in relation to the management fees which have been charged to the UCITS and to the underlying CIS.

Furthermore, a sub-fund within an umbrella investment company may only invest in another sub-fund within the same umbrella where it provides disclosure in relation to such cross-investment.

3.3 Money Market Funds

Money Market Funds are defined by the European Central Bank (the "ECB") as:

**Investment Funds
in Ireland**

“those collective investment undertakings of which the units are, in terms of liquidity, close substitutions for deposits and which primarily invest

- in money market instruments, and/or
- in MMF shares/units, and/or
- in other transferable debt instruments with a residual maturity up to and including one year, and/or
- in bank deposits, and/or
- which pursue a rate of return that approaches the interest rates of money market instruments .”

Such funds are established as constant NAV funds and/or accumulating NAV funds with the main objective of preserving principal and maintaining liquidity and are obliged to comply with additional monthly and quarterly reporting requirements to the ECB (through the Central Bank).

UCITS are now specifically permitted to invest in money market instruments (see 2.3 Money Market Instruments above). However, in order for a fund to use the term “money market fund” in its title and to follow an amortised cost valuation methodology it is necessary for the fund to meet certain specific requirements, for example, to obtain an AAA rating from an internationally recognised rating agency and/or for its management to demonstrate appropriate expertise in the operation of such funds.

3.4 Index Tracking UCITS

Funds tracking specific indices are increasingly popular due to their transparency and typically lower management charges. To facilitate this market a number of specific exemptions from the general UCITS investment restrictions have been introduced for such funds.

In particular, where permitted by its constitutional documents, a UCITS may invest up to 20% of NAV in securities issued by the same body, rather than the usual 10%, where the investment policy of the UCITS is to replicate an index. Furthermore, this limit may be raised to 35% for a single issuer where this is justified by exceptional market conditions.

Financial indices must (as detailed in 2.6.1 Financial Indices) generally fulfill the following criteria to be deemed appropriate for investment:

- (a) be sufficiently diversified;
- (b) represent an adequate benchmark for the market to which they refer; and
- (c) be published in an appropriate manner.

3.5 130/30 Funds

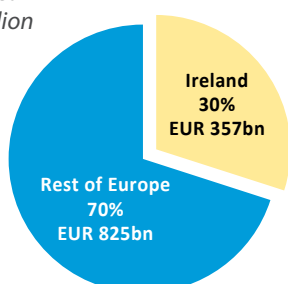
This is a strategy that involves shorting stocks up to 30% of NAV and then using these funds to take a corresponding long position elsewhere in the portfolio to leverage overall exposure and accordingly returns. This has proven to be a highly popular strategy for UCITS in recent years as it has been viewed as a means for traditional managers to emulate hedge funds in a controlled way or for investors to gain carefully limited exposure to alternative type products. While the 130/30 ratio has become something of an industry standard, other ratios such as 150/50 or 110/10 would also be possible.

It should be noted in pursuing such a strategy that the generally applicable prohibition on a UCITS taking physical short positions remains applicable and therefore the UCITS will need to carry out this policy through the use of synthetic shorts and efficient portfolio management techniques. Any such strategy will also need to be carried out in accordance with the RMP of the UCITS.

See 5.7 Risk Management for further details.

Ireland as a Domicile for European Money Market Funds

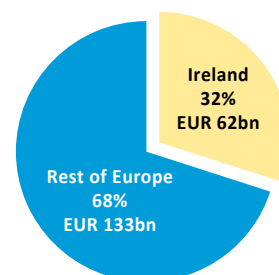
Total Assets of European MMFs = Eur 1,182 Billion



Source: EFAMA, December 2010

Ireland as a Domicile for European ETFs

Total Assets of European ETFs = Eur 195 Billion



Source: Blackrock ETF Landscape & IFIA, December 2010

4.

Legal Structures of UCITS

In accordance with the UCITS Regulations, UCITS may be structured in any of three different forms:

- (i) Variable Capital Investment Company;
- (ii) Unit Trust; or
- (iii) Common Contractual Fund.

Although from an administrative point of view each vehicle essentially functions in a similar way, with the value of its shares/units/participations fluctuating in line with the value of its underlying assets, each vehicle represents a distinct legal structure subject to different legal provisions.

4.1 Variable Capital Investment Company

The variable capital investment company (“VCC”) is an incorporated entity with its own legal capacity as provided for in its memorandum and articles of association. It has the capacity to enter into contracts and to sue and be sued. The day-to-day management and control is provided by a board of directors. The assets of a VCC are the property of the company in which the investors hold shares and those assets are held by a custodian.

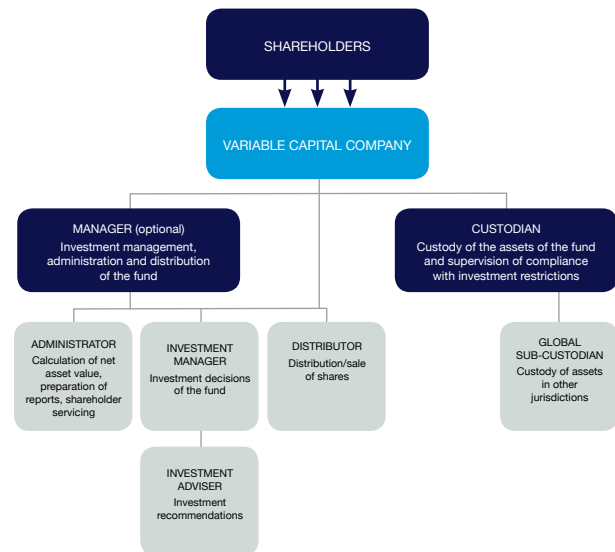
Where borrowings are to be incurred (as opposed to leverage through investment policies), they will be incurred by the VCC itself as borrower. The position on borrowings is, however, quite different for unit trusts, as explained below.

It is a requirement of Irish company law that each VCC must have a minimum of two directors. Furthermore, the Central Bank requires that a VCC must have at least two Irish resident directors. The membership of the board is usually decided upon by the promoter of the fund. The Central Bank must approve each director in advance to ensure they satisfy the Central Bank’s fitness and probity test.

A VCC which does not employ the services of a separate management company is required to have a minimum level of paid up share capital in place and must satisfy conditions similar to those set out below in 5. for management companies.

Provided the central management and control is exercised in Ireland, the fund can obtain a certificate of Irish tax residency from the Irish tax authorities. However, it must be remembered that access to Ireland’s double tax treaty network requires both counterparties’ approval. (See 8. Taxation for further details.)

Below is an example of the contractual structure of a UCITS established as a VCC, demonstrating the typical division of functions.



4.2 Unit Trust

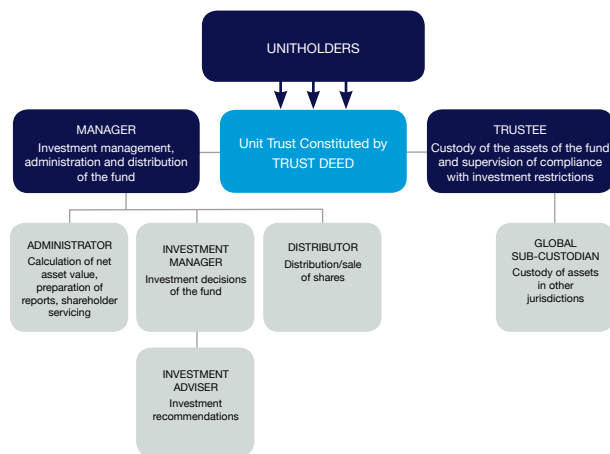
A unit trust is a contractual type of vehicle and is constituted by a trust deed entered into between the manager and the trustee. Both of these entities must be domiciled in Ireland. A unit trust does not have a separate legal existence, does not have the capacity to enter into contracts and cannot be sued.

The assets of a unit trust are held by its trustee (in its capacity as custodian) and are managed by a management company, which will, most often, delegate discretionary asset management to one or more investment managers. Contracts in relation to the management and administration of the unit trust are entered into by the manager, whereas the trustee will enter contracts in relation to the assets themselves such as bank deposits, security agreements etc. It is the manager and/or the trustee who may be sued in relation to the management, compliance or custody functions in relation to the unit trust.

Where a fund has been established as a unit trust, the Central Bank will require that the company acting as manager to the unit trust has a minimum of two Irish resident directors. Further conditions relating to management companies are set out below in 7. Management Companies.

**Investment Funds
in Ireland**

Below is an example of the contractual structure of a fund established as a unit trust, demonstrating the typical division of functions.



4.3 Common Contractual Fund

Irish law facilitates the establishment in Ireland of an internationally recognised pooled contractual investment structure as a UCITS fund, namely the common contractual fund (“CCF”). A CCF is an unincorporated body constituted under contract pursuant to the UCITS Regulations (in the case of a UCITS CCF) and does not have a separate legal personality.

Investors participate as co-owners of the assets of the fund, which is constituted by way of deed of constitution between the manager and the custodian.

Such vehicles are completely tax transparent, in that income and gains are treated as arising to each investor, as if the income never passed through the fund. The investors are treated for tax purposes as if they directly own a share of the underlying investments. CCFs may also avail of existing withholding tax exemptions available to other collective investment undertakings.

The CCF structure is seen as having a number of advantages over other fund structures:

- lower costs and obvious efficiencies associated with the pooling of assets under one fund structure
- wider risk spreading
- exemption from tax on income and gains
- no withholding taxes on distributions

CCFs are established within a similar framework to that used for unit trusts and investment companies. For example:

- where a CCF is established as an umbrella, the assets and liabilities of the various sub-funds can be segregated;
- the liability of participants is limited to their subscription amount; and
- the custodian has the same duties and responsibilities as with other fund types.

The assets of the CCF are held by the custodian in the usual way, but the assets are under the common ownership of the investors, as tenants in common. As it is an unincorporated body, it cannot assume liabilities. As with a unit trust (as described above), the manager and custodian enter the various agreements on behalf of the CCF.

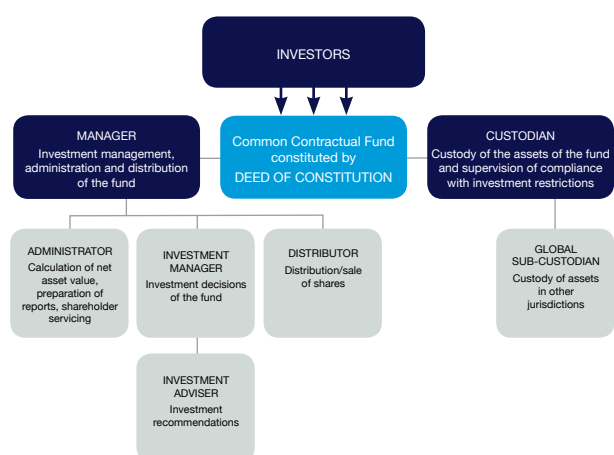
Among the conditions attaching to the tax transparency of a CCF, are those requiring the CCF to:

- distribute all income annually
- publish an annual breakdown of income by type and source
- not have a redemption charge
- not have meetings of unitholders
- not permit the transfer of holdings

The benefits to pension funds and institutional investors of investing in CCFs will depend on how the tax transparency of the CCF is viewed by tax authorities of the investor’s own jurisdiction.

It is also crucial that the tax authorities in the countries where the underlying investments are based take a similar view, so that the relevant double taxation agreement relief between those countries and the pension fund's or institutional investor's home jurisdiction will apply.

Below is an example of the contractual structure of a fund established as a CCF, demonstrating the typical division of functions.



4.4 Single or Umbrella Investment Fund?

Unit Trusts, VCCs and CCFs authorised as UCITS can each be structured as single stand-alone funds or as umbrella funds. In a single fund, investors subscribe for shares/units in the fund which has a single set of investment objectives and policies. Additional sub-funds cannot be incorporated into the structure at a later date. Single funds can, however, issue shares in one or more share classes which may provide, for example, for different fee levels, subscription amounts, currencies of denomination and/or distribution policies.

An umbrella fund is, essentially, one in which the fund structure accommodates one or more sub-funds each with a distinct investment strategy. An investor's investment is represented by shares/units in the specific sub-fund selected.

The principal rationale behind using an umbrella structure is to enable a variety of different products to be offered within one structure. The promoter also benefits from time and cost efficiencies by housing different portfolios within one legal structure, rather than establishing a separate legal structure for each product. Each sub-fund will hold a separate pool of assets and they can be structured as protected cells, thereby segregating the liabilities of the sub-funds from each other.

It is possible to establish an unlimited number of sub-funds within an umbrella scheme, starting at the outset with at least one sub-fund and then adding new sub-funds on an ongoing basis. Each sub-fund may also contain different classes of shares/units. Umbrella funds are probably now the most frequently used structures as UCITS platforms given the fact that they are highly cost effective and provide the flexibility to efficiently add further products at a later date.

Subject to certain disclosures and limits, it is now possible for one sub-fund of an umbrella fund to invest in other sub-funds of the same umbrella, regardless of the structure used.

5.

Authorisation Procedure

5.1 Promoter and Investment Manager Approval

When deciding to establish a UCITS in Ireland, one of the first things to be determined is the identity of the promoter. The Central Bank requires that a promoter be identified to satisfy it that there is an entity of substance backing the project. The promoter has no financial or contractual obligation to the fund but it is deemed to be the driving force behind it and the entity that initially determines its legal structure and investment policy.

Both the promoter and the investment manager (if different from the promoter) of the fund need to be approved by the Central Bank, in advance of submission of the application for fund authorisation. The promoter/investment manager application(s) will require information regarding their share capital, expertise, references, regulatory status (if any) and financial information. In the case of the promoter, the Central Bank will require confirmation that it has at least €635,000 in shareholders' funds.

The promoter approval process usually takes between three and five weeks, but, in some circumstances the Central Bank will permit the promoter approval to proceed in parallel with the fund's authorisation process, in particular if the promoter is regulated in an OECD member state. Once obtained, this approval is valid for any further funds established in Ireland. The Central Bank's objective in this process is to ensure that the promoter and investment manager are reputable and have the necessary experience.

It should be noted that where an entity wishes to act as both promoter and investment manager to a fund, the Central Bank does not require two approval applications. Once an entity has been approved to act as promoter, it does not require a second approval to act as investment manager/adviser, provided that the initial application encompasses both roles.

5.2 UCITS Fund Authorisation

An application for authorisation of an investment fund as a UCITS is made by making a series of filings of related documentation, in draft form, with the Central Bank:

1) Fund Documentation

- prospectus;
- custodian agreement, trust deed or deed of constitution (this will depend on the legal structure of the UCITS); and
- relevant Central Bank Application Forms and ancillary letters.

2) Risk Management Documentation

- Risk Management Process
- Ancillary documents

3) Management Company/SMIC Documentation (as appropriate)

- Business Plan
- Directors' Individual Questionnaires/Declarations
- Statement of Responsibility
- relevant Central Bank Application Forms and ancillary documents.

Additional details regarding these documents are included at 5.6 UCITS Documentation below. The Central Bank will usually respond with its initial comments within three weeks of receipt of an application. Comments issue on the documents submitted under each of (1) - (3) separately. Depending on the nature and complexity of a fund, a typical fund should be capable of authorisation within five weeks.

5.3 Conversion to UCITS

It is possible for a fund initially established as a non-UCITS to convert to a UCITS at a later date. It will be necessary for such a fund to complete the UCITS authorisation procedure (See 5.2 UCITS Fund Authorisation for further details). In addition, any such conversion will typically necessitate substantial amendments to the fund's documentation and may require some restructuring of the funds operations.

The offering memorandum and constitutional documents of the scheme will need to be adapted and the service provider agreements, in particular the custodian agreement, will need to be revised or replaced to ensure inclusion of the relevant requirements for UCITS. It will be necessary for a Business Plan and a Risk Management Process to be adopted.

In relation to restructuring, it should be noted in particular that a UCITS are restricted in appointing a prime broker and accordingly some restructuring of operations may be necessary prior to the conversion. Similarly the fund will need to ensure that its portfolio of investments come within the parameters of the investments permitted for UCITS and comply with the UCITS investment restrictions (See Appendix 1 for further details).

It may be deemed necessary to appoint a management company or third party consultancy service providers in order to ensure compliance with the relevant requirements regarding UCITS management (See 7. Management Companies for further details).

Apart from Irish authorised funds wishing to convert, foreign entities wishing to re-domicile to Ireland may also seek to combine the re-domiciliation process with a conversion to UCITS (See 6. Funds Re-domiciling to Ireland as UCITS for further details)

5.4 Directors

The Central Bank must satisfy itself as to the reputation and experience of all directors by applying its fitness and probity test. Appointments to the office of director of the management company or investment company must be approved in advance by the Central Bank. A minimum of two directors of the management company and the investment company must be Irish residents. The responsibilities of directors of UCITS are further examined at 7.1.2 Directors.

5.5 Service Providers

Where a fund appoints an Irish administrator, certain minimum activities must either be carried out in Ireland or in accordance with the Central Bank's requirements on outsourcing. Relevant activities include the following:

- NAV calculations;
- fund accounting;
- maintenance of members register;
- preparation of financial reports;
- retention of all investor correspondence and original documentation received; and
- retention of backup documentation underlying the books and records of a fund.

Irish domiciled funds are specifically required to have an Irish-based custodian which has been approved by the Central Bank. A substantial amount of the worlds leading financial institutions operating in the fund administration and custody industry are based in Ireland and thus the sourcing of appropriate service providers for Irish domiciled funds presents no difficulty.

The fund must also have auditors, who will also be Irish-based.

5.6 UCITS Documentation

The form and contents of the standard documentation for a UCITS, including the Prospectus (or Offering Memorandum), constitutional documents and service provider agreements, are closely regulated by the Central Bank. The UCITS authorisation process involves completion of a detailed checklist to confirm compliance with these requirements.

Furthermore, in addition to the standard documents for all Irish funds, in accordance with the requirements of the UCITS Regulations, and UCITS IV in particular, it is also necessary for additional documentation to be prepared in conjunction with the establishment of UCITS. The requirements in this regard include the following:

Investment Funds in Ireland

Application Letters and Forms - The authorisation process will require the submission of ancillary documents, including a completed copy of each section of the Central Bank's Application Form and various letters and confirmations from the service providers and on behalf of the UCITS.

Business Plan - In accordance with the Management Company Directive, UCITS are required to prepare detailed corporate governance procedures (see 7.2 Management and Delegation for further information). The documentation setting out this framework is referred to as the "Business Plan".

Key Investor Information Document ("KIID") - this is a short form summary of the offering document, two pages in length. It identifies the parties to the fund, its objectives and policies, the applicable fees and key risks. It also sets out practical information regarding how to buy and sell units in the UCITS. The format of this document is closely prescribed and it has been designed to correct some of the shortcomings identified in the requirements applicable to the simplified prospectus, which it replaces for all new UCITS authorised after July 2011, and all UCITS from 1 July 2012.

Risk Management Process - each UCITS must provide the Central Bank with details of its proposed risk management process relating to its FDI activity. The initial filing is required to include information in relation to:

- permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
- details of the underlying risks;

- relevant quantitative limits and how these will be monitored and enforced; and
- methods for establishing risks.

FDI Report - A UCITS must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information in a prescribed format, must be submitted with the annual report to the UCITS. A UCITS must, at the request of the Central Bank, provide this report at any time.

5.7 Risk Management

UCITS III permitted UCITS to make use of derivative instruments for purposes other than purely efficient portfolio management. However, in order to ensure that the ancillary risks were mitigated, it imposed a requirement on UCITS to prepare a risk management process statement (the "RMP"). This sets out details of the types of derivatives proposed to be used by the UCITS and provides details of the people, controls and procedures in place to monitor and manage the inherent risks thereof and ensure compliance with relevant limits, including those relating to leverage, counterparty risk and exposure. The Central Bank has issued detailed guidance on the appropriate content of the RMP and its checklist for preparation of the RMP is set out below.

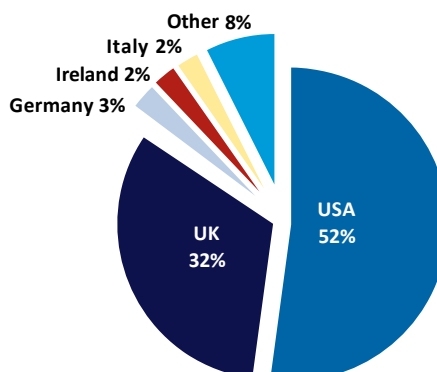
Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to any amendments notified to it and such amendments may not be made or associated activities carried out without authorisation.

Promoter Origin of Irish Domiciled Funds

*Percentage of Total Irish Domiciled Assets
by Promoter Origin*

388 Promoters of Irish Domiciled Funds

Source: Lipper Ireland Fund Encyclopaedia, June 2010



Completion of the RMP will address the following matters:

Procedural

1. RMP on risk manager's headed paper, dated and signed
2. Where relevant, covering letter from UCITS setting out, relevant details including:
 - (a) The name of the risk-manager;
 - (b) How FDI compliance and quantitative limits will be monitored; and
 - (c) Escalation procedures in the event of limit breaches.
3. Ensure FDI in RMP agrees with prospectus (submit extracts)

General Information

1. Details of entities and units responsible for risk and valuations.
2. Policy on expertise required to trade and manage FDI and related risks.
3. Details of expertise currently in place (i.e. personnel responsible).
4. Details of all FDI to be used with summary of commercial purpose.
5. Details of risks involved to the UCITS from using FDI.
6. Description of FDI valuation rules and pricing methodology.
7. Description of systems and technology used.
8. Description of policy and procedures re legal risk (in particular credit derivatives).

Global Exposure and Leverage

1. Policy on Leverage and Global Exposure
 - (a) Policy on Asset Cover
 - (b) Quantitative Limits
 - (c) Hedging
 - (d) Position Netting
2. Description of the methodology to calculate global exposure

3. Example provided on calculation of global exposure — using FDI traded
4. Description of methodology on using VaR
 - (a) Description of model used
 - (b) Quantitative Limits
 - (c) Stress Testing Procedures
 - (d) Back Testing Procedures
5. Has the model been examined by a competent regulatory authority
6. Procedures and controls documented, including
 - (a) Monitoring & reporting compliance and quantitative limits
 - (b) Prevention of limit breaches
 - (c) Trade monitoring
7. Any other risk measures used/described — e.g. tracking error
8. Issuer Concentration risk

Counterparty Exposure

1. Policy on counterparty risk exposure, including the following:
 - (a) Counterparty approval (including rating requirements)
 - (b) Use of collateral
 - (c) Netting (legally enforceable netting agreements)
2. Description of quantitative standards adopted
3. Description of methodology to calculate counterparty exposure

Reporting

1. Details of procedures and content of Annual FDI Report

6.

Funds Re-Domiciling to Ireland as UCITS

Following growing interest from fund managers to have their unregulated funds re-domiciled to Ireland, new legislation was enacted to provide a clear process to facilitate the re-domiciliation of unregulated funds structured as companies to this jurisdiction. This new procedure also facilitates companies wishing to be authorised as UCITS upon re-domiciliation.

6.1 Legislative Changes

The new company law enhancements contained in the Companies (Miscellaneous Provisions) Act 2009 (the "Act") introduced a straightforward procedure to re-domicile corporate funds to Ireland. In the past, re-domiciliations to Ireland were 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. 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 authorisation of the re-domiciled fund as a UCITS must be granted by the Central Bank, a process which will occur simultaneously with registration at the CRO.

6.2 Advantages

The new regime has many advantages, including the following:

- it introduces a legal framework to enhance the efficiency of the process to re-domicile unregulated funds to Ireland;
- it provides for the continuation of foreign investment companies in Ireland and allowing the existing corporate identity of the migrating company to be retained;
- there is no tax or inefficient transfer of assets between funds;
- the fund retains its existing contractual arrangements, its track record and its listing history; and
- these efficiencies will reduce costs by eliminating or simplifying operational issues such as changes to documentation, withholding tax clearances etc.

6.3 Procedure

Following the enactment and commencement of the Act, the Central Bank issued detailed guidance on the practical manner in which the redomiciliation process can be effected.

A foreign investment company wishing to migrate to Ireland will apply to the CRO to be registered as a company in Ireland by way of continuation. The application to the CRO involves submission of a detailed form accompanied by several documents, including a statutory declaration of a director of the migrating company confirming certain facts about the status of the migrating company.

An application to the Central Bank should be made simultaneously to the application to the CRO for registration, as the CRO must be satisfied that the migrating company has applied to the Central Bank to be authorised to carry on business as a UCITS in Ireland (re-domiciliation and authorisation as a non-UCITS is also possible). The Central Bank will confirm to the migrating company and the CRO that it proposes to authorise the migrating company, where appropriate.

As part of the Central Bank's authorisation process, the entity acting as promoter and investment manager to the migrating company will require to be authorised by the Central Bank (if these entities have not already been authorised as such by the Central Bank).

The re-domiciliation procedure is currently operational and the first wave of redomiciliations have already taken place.

6.4 Re-domiciliation of Non-Corporate Funds

The re-domiciliation and authorisation in Ireland of non-corporate funds established in other jurisdictions as unit trusts or contractual funds is also possible pursuant to common law. The Central Bank has also issued guidance in relation to such redomiciliations and outlined a streamlined process to facilitate such redomiciliations. This shares all of the advantages listed above in respect of the redomiciliation of corporate structures and avoids the need to involve the CRO.

It should be noted that investment limited partnerships cannot be authorised as UCITS and therefore any re-domiciliation would also involve a restructuring if a UCITS authorisation was to be sought.

A management company's role involves oversight, control and general organisation of the fund's activities. It does not (usually) perform discretionary investment management functions. This role is normally delegated to a dedicated investment manager or trading adviser.

A unit trust and a CCF must have a management company, whereas a VCC may appoint a management company or alternatively can be 'self-managed' by its board of directors (generally referred to as a "Self Managed Investment Company" or "SMIC"). Following the adoption of UCITS IV there is no longer a requirement for this entity to be Irish domiciled.

7.1 General Requirements for Irish UCITS Management Companies

The principal regulatory requirements applicable to management companies (and SMICS, to a lesser extent) when seeking authorisation and on an ongoing basis are as follows:

7.1.1 Capitalisation

A management company must have sufficient financial resources at its disposal to enable it to conduct its business effectively and to meet its liabilities. Accordingly there is a requirement to have a minimum paid up share capital equivalent to (the greater of) €125,000 or one quarter of its preceding year's fixed overheads. This minimum capital requirement must be held as eligible assets in a form which is easily accessible and must be free from any liens or charges. The management company must be in a position to demonstrate its ongoing compliance with this requirement.

However, an additional amount of own funds is required to be provided when the value of the portfolios of the management company exceeds €250 million. In considering what are deemed to be the "portfolios of the management company", all of the unit trusts or CCFs or VCCs to which it acts as management company are included but the portfolios that it is managing under a delegation (e.g. where it is acting as an investment manager of a fund but not as manager) and assets which it manages for non-fund clients are excluded. A guarantee from a credit institution or insurance undertaking may be used to satisfy 50% of the additional amount of own funds.

SMICs are required to have a minimum paid up share capital of €300,00.

7.1.2 Directors

Appointments to the office of director of the management company must be approved by the Central Bank and adequate information on the expertise and reputation of the proposed directors and managers of the management company must be provided. A minimum of two directors of the management company or SMIC must be Irish residents.

In accordance with the UCITS Regulations, effective conduct of the business of the management company or SMIC must be carried on by persons of sufficiently good repute who are sufficiently experienced in relation to the types of UCITS being managed. In addition, the conduct of this business must be decided by at least two persons meeting such conditions (the 4 eyes principle). This is dealt with further at 7.2 Management and Delegation below.

7.1.3 Shareholders

The names of the shareholders of the management company must be furnished to the Central Bank and its approval is required in respect of any proposed change in ownership or in significant shareholdings. A significant shareholding for the purpose of this condition is defined as a shareholding of 10% or more in the management company.

7.1.4 Ongoing Requirements

Management companies are obliged to supply the Central Bank with audited accounts and details of overseas regulatory status (if any). Review meetings will be held by the Central Bank with the

management company from time to time where it requires this. A management company is required, for the purposes of such meetings, to supply any additional material as may be specified by the Central Bank, including internal auditors' reports, operating procedures and management letters issued by the management company's auditors and by the auditors of collective investment schemes under management/administration. In addition, the Central Bank may conduct inspections of the operations of the management company if these are deemed necessary or appropriate.

A management company is required to consult with the Central Bank before engaging in significant new activities and is prohibited from managing collective investment schemes not authorised by the Central Bank.

7.2 Management and Delegation

The UCITS Regulations provide that, whilst the board of a management company or a SMIC (the "Board") may delegate to a third party the carrying out on its behalf of one or more of its own functions, in no case shall the Board's liability be affected by the fact that it has delegated any function to a third party (in other words the liability for its delegates remains with the management company) nor can the Board delegate its functions to the extent that it comes a letterbox entity.

The practical effect of this is that whilst responsibility for the general management functions must be retained by the Board, it can continue to delegate the investment management, fund administration and distribution activities. However it must remain responsible for its delegates (it can of course seek to limit its liabilities vis-à-vis those delegates but not vis-à-vis the UCITS fund itself) and must retain the obligation of ongoing supervision of its delegates.

The Central Bank requires that certain functions of the Board, including the appointment of a chairman and frequency of meetings, be formalised and that certain key managerial functions are allocated. The Central Bank has identified the following ten management functions for which the directors must accept responsibility in accordance with good corporate governance principles. Collective board responsibility is currently permitted.

1. Decision Taking

Key strategic decisions will normally be considered and taken by the Board of Directors collectively.

2. Monitoring Compliance

This may involve reviewing the UCITS' investment and borrowing restrictions as set out in the relevant fund documentation and applicable UCITS Notices and checking that there have been no breaches.

3. Risk Management

Should the directors intend that the UCITS engage in efficient portfolio management techniques or use financial derivative instruments for speculative investment, a risk management process will need to be adopted. This needs to be filed in advance with the Central Bank. (See 5.7 Risk Management for further details).

4. Monitoring of Investment Policy, Investment Strategies and Performance

Normally, the director responsible for this function will review performance on a regular basis with the investment manager and will escalate to the board any issue which comes to his attention in his monitoring of investment performance that he determines is outside the normal performance characteristics of the UCITS.

5. Financial Control

For this function, procedures to ensure all relevant accounting records are properly maintained and readily available are required.

6. Internal Audit

This involves reviewing internal controls having regard to the materiality of risks inherent to the fund.

7. Monitoring of Capital

This involves monitoring the UCITS capital level to ensure it always meets the capital adequacy requirements.

8. Supervision of Delegates

This function involves monitoring the service providers to the UCITS (e.g. the administrator and custodian) to ensure that their respective service level agreements are being met.

9. Complaints Handling

Arrangements must be put in place to ensure complaints from unitholders are addressed properly and effectively.

10. Accounting Policy and Procedures

It is a requirement to have procedures to ensure proper accounting policies and procedures are employed.

Each management company or SMIC is required to prepare a “business plan” which details the manner in which these requirements are met on an ongoing basis and this is subject to review, comment and a requirement for prior approval from the Central Bank. This will include allocating responsibility for each of the above identified activities among the board. The level of ongoing supervision required means that the services of dedicated employees will normally be required to assist in carrying out these functions. Management companies may have their own employees or may use the services of secondees from service providers or appropriate consulting companies and these latter structures are typically adopted in the case of SMICs.

Mason Hayes & Curran has considerable experience of dealing with such consultants on behalf of fund promoters and can place applicant firms in contact with them if required.

Code of Conduct

A UCITS management company or the board of a SMIC must observe a code of conduct in relation to collective portfolio management, the requirements of which are contained in the UCITS Regulations or imposed by the Central Bank in accordance with its powers and set out in the UCITS Notices.

This requires that, in addition to the management functions, policies be adopted for UCITS addressing a variety of issues, detailed below. It can be noted that a number of these policies deal with items included amongst the management functions, including:

- Risk management policy
- Handling of complaints
- Accounting policies and procedures

The following additional areas are also required to be addressed, some by inclusion of detailed policies in the Business Plan and others, for which incorporation by reference only will suffice (for example the Business Plan of the UCITS might provide that the relevant policy of the investment manager, administrator or custodian, as appropriate, is applicable).

- Due diligence in selecting investments
- Handling of subscription and redemption orders
- Ensuring best execution of transactions for the UCITS
- Handling of transactions for the fund portfolio
- Treatment of inducements from third parties
- Late trading and market timing
- Valuation policies
- Conflicts of interest
- Voting rights

7.3 Authorisation

Both a UCITS management company and the board of a SMIC are required to obtain authorisation pursuant to the UCITS Regulations. The application comprises a detailed application form, business plan, directors’ individual questionnaires, statement of responsibility etc.

The Central Bank requires management companies to have substance and for their “mind and management” to be carried out in Ireland. The business plan sets out in detail how the management company or board will be run. In addition to detailing how the seven key management functions detailed above will be addressed, the contents of a standard business plan are also required to include details regarding the entity’s structure, constitutional documents, capital, management, qualifying shareholders and organisational structure.

7.4 Other Roles of the Management Company

UCITS III introduced a regime whereby UCITS management companies may expand the range of activities which they may carry out so that, in addition to the management of unit trusts/CCFs/VCCs (referred to as “collective portfolio management”), they can also carry out the activity of management of portfolios of investments on a client-by-client basis (referred to as “individual portfolio management”), including the management of pension funds, as well as some specific non-core activities linked to its main business. Furthermore these services may be provided cross-border within the EU on either an establishment/branch basis or on a freedom of services basis.

UCITS IV has provided for a new form of EU passport whereby managers may manage UCITS domiciled in other EU Member States.

8. Taxation

8.1 Favourable Tax Environment

Irish regulated funds, including UCITS, benefit from the following attractive tax provisions:

- they are exempt from Irish tax on their income and gains irrespective of an investor's residency. This allows investors' returns to roll up on a gross basis;
- under Irish legislation, no withholding tax is applied on income distributions or the redemption of units by a fund to a non-Irish resident investor, provided a relevant declaration is in place to demonstrate that the investor is not an Irish resident (see amendment below introduced by the Finance Act 2010). It is not necessary for an investor to be resident in a country with which Ireland has a double tax treaty to avoid withholding tax;
- no Irish stamp duty is applied on the establishment, transfer or sale of units or shares in an Irish regulated fund;
- many of the services provided to a fund are exempt from VAT, e.g. investment management, administration and custodial services;
- no on-going or yearly tax is charged on the NAV of the fund; and
- Ireland is not regarded as a tax haven.

The Irish Finance Act 2010 introduced changes with the intention of enhancing Ireland's competitive position in the funds industry. One such change is the easing of the administration burden on non-resident declarations forms. This change means that the Revenue Commissioners ("Revenue") can grant funds an exemption from the requirement to obtain and maintain declarations of non-Irish tax resident unit holders/shareholders where Revenue is satisfied that the investment undertaking has appropriate measures in place to ensure that the relevant unit holders/shareholders are not resident or ordinarily resident in Ireland.

8.2 Double Tax Treaties

Ireland has signed comprehensive double tax treaties with 63 countries, of which 55 are in effect. The agreements cover direct taxes, which in the case of Ireland are income tax, corporation tax and capital gains tax.

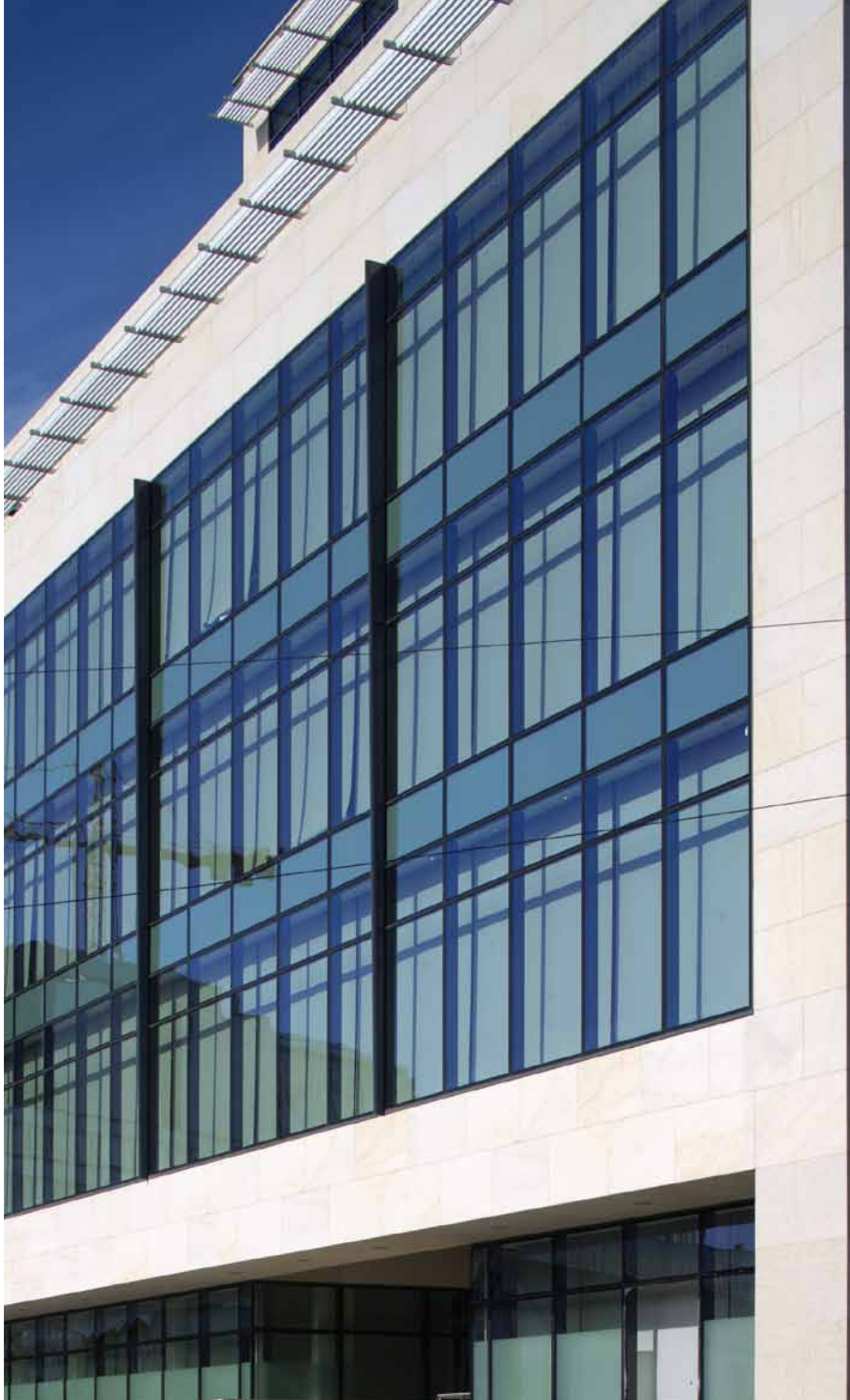
The countries with which Ireland has a double tax treaty are:

Australia, Armenia (signed but not yet in force) Austria, Bahrain (signed but not yet in force), Belarus (signed but not yet in force), Belgium, Bosnia Herzegovina (signed but not yet in force), Bulgaria, Canada, Chile, China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, India, Israel, Italy, Japan, Republic of Korea, Kuwait (signed 23 November 2010) Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Mexico, Moldova, Montenegro (signed 7 October 2010), Morocco (signed 22 June 2010), Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Russia, Serbia, Singapore, Slovak Republic, Slovenia, South Africa (Protocol signed but is not yet in force), Spain, Sweden, Switzerland, Turkey, United Arab Emirates (signed 1 July 2010 but not yet in force), United Kingdom, United States of America, Vietnam, Zambia.

Negotiations for new treaties with Saudi Arabia and Thailand are complete. A new agreement replacing the existing treaty with Germany has been concluded and is expected to be signed shortly, and new treaties with Panama and Uzbekistan are expected to be signed shortly.

Negotiations for new treaties with Argentina, Azerbaijan, Egypt, Tunisia and Ukraine are at various stages.

Negotiations are at various stages for the revision of existing agreements with Cyprus, France, Italy, Korea and Pakistan.



9. Continuing Obligations

9.1 Regulatory Issues

Irish UCITS must publish an annual report for each financial year and a half yearly report covering the first six months of the financial year. The annual report must be published within four months of the fund's financial year end and the half yearly report must be published within two months of the end of the period to which it relates. These reports must be filed with the Central Bank, must be supplied to investors free of charge and must be made available to the public for inspection at a specified location.

Monthly returns must also be made to the Central Bank containing information regarding the total gross asset value and the NAV of the fund at month-end together with the number of shares in circulation and the NAV per share at month-end. Separate quarterly and annual reporting obligations also exist.

Irish domiciled fund management companies are required to submit annual audited accounts and half-yearly reports to the Central Bank. The annual audited accounts of the promoter and the investment manager must also be submitted to the Central Bank.

The Central Bank is responsible for the on-going supervision of UCITS and (apart from any requirements imposed by the Companies Acts, 1963-2009) all necessary filings are made with the Central Bank. The Central Bank enjoys extensive powers of inspection and intervention in the discharge of its statutory functions.

Irish domiciled funds are obliged to keep such books and records as the Central Bank may require and must notify the Central Bank

of the address of every office at which these are kept. The Central Bank has power to revoke authorisation where it appears to it that the provisions of the UCITS Regulations have been contravened and that the prudential interests of unit holders/shareholders are threatened.

Any proposed amendments to the UCITS documentation must be notified to the Central Bank in advance for approval, as must any proposed changes to the management company board of directors or service providers of a UCITS.

A report must be submitted to the Central Bank regarding each UCITS' FDI positions on an annual basis. The report must be submitted with the annual report of the UCITS. A UCITS must, at the request of the Central Bank, produce this report at any time.

9.2 Liquidity

A key reason for the growth of UCITS in the period after the 2008 financial crisis is the guarantee of liquidity which they afford investors. UCITS must have at least one dealing day every two weeks and any temporary suspension of the redemption or repurchase of units in a UCITS must be notified to the Central Bank immediately. Gating provisions are however permitted where redemption requests exceed 10% on a dealing day. The proceeds of a redemption are required to be paid in a period which reflects the frequency of dealing (i.e. daily, weekly) and which in any event may not exceed 14 calendar days.



The primary advantages of UCITS are their ability to “passport” into other EU jurisdictions (each a “Host State”) without any requirement to obtain additional authorisation from the local regulators in such jurisdiction and the recognition which is afforded them by regulators in key markets in the Middle East, Latin America and Asia.

10.1 Revised UCITS IV Notification Process for Passporting UCITS

UCITS IV has provided for the creation of a new streamlined notification process for cross-border fund sales whereby the UCITS will notify the Home State Regulator of its intention to sell in other EU Member States. The Home State Regulator will review the notification documents and will transmit these to the relevant regulator in the Host State with a confirmation that the UCITS fulfils its obligations under the amended Directive.

UCITS IV introduced a requirement for the marketing of a fund in the Host State to be authorised within 10 working days – a substantial improvement on the previous two month period.

Where a UCITS is to be sold into another EU Member State it is necessary for it to initially notify the Central Bank by means of a notification letter, the form of which is prescribed by the local regulator in that Host State and which includes details of the arrangements made for the marketing of its units in the Host State. It must also supply key documentation prior to commencing any sales or marketing there.

The documentation (translated if necessary) required to be submitted (the “Notification Documentation”) comprises:

- (a) the constitutional documents of the UCITS;
- (b) the prospectus;
- (c) the latest Annual Report and any subsequent half yearly report (in each case, where issued); and
- (d) the KIID.

Ten working days after this notification has been effected the UCITS may commence marketing its units in that Host State unless it receives notification before the expiry of that period from the local regulator that the arrangements made for the marketing of units do not comply with the UCITS requirements.

When advertising and conducting marketing in a Host State, the UCITS must comply with the generally applicable local laws – for example local advertising standards. It will generally be necessary to prepare translations of all of the Notification Documents set out above into the official language of the Host State.

It is also necessary for a UCITS marketing its units in a Host State to ensure that adequate measures have been taken to provide facilities in that market for making payments to unit holders, repurchasing or redeeming units and making available the information which UCITS are obliged to provide. In practice, this usually requires the appointment of a local distributor.

10.2 Registration in Third Countries

The right to “passport” into other countries only applies to other EU Member States. However, due to the high level of investor protection afforded by UCITS, registration of such funds in countries outside the EU is facilitated.

Typically UCITS are treated as regulated retail funds for the purposes of registration in such jurisdictions and some have a specific “fast-track” approval process for such funds.

**Investment Funds
in Ireland**

The table below illustrates some of the main markets for UCITS both inside and outside of the EU.

Europe

Austria
Belgium
Channel Islands
Cyprus
Czech Republic
Denmark
Finland
France
Germany
Gibraltar
Greece
Hungary
Iceland
Ireland
Isle of Man
Italy
Liechtenstein
Luxembourg
Malta
Monaco
Netherlands
Norway
Poland
Portugal
Russia
San Marino
Slovakia

Slovenia
Spain
Sweden
Switzerland
Turkey
United Kingdom

Americas

Argentina
Bahamas
Bermuda
Brazil
British Virgin Islands
Canada
Chile
Columbia
Mexico
Panama
Peru
USA

Asia & Pacific

Australia
China
Hong Kong
India
Indonesia
Japan

Korea
Macau
Malaysia
Nepal
New Zealand
Pakistan
Philippines
Singapore
Taiwan
Thailand
Vietnam

Middle East

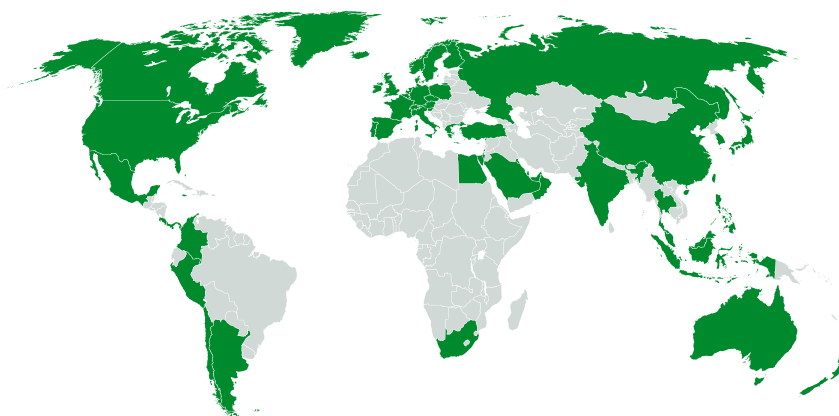
Bahrain
Israel
Kuwait
Oman
Qatar
Saudi Arabia
United Arab Emirates

Africa

Egypt
Mauritius
Seychelles
South Africa
Tanzania

Global Distribution of Irish UCITS

Source: Lipper FMI & IFIA, 2010



11. Listing on the Irish Stock Exchange

The Irish Stock Exchange (“ISE”) is the world’s leading exchange for listings of investment funds. A stock exchange quote on the ISE is available to both Irish and non-Irish UCITS, as well as other funds.

11.1 Listing UCITS

UCITS are particularly suited for listing as they automatically comply with many of the requirements of the ISE for funds seeking to be listed. In particular their units are freely transferable and the investment restrictions applicable are generally compatible with the ISE listing requirements. There is no minimum initial investment amount applied by the ISE for listed “regulated” funds including UCITS.

11.2 Funds Authorised by the Central Bank

In addition due to the close working relationship between the ISE and the Central Bank, the ISE automatically accepts the suitability of service providers, such as the custodian, administrator and investment manager, to a fund authorised by the Central Bank, and likewise the fund’s dividend policy is deemed to be acceptable. Funds regulated by the Central Bank are not required to have independent directors, however, such funds must have at least two Irish resident directors.

11.3 Timing

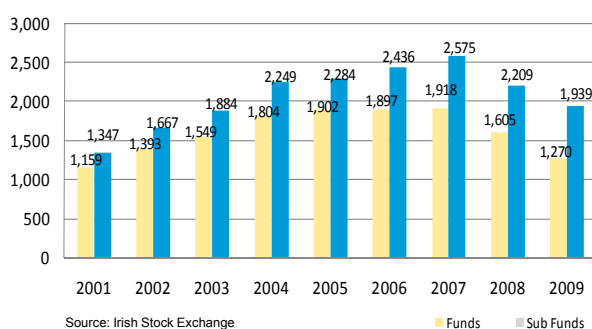
Under normal circumstances, a listing can be obtained within approximately three to six weeks. The ISE reserves the right

to take up to five business days to review the first draft Listing Particulars, but will only take two business days to review any subsequent draft.

11.4 Primary Advantages of Listing a Fund on the ISE

- A listing increases a fund’s potential investor base.
An ISE listing gives the fund a “listed” security status on an EU regulated exchange which may improve the marketability of the fund. The listed and admitted to a regulated market status may appeal to investors, as often legal, regulatory or internal mandate requirements restrict their exposure to unlisted securities.
- A listing increases a fund’s prestige and profile.
A listing on a long established, well regulated and recognised European stock exchange provides a valuable marketing tool for fund promoters.
- A listing provides publicly available information to investors.
All announcements made by listed funds and NAVs notified are reported through the ISE information dissemination system. These appear on the ISE website and are carried by Reuters, Bloomberg and other international news services.
- ISE represents best practice.
The ISE’s listing rules represent best practice within the investment funds industry and these are updated regularly to take account of changes within the industry. ISE monitoring of compliance with these regulatory best practice standards ensures an investor can take comfort from an ISE listing.

Irish Stock Exchange Listings
Nos. of Funds and Sub-Funds Listed





Risk Spreading Rules

1. The investments of a UCITS shall comprise only one or more of the following:
 - (a) transferable securities and money market instruments admitted to or dealt in on a regulated market as defined in Article 4(1)(14) of Directive 2004/39/EC;
 - (b) transferable securities and money market instruments dealt in on another regulated market in a Member State, which operates regularly and is recognised and open to the public;
 - (c) transferable securities and money market instruments admitted to official listing on a stock exchange in a third country or dealt in on another regulated market in a third country which operates regularly and is recognised and open to the public provided that the choice of stock exchange or market has been approved by the competent authorities or is provided for in law or the fund rules or the instruments of incorporation of the investment company;
 - (d) recently issued transferable securities, provided that:
 - (i) the terms of issue include an undertaking that an application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public, provided that the choice of stock exchange or market has been approved by the competent authorities or is provided for in law or the fund rules or the instruments of incorporation of the investment company; and
 - (ii) the admission referred to in point (i) is secured within a year of issue;
 - (e) units of UCITS authorised according to this Directive or other collective investment undertakings within the meaning of Article 1(2)(a) and (b), whether or not established in a Member State, provided that:
 - (i) such other collective investment undertakings are authorised under laws which provide that they are subject to supervision considered by the competent authorities of the UCITS home Member State to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
 - (ii) the level of protection for unit-holders in the other collective investment undertakings is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of this Directive;
- (iii) the business of the other collective investment undertakings is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; and
 - (iv) no more than 10 % of the assets of the UCITS or of the other collective investment undertakings, whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other collective investment undertakings;
- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the credit institution has its registered office in a third country, provided that it is subject to prudential rules considered by the competent authorities of the UCITS home Member State as equivalent to those laid down in Community law;
 - (g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in points (a), (b) and (c) or financial derivative instruments dealt in over-the-counter (OTC) derivatives, provided that:
 - (i) the underlying of the derivative consists of instruments covered by this paragraph, financial indices, interest rates, foreign exchange rates or currencies, in which the UCITS may invest according to its investment objectives as stated in its fund rules or instruments of incorporation;
 - (ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the competent authorities of the UCITS home Member State; and
 - (iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the UCITS' initiative; or
 - (h) money market instruments other than those dealt in on a regulated market, which fall under Article 2(1)(o), if the issue or

issuer of such instruments is itself regulated for the purpose of protecting investors and savings, provided that they are:

- (i) issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the Community or the European Investment Bank, a third country or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
 - (ii) issued by an undertaking any securities of which are dealt in on regulated markets referred to in points (a), (b) or (c);
 - (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the competent authorities to be at least as stringent as those laid down by Community law; or
 - (iv) issued by other bodies belonging to the categories approved by the competent authorities of the UCITS home Member State provided that investments in such instruments are subject to investor protection equivalent to that laid down in points (i), (ii) or (iii) and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 000 000 and which presents and publishes its annual accounts in accordance with Fourth Council Directive 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
2. A UCITS may invest no more than 10% of its NAV in transferable securities and money market instruments other than those referred to in paragraph 1 above.
 3. UCITS may not invest more than 20% of its NAV in any one CIS. Where the underlying CIS is an umbrella fund, each sub-fund of that umbrella fund may be regarded as if it were a separate CIS for the purposes of this limit
 4. A UCITS may invest no more than 10% of its NAV in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in issuing bodies in each of which it invests more than 5%, is less than 40%.
 5. A UCITS may not invest more than 20% of its NAV in deposits made with the same credit institution.
Deposits with any one credit institution, other than those specified in paragraph 1.4 (i), (ii) and (iii) above, held as ancillary liquidity, must not exceed 10% of NAV. This limit may be raised to 20% in the case of deposits made with the trustee.
 6. The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of NAV. This limit is raised to 10% in the case of credit institutions listed in paragraph 1.4 (i) (ii) and (iii) above.
 7. A combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the NAV of a UCITS:
 - investments in transferable securities or money market instruments;
 - deposits, and/or
 - counterparty risk exposures arising from OTC derivatives transactions.
 8. The limit of 10% in paragraph 4 above is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders . If a UCITS invests more than 5% of its NAV in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the NAV of the UCITS.
 8. The limit of 10% in paragraph 4 above is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

9. The transferable securities and money market instruments referred to in paragraphs 8 and 9 shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 4.
10. The limits referred to in paragraphs 4, 5, 6, 7, 8 and 9 above may not be combined, so that exposure to a single body shall not exceed 35% of the NAV of a UCITS.
11. Group companies are regarded as a single issuer for the purposes of paragraphs 4 - 9 above. However a limit of 20% of NAV may be applied to investment in transferable securities and money markets instruments within the same group.
12. The Central Bank may authorise a UCITS to invest up to 100% of its NAV in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member State or public international body of which one or more Member States are members, provided it is satisfied that unit holders have protection equivalent to that of unit holders in UCITS complying with the limits in paragraphs 4 to 9 above. The following conditions shall apply to such a UCITS:
- (i) the UCITS must hold securities from at least 6 different issuers with securities from any one issuer not exceeding 30% of the NAV of the UCITS;
 - (ii) the UCITS must specify in its trust deed, deed of constitution or articles of association the names of the States, local authorities or public international bodies issuing or guaranteeing securities in which it intends to invest more than 35% of its NAV;
 - (iii) the UCITS must specify in its prospectus and promotional literature that the Central Bank has granted authorisation for this type of investment and must indicate the States, local authorities and/or public international bodies in which it intends to invest or has invested more than 35% of its NAV.
- of NAV in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index. The index must be recognised by the Central Bank on the basis that it is:
- sufficiently diversified which shall be understood as a reference to an index which complies with the risk diversification rules set out in UCITS Regulation 49A;
 - represents an adequate benchmark for the market to which it refers, which shall be understood as a reference to an index whose provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers; and
 - is published in an appropriate manner, which shall be understood as a reference to an index which fulfils the following criteria:
 - (i) it is accessible to the public;
 - (ii) the index provider is independent from the index-replicating UCITS.
- The provisions of (ii) shall not preclude index providers and the UCITS forming part of the same economic group, provided that effective arrangements for the management of conflicts of interest are in place.
14. The limit in paragraph 14 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
15. The reference in paragraph 14 to replication of the composition of a shares or debt securities index shall be understood as replication of the composition of the underlying assets of the index, including the use of derivatives or other techniques and instruments as referred to in UCITS Regulation 48A.

General provisions

16. A UCITS investment company may acquire real and personal property which is required for the purpose of its business.
17. A UCITS may not acquire either precious metals or certificates representing them. This provision does not prohibit a UCITS from investing in transferable securities or money market instruments issued by a corporation whose main business is concerned with precious metals.

Index Tracking UCITS

13. Notwithstanding the provisions of paragraph 4, a UCITS may, in accordance with its trust deed, deed of constitution or memorandum and articles of association, invest up to 20%

Investment Funds in Ireland

18. A UCITS, or management company acting in connection with all of the CIS which it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

19. A UCITS may acquire no more than:

- (i) 10% of the non-voting shares of any single issuing body;
- (ii) 10% of the debt securities of any single issuing body;
- (iii) 25% of the units of any single CIS;
- (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

20. Paragraphs 19 and 20 above shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a UCITS in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies with their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies in that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits set out in paragraphs 3 to 12 and paragraphs 19 to 20 above, and provided that where these limits are exceeded, paragraphs 23 and 24 below are observed;

(v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

21. UCITS need not comply with the limits laid down in this Appendix when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

22. The Central Bank may allow recently authorised UCITS to derogate from the provisions of paragraph 1.3.1 and paragraphs 3 to 15 above for six months following the date of their authorisation, provided they observe the principle of risk spreading.

23. If the limits laid down in paragraph 1.3.1 and paragraphs 3 through 15 above are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unit holders.

24. Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:

- transferable securities;
- money market instruments ;
- units of CIS; or
- financial derivative instruments.

Mason Hayes & Curran is a full service, business law firm with 58 partners and over 270 employees specialising in Irish law. With offices in Dublin, London and New York the firm delivers sophisticated legal services to an extensive Irish and international client base.

Investment Funds at Mason Hayes & Curran

Our investment funds lawyers have a wealth of experience in the investment funds industry and have been involved in the development of policy and regulation in Ireland. We advise on the establishment and ongoing operation of Irish domiciled investment funds. For further information with regard to the topics covered in this guide or Irish investment funds law generally, please see the contacts listed on page 11.

Complementary Services

When advising clients, our dedicated team of investment fund lawyers can also draw upon the expertise of specialist lawyers from our tax, corporate, banking, litigation, intellectual property, data protection, regulatory and compliance practices whenever required.

As a full service law firm, we regularly advise financial services clients on a wide range of matters in addition to regulatory issues

that need to be considered when setting up in business or establishing an investment fund in Ireland. These services often include:

- structure formation
- corporate governance
- regulatory compliance
- tax issues
- income repatriation
- employment related issues
- raising finance or grant assistance
- ongoing company secretarial requirements.

Consistently recognised as one of Ireland's leading business law firms, Mason Hayes & Curran is committed to providing optimum solutions to promoters, asset managers and fund service providers in Ireland. At Mason Hayes & Curran, we can assist you with every aspect of your business.

What Others Say About Us...

"This group has been at the forefront of industry developments with lawyers representing clients in structuring and establishing some of the most innovative fund products in recent years."

"He has a great overview of the industry and understands the minutiae of the development of the market" say sources."

"Mason Hayes & Curran is extremely proactive, and you can trust the group to let it run with its initiative" say clients."

Chambers Europe - The World's Leading Lawyers,
Chambers & Partners, 2010

"At Mason Hayes & Curran, Fionán Breathnach is praised for his 'deep local knowledge' and 'regulatory awareness'. 'The team is experienced in the establishment of UCITS and QIFs.'"

Legal 500, 2010

"Well informed on market developments and extremely adaptable," "dedication to clients' needs and excellent knowledge of how things get done in Ireland"

Chambers Europe - The World's Leading Lawyers,
Chambers and Partners, 2009

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