www.gibraltarlawyers.com

The Gibraltar Option for Swiss Asset Managers following CISA

Revisions to the Swiss Collective Investment Schemes Act (CISA) were passed by the Swiss Parliament on September 18th 2012. The starting point for these changes was clearly the adoption of EU principles set out under the incoming Alternative Investment Fund Managers Directive (AIFMD). Given that Switzerland is not a member state of the EU, it is not obliged to transpose the directive into national law. However, AIFMD is likely to have a similar market segmenting effect on the manager level as the UCITS Directive has had on the retail product level where it is generally accepted that Switzerland suffered as a result of not following the trend. UCITS are of course now a global brand. On that basis, the new Swiss regime is aimed at providing at least equivalence for manager regulation, but does this solve all of the issues? This remains to be seen.

The headline changes introduced include the following.

Swiss domiciled asset managers of foreign collective investment schemes (CIS) subject to regulation for the first time.

New concept with respect to the regulation of distribution activities for CIS

Introduction of concept of Swiss Representative regarding regulated distribution to qualified investors (as defined) and requirements for approval of CIS regarding regulated distribution to non-qualified investors

New and more restricted definition of qualified investor.

Swiss asset managers and the Gibraltar angle

Changes introduced. But is equivalence, really 'equivalence'? Gibraltar offers the option to opt in to the full AIFMD granted passport

The changes introduced by CISA effectively layer the licensing regime applicable to Alternative Investment Fund Managers in Europe, to Swiss asset managers in Switzerland. Swiss asset managers of Collective Investment Schemes are subject to CISA. However, the de minimis threshold of 100M EUR (in the case of leveraged products) or 500M EUR (for certain unleveraged closed-end products) which exists in AIFMD has also been replicated in Switzerland, so this avoids the original concern for smaller managers being front loaded with the costs involved in the licensing and reporting requirements of becoming fully licensed under FINMA. Managers with assets under management under these thresholds will not be caught by AIFMD in Europe or by CISA in Switzerland.

Bringing Swiss managers under a regime that is equivalent to AIFMD has obvious benefits and it is simple to see why this legislation has been welcomed by the Swiss Funds Association (SFA). However, the question must be, if a manager is becoming fully compliant in Switzerland, then he may also consider the alternative option of becoming fully compliant within the EU under AIFMD which would automatically grant him access to the significant European market. The value of access to this European passport needs to be considered by managers taking the step. It is not yet known whether CISA will be enough to ensure Switzerland's fund rules are considered 'equivalent' by the EU once the AIFMD is adopted. This is what will determine how Swiss-based managers will sell their products into the EU from 2015 onwards, when adoption of a passporting scheme is expected to be offered to third countries under certain conditions. In terms of long term planning and security this is a critical question to be asked now. If you are a manager based in Gibraltar, you will have access to the current MiFID passport, and come July 2013, to the AIFM passport. Gibraltar allows access to the EU market through an established passporting process immediately, with the security that this will not change in the future. This is the same passport granted to AIFM's established in other European territories but with the advantages that a business based in Gibraltar brings. This includes potentially lower running costs, lower corporate tax (set at 10% in Gibraltar), lower personal tax (with personal tax on the increase across Europe, it is on the decrease in Gibraltar), and other personal tax options available to higher executives within these companies under certain conditions. Add to this the fact that there is no VAT in Gibraltar, as well as no capital gains, inheritance tax, stamp duty, or withholding tax on distributions to non-residents, and the options becomes even more attractive.

De Minimis Exemption

Gibraltar offers the same exemption, but also provides alternative options moving forward.

In the event that the manager is operating within the de minimis exemption, Gibraltar also offers a base and equivalent solution. Such a business can be established under a standalone investment manager license that is still regulated (not under AIFMD), as part of an Investment Fund model that may be self-managed, or as part of an already established platform model solution which can reduce the cost associated with operating in a fully regulated solution. Being established in Gibraltar as either a new company, or even as a contingency option for an existing company would also allow for an 'opt in' to AIFMD if and when required. The availability for both the AIFM and non-AIFM options exist together from Gibraltar.

Delegation to Gibraltar

Within CISA it has been made clear that FINMA may exempt some asset managers from certain licensing requirements in Switzerland if the asset management function has been delegated from fund management companies to management companies which are subject to regulation regarding organisation and investors rights that are equivalent to Swiss regulation. Delegation by a Swiss manager of duties to a non-Swiss entity will require the existence of an agreement between FINMA and the competent foreign supervisory authority (in this case, the Gibraltar Financial Services Commission) regarding cooperation, and mutual exchange of information. The scope of these requirements is not yet defined but should be made clear in the CISO (the implementing Ordinance to the CISA). If such conditions are met, there are further options that may be available to managers wishing to maintain their presence in Switzerland, but operate with the benefit of the European Passport from Gibraltar. It remains to be seen how this will operate in practice.

Distribution and the Qualified Investor

The new CISA regime confirms that the following are explicitly outside the definition of 'distribution'.

(i) offering or marketing to regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of CIS and central banks;

(ii) discretionary client exemption (requirement of written discretionary management agreement with regulated financial intermediaries listed under (i) or with independent asset managers (subject to additional requirements),

(iii) reverse solicitation and execution-only as well as new advisory client exemption (subject to further definition in the CISO).

It appears that a discretionary client will be considered to be a qualified investor so long as they have not given a written declaration that they do not wish to be treated as a qualified investor.

This is significant. In essence, Swiss banks and financial advisors will have continued access to managers from abroad who want to present their product and activities to them.

A Gibraltar manager, of a Gibraltar Fund would therefore not lose this important potential distribution chain.

In addition to this, under a situation where a manager runs a series of discretionary mandates, through a Fund Structure such as the Gibraltar Experienced Investor Fund, an allocation to those funds will not be treated as distribution. That is, rather than run 50 separate mandates, a manager should be able to allocate those discretionary clients across a series of managed funds (with for example, different risk profiles) without falling foul of distribution rules. This can be done within Gibraltar's protected cell company model with allows for legal segregation of 'cell structures' within the same corporate entity. High net worth individuals can also give written consent to be treated as qualified investors for the purpose of the rules. However the rules governing distribution to High Net Worth individuals that have taken this election do trigger the requirement to mandate a Swiss representative and paying agent. The obligations of this paying agent will include (i) to Safeguard that a Swiss representative and paying agent are appointed; (ii) to fulfil statutory reporting and information duties that are yet to be defined and (iii) to ensure on an ongoing basis that the designation of the CIS is not confusing or misleading during the time that such CIS is represented by the Swiss representative. There is no distribution license requirement if distribution is only being made to such high net worth (elected) qualified investors, but the distributor must be adequately supervised in Switzerland or the country of its domicile (such requirements to be defined in the CISO).

The Gibraltar Experienced Investor Fund

Gibraltar's Fund Regime develops and adds competitive advantages

In relation to the above it is important to note that the Gibraltar Experienced Investor Fund model continues to offer advantages over comparable products. Recent changes to Gibraltar's Experienced Investor Fund regime represent a significant step forward as a European Fund Domicile. These changes were introduced in April this year, effectively one month after the change in law in Luxembourg. One of the changes introduced in Luxembourg repealed the possibility of launching a Specialized Investment Fund (SIF), or sub-fund of an existing SIF, without approval from the Luxembourg regulator. Gibraltar retains this post launch notification mechanism, as well as introducing a prior approval process. This puts the timeframe for launch in the hands of the promoter and not the regulator. (Please see Part 3 of this newsletter for a general comparison between the Gibraltar EIF regime and the Luxembourg SIF regime)

Other recently introduced changes allow for an EU or equivalent fund administrator to act as the administrator to a Gibraltar fund (subject to approval) for the first time. The definition of the 'Experienced Investor' has been expanded on, and the re-domiciliation of funds to Gibraltar from 'offshore' territories has also been facilitated through amendments to the law. Please refer to Part 2 of this newsletter for further information on Gibraltar's updated EIF regime.

The Gibraltar funds regime offer attractive options within a European regulated environment, with full applicability of all European financial services directives.

NOTE: The above is not intended as legal advice or tax advice or otherwise. Information relating to the jurisdiction of Switzerland and to CISA has been taken from information and commentary readily available, relating to Switzerland, CISA and its interpretation, as well as from general market commentary and should not be taken as legal advice.

Part 2: Gibraltar's new fund regulations

Gibraltar introduced its new Experienced Investor Fund Regulations on the 12th April 2012 with the aim of continuing to develop the jurisdiction as an alternative EU Fund Domicile and further enhance the list of incentives which makes Gibraltar, in our view, the European domicile of choice for Alternative Investment Funds. So what are the main changes? What do they mean? And how does Gibraltar distinguish itself from other European Fund Domiciles?

EU or equivalent administrators may act as administrators to Gibraltar funds

Introduction of prior approval process for a fund which is now unique in Europe

'Experienced Investor' definition widened & expected to make regime more attractive

Re-domiciliation of funds facilitated by amendment to 'Experienced Investor' definition as Gibraltar positions itself for AIFMD.

Fund Administration

The change

For the first time, a Gibraltar Fund may appoint an administrator that is not licensed locally in Gibraltar, subject to certain conditions. Primarily the requirement that the administrator is established in the European Economic Area or in a jurisdiction with a legislative and regulatory regime that provides at least equivalent protection to Gibraltar with respect to the administration of funds.

The effect

Managers and advisors may consider Gibraltar as part of a line up of potential domiciles for their fund on the basis that an existing relationship with their administrator may be maintained. "Brand" administrators may for the first time consider Gibraltar as a viable alternative EU fund domicile which should provide an attractive option both in terms of set up costs, and critically, time to launch.

Establishment and Authorisation

The change

As well as continuing to have the facility to launch a fund and notify (rather than apply to) the Regulator within 10 days of the launch, Gibraltar has introduced an additional process whereby a fund may file for registration no less than 10 working days before the establishment of the fund. This 'prior approval' process allows for the fund to be deemed to be authorised on the day that it launches, thereby allowing the manager to clearly define its launch process and timeline with no regulatory uncertainty.

The effect

This has been a reaction to a growing demand and a common complaint across various jurisdictions where promoters or managers have raised issue with approval processes falling well outside initially promised timelines for launch. Note that the recent change to Luxembourg law of the 6th March 2012 (Bill no 6318) removed the possibility of prior authorization for Specialized Investment Funds thereby losing one of tis predominant characteristics.

Experienced Investor Definition

The change

Gibraltar has amended the definition of an 'experienced investor' for the purposes of Gibraltar law. Professional clients as defined by MiFID are now included and an investor who invests an aggregate of EUR 100,000 across one or more experienced investor funds would also now qualify. Similarly, a participant who invests EUR 50,000 and who has been professionally advised in relation to making that investment, would also qualify. The older qualifications also remain.

The effect

The Gibraltar regime now encompasses a wide range of potential clients within its definition. The purpose of this is geared towards 'equivalence'. That is, catching within the Gibraltar law definition categories of individuals who typically qualify to receive such financial promotions in other jurisdictions under the relevant distribution/private placement rules. As opposed to other jurisdictions which set out different categories of 'experienced/professional/qualifying' (non-retail) funds the Gibraltar EIF neatly wraps these within a single legislative framework.

Management and Control

The change

Many commentators have made the point that regulation and codification are the future of fund governance, and Gibraltar has taken its first steps into introducing such duties into statute. Some jurisdictions have issued guidance on governance standards that are non-binding and essentially voluntary while others, notably the Cayman Islands, have no such directors' code. While the changes to the EIF Regulations do not act as a form of governance code, they do increase the responsibility of the controller of the fund, and essentially introduce a requirement for a certain level of operational and risk management which must also be detailed in the fund's offer document. Gibraltar has always had a licensed fund directors regime which includes on-going direction from the Regulator as to duties expected from licensees in respect of fund governance.

The effect

Continued development of the fund governance model in Gibraltar, and requirements laid down in law in respect of certain duties and responsibilities of the controller of a Gibraltar Fund.

Re-Domiciliation

The change

As well as having long standing re-domiciliation provisions codified in law, the new EIF Regulations have also included provisions within the definition of an 'experienced investor' to allow for participants in funds that are re-domiciling to Gibraltar to automatically qualify, under certain circumstances, as 'experienced' for the purposes of Gibraltar law.

The effect

Funds domiciled in territories outside of the EU are provided with a platform to re-domicile those funds into the EU, and into an EU territory for the purposes of the Alternative Investment Managers Directive (AIFMD). The advent of the AIFMD is likely to widen the gap between EU and non-EU fund domiciles for the purposes of marketing and distribution within the EU. An EU Alternative Investment Fund Manager (AIFM) managing a non-EU Alternative Investment Fund (AIF) may be able to rely on local private placement rules after the 22nd July 2013, but there is no guarantee of what those private placement rules will look like. Similarly, after 2018, such distribution channels may become unavailable. What is also clear is that a passport will automatically apply to the marketing of an EU AIF by an EU AIFM from the date of transposition, while the pan European passport may only apply to the marketing of a non-EU AIF after 2015 (and subject to certain conditions).

Summary

There are a series of technical amendments that are beyond the scope of this newsletter but the main changes represent a significant step forward for the Gibraltar Funds industry.

When you ally this fund regime to the existing regulatory framework in place for Investment Managers who are able to passport their services into the EU from Gibraltar, whilst enjoying a headline 10% corporate tax rate, the jurisdiction should continue to attract new business.

In addition, the very favourable personal tax regime, and in particular options for higher executives within the industry, should put Gibraltar on the map for Investment Managers likely to be negatively impacted by, for example, the recent partial revision of the Swiss Federal Act on Collective Investment Schemes and/or other regulations being introduced in Switzerland. Similarly for Investment Managers based in higher tax jurisdictions looking for EU standardised levels of regulation, within a highly competitive tax framework, Gibraltar continues to develop into a genuine European choice for discerning fund managers, investors and administrators alike.

For information in respect of Gibraltar Funds or Gibraltar investment services please contact Joey Garcia at ISOLAS.

ISOLAS 1892

Part 3: Comparison Chart, Gibraltar EIF & Luxembourg SIF

Joey Garcia: joey.garcia@isolas.gi www.gibraltarlawyers.com

	EXPERIENCED INVESTOR FUNDS (EIFs) (GIBRALTAR)	SPECIALIZED INVESTMENT FUNDS (SIFs)(LUXEMBOUG)	COMPARISON
MINIMUM INVESTMENT/ QUALIFICATION	Restricted to 'Experienced Investors'. Under the legislation, Experienced Investors are persons or bodies who: • have a net worth of €1m aside from their residential property, or investors whose normal business activity includes investment related activity; OR • have a current aggregate of €100,000 invested in one or more EIF's; OR • invest a minimum of €50,000 in the EIF and have been advised by a professional adviser to do so; OR • are professional clients as defined under MiFID (this is a wide professional investor definition); OR • where the fund has re-domiciled to Gibraltar and special qualifications are obtained from the Regulator for those 'incoming' investors to qualify as experienced. These requirements are not cumulative so it is sufficient for an investor to invest €100,000 and not have to prove any of the other conditions.	Restricted to 'Well informed' investors. A participant must invest a minimum of €125,000 in the Fund. Institutional and/or professional investors also qualify. The €125,000 minimum can only be waived if the participant receives a positive assessment from a credit institution, an investment firm or a management company confirming their ability to adequately appraise an investment in the SIF.	Minimum investment can be dispensed with under the EIF regulations where the participant can show that he has a net worth above €1m (or satisfy any of the other criteria). With SIFs the minimum requirement must be met or else positive assessment is required. Minimum investment as a standalone can be €50,000 in the EIF (subject to the investor being appropriately advised). In SIF €125,000 minimum cannot be adjusted. €100,00 standard minimum is an aggreagete in Gibrlatar (i.e. can be met by separate subscriptions to different funds/cells). SIF has €125,000 as a standalone per investment.
AUTHORISATION / TIME TO LAUNCH	In Gibraltar, authorisation is a 'notification' procedure, OR a 'prior approval' procedure. Under notification procedure, the fund is launched and the regulator is informed of the launch within 10 days, confirming that it has met all the requirements. This is a unique procedure and there is no regulatory down time. The legal opinion from a senior Gibraltar counsel is filed with the documents stating that the EIF was set-up in accordance with the applicable financial services legislation. The fund can also apply for 'pre-approval'. That is, at least 10 days before the proposed launch the fund documents are filed with the regulator so that this can be approved.	Until recently, no prior approval was necessary to launch a SIF, however this has now been abolished (Bill of law No. 6318 amending the Luxembourg law of 13th February 2007, passed on 6th March 2012). The new law will require all new SIFs to be approved by the CSSF before they can start trading. The CSSF must now, prior to launch, approve the constitutive documents of the Fund, the choice of depositary, the identity of the members of the management body of the SIF and the identity of the members of the management body of the SIF. As of yet there are no specific guidelines on how long the authorisation process may take.	Gibraltar offers the opportunity to have the fund launched prior to authorisation from the regulator. This allows managers to clearly define their launch process and timeline without any regulatory uncertainty. Alternatively, the process of prior approval is also available for absolute clarity and within a defined time framework. It is clear is that as a result of the change of law, the SIF has lost one of its predominant characteristics; the absence of a prior approval requirement in view of launching the SIF. There are also technical differences involved in terms of the delegation of functions which are more restrictive within the SIF framework, in particular to natural persons.

Comparison Chart, Gibraltar EIF & Luxembourg SIF

Joey Garcia: joey.garcia@isolas.gi www.gibraltarlawyers.com

	EXPERIENCED INVESTOR FUNDS (EIFs) (GIBRALTAR)	SPECIALIZED INVESTMENT FUNDS (SIFs)(LUXEMBOUG)	COMPARISON
DIRECTORS	An EIF must have been at least two approved (by the Financial Services Commission) Gibraltar resident directors appointed to the board of directors.	No domicile requirement but they must be of high repute, have sufficient experience in that type of SIF and obtain authorisation from the regulator, the Commission de Surveillance du Secteur Financier (CSSF) .	In Gibraltar you will appoint 2 authorised and licensed EIF Directors who serve a specific purpose. Other Directors appointed (for example, the client) are not subject to licensing or approval. In Luxembourg all directors would need to be approved and this involves a separate application process.
MINIMUM SIZE	No minimum.	Minimum subscribed capital of €1,250,000 (within 12 months) plus may be increased by grand ducal regulation to €2,500,000.	No minimum in Gibraltar and no timeframe for raising minimum amounts.
OFFERING DOCUMENT	An EIF must issue an offering document that is consistent with industry standards and which will allow an investor to make an informed investment. The offering document must comply with the minimum requirements imposed by the financial services legislation.	The SIF or its management company must submit an issuing document to the CSSF. It must contain all the relevant information required for an investor to make an informed judgment on the proposed investment in the SIF.	Similar requirements. Differences recently introduced in Gibraltar law introduce additional clarity on role of controllers of the fund and certain processes that must be included from an investor perspective standpoint all of which are positive.
ELIGIBLE ASSETS	Unlimited.	Unlimited to an extent but Luxembourg law provides that the collective investment of funds must be made in assets 'in order to spread the investment risks'.	Both very flexible.
DIVERSIFICATION	No requirement.	Required by law to comply with the concept of risk diversification/risk-spreading (Art 4 and CSSF Circular n° 07/309)	No Gibraltar equivalent. No legal requirement in Gibraltar. In Luxembourg, in principle a SIF may not invest more than 30% of its assets or commitments to subscribe securities of the same type issued by the same issuer. The same restriction applies to short sales (30%). The CSSF may require the SIF to comply with additional investment restrictions, and may on justification grant exemptions.
INITIAL FEE	Initial fee of £2,500 payable to the FSC.	Filing duty of €1,500 for a single SIF and €2,650 for an umbrella structure SIF payable to the CSSF .	Fee for EIFs compared to SIFs is higher but the subsequent annual fees are substantially lower (see below)
ANNUAL FEE	Annual fee of £840 payable to the FSC.	CSSF annual fee of €1,500 for a single SIF and €2,650 for an umbrella structure SIF.	Annual fee in Gibraltar lower for any type of fund and substantially lower in the case of a PCC/umbrella fund.
ON-GOING TAX	None.	Subject to an annual subscription tax at a rate of 0.01%, such tax being determined on the total net assets valued at the end of each calendar quarter.	No Gibraltar equivalent. Additional on-going tax for SIF.

Comparison Chart, Gibraltar EIF & Luxembourg SIF

Joey Garcia: joey.garcia@isolas.gi www.gibraltarlawyers.com

	EXPERIENCED INVESTOR FUNDS (EIFs) (GIBRALTAR)	SPECIALIZED INVESTMENT FUNDS (SIFs)(LUXEMBOUG)	COMPARISON
DIVISION OF ASSETS/ MULTIPLE STRATEGIES	An umbrella fund structure can be set up as a protected cell company under the Gibraltar Protected Cell Companies Act 2001.This enables the establishment of one single legal entity with different and completely segregated cells, or sub-funds which are traded as individual investment funds. The assets and liabilities of each cell are "ring-fenced" from those of the other cells. Cells within the umbrella fund can be utilised until the purpose of their creation is achieved at which point the specific cell can be closed and the assets distributed to the cells' investors as appropriate. Under Gibraltar law there is no limit on the number of cells that may be created within a protected cell company.	Protected cell companies do not exist as a concept in law, however, there is an option to create multiple compartments which are contractually segregated each corresponding to a different part of the assets and liabilities of the SIF. Each compartment can have a specific investment policy and creditors and investors have recourse to the assets of the specific compartment only.	In Luxembourg there is no equivalent to the PCC Act, which can be viewed as a considerably more sophisticated piece of legislation. This enshrines the segregation of the Cells in statute, rather than by contract.
CUSTODIAN/ DEPOSITARY	An EIF that is open ended must have a depositary. Its role is to 'keep the assets that are under its control safe and accounted for'. Where an EIF has a depositary, it may be based in Gibraltar or in any other country. If the depositary is licensed outside of the EEA, the FSC would need to confirm that they have no objections.	Assets of a SIF must be held with a Luxembourg custodian bank (registered office in Luxembourg or established in Luxembourg, Art 16). Custodian must be a credit institution.	Gibraltar has a more flexible regime in this respect.
MANAGEMENT	No legal requirement to appoint an investment manager. Fund may be self-managed and no minimum capital requirements for manager, or self managed entity. If an Investment Manager is appointed they can be anywhere in the world provided they are authorised to provide the services they are providing from that country.	The Common Fund (FCP) has no legal personality and must be managed by a 'Management company' which must be situated in Luxembourg (registered office in Luxembourg). The individuals who effectively conduct the business of a management company must be of good repute and be sufficiently experienced in relation to the specific SIF and the management company must have an initial capital of at least €125,000.	Gibraltar has a more flexible regime in this respect.
ADMINISTRATION	The administration of an EIF can either be performed by an authorised Gibraltar resident collective investment scheme administrator or a foreign administrator in a jurisdiction with a legislative or regulatory regime of equivalent standing to Gibraltar in relation to the administration of funds	Central administration must be situated in Luxembourg, but certain functions (including NAV calculation, preparation of financial statements) may be outsourced to third parties for a more efficient conduct of business.	New changes to the EIF legislation make Gibraltar more flexible, although ultimately, control will always need to be shown to be in the fund domicile. The flexibility to appoint foreign administrators to a Gibraltar Fund provides a series of new opportunities.

Comparison Chart, Gibraltar EIF & Luxembourg SIF

Joey Garcia: joey.garcia@isolas.gi www.gibraltarlawyers.com

	EXPERIENCED INVESTOR FUNDS (EIFs) (GIBRALTAR)	SPECIALIZED INVESTMENT FUNDS (SIFs)(LUXEMBOUG)	COMPARISON
REPORTING	An EIF shall have an annual audit of its financial statements performed by a statutory auditor. The audited financial statements are required to be made available to the FSC.	Annual audit reports also required. Additional financial information in accordance with Circular CSSF 07/310 to be provided on a monthly/yearly basis. This information is used for statistical purposes and for purpose of supervising the SIF's concerned.	Additional reporting requirements in Luxembourg.
AMENDMENTS	All material changes to information provided to FSC, notified within 20 business days of change taking place. The offer document also must contain information on the manner in which changes likely to have a material effect on participants will be notified to participants.	Any change of documents and any change of director requires CSSF approval.	Similar, but no requirement for approval in Gibraltar. Simple notification.
DIVIDENDS	No dividend withholding tax applies when distributing a dividend to a non-Gibraltar resident.	Dividends to a non-Luxembourg resident are not subject to withholding tax unless the SIF is in the scope of EU Savings Directive. All SIF FCPs (common funds) are potentially in the scope of the Directive as they considered "residual entities" with no legal personality and the Luxembourg law implementing the Directive states that all such entities must be considered as having opted for being treated as a UCITS for the purposes of the Directive, hence falling within its scope. However the withholding tax (at 35% unless adequate exchange of information takes place) will only apply if the SIF FCP invests directly or indirectly more than 15% of its assets in debt claims (including cash).	Similar and in practical terms no withholding tax will be applicable to most SIF's, EIF's.

NOTE: The above is not intended as tax advice or otherwise. Information relating to the jurisdiction of Luxembourg has been taken from information readily available from the Association of Luxembourg Fund Industry, CSSF circulars relating to the SIF legal framework, and from general market commentary and should not be taken as legal advice.

For more information or for any enquiries please do not hesitate to contact joey.garcia@isolas.gi or log on to our website for more information.

Follow us on Twitter:
http://twitter.com/#!/ISOLASFunds

www.gibraltarlawyers.com

Connect on Linkedin
www.linkedin.com/in/joeygarcia

Portland House Glacis Road PO Box 204 Gibraltar Tel +350 2000 1892 Tel +350 2007 8990

Associated with
FIDUCIARY
FIDE ET FIDUCIA