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Opening remarks

Welcome to the new comprehensive guide to the funds and investment industry in Gibraltar. This guide offers a great deal of information about funds and investment management in Gibraltar. It should be particularly useful to investors, managers, fund directors, administrators and other practitioners who are interested in setting up / servicing funds or fund management companies in Gibraltar. The guide is an excellent indication of the coming of age of these industries in Gibraltar.

Gibraltar probably has some of the most user friendly fund regimes in the European Union, without compromising on the robustness of regulations. As the only remaining alternative funds jurisdiction in the European Union to allow for the pre-authorisation launch of an Experienced Investor Fund, we are the jurisdiction with the greatest speed to market for new funds products. This is particularly significant in light of the polarisation between EU and non-EU funds jurisdictions as a result of the Alternative Investment Fund Managers Directive.

I would like to thank Benjy Cuby of Finsbury Trust who has done such an excellent job in putting this together. I would also like to thank members of the editorial committee who have assisted greatly in the production of this guide. I am sure you will find it helpful.

James Lasry
Chairman, Gibraltar Funds & Investments Association
Foreword by the Hon. Gilbert Licudi QC

We entered Government in December 2011 with a firm manifesto commitment to provide an impetus to Gibraltar’s financial services sector. In particular, we pledged to work with professionals in the industry to make Gibraltar one of Europe’s premier jurisdictions for the establishment of asset managers and alternative investment managers / hedge funds.

In the funds arena the Government moved quickly to update the Experienced Investor Fund Regulations in order to expand the opportunities for the establishment of Gibraltar-domiciled funds, and we intend to likewise keep a close eye on any further legislative amendments that may be required to further boost the funds and asset management sectors.

Gibraltar’s main attraction to investors is as an EU domicile which provides entry to the single market in financial services, thereby enabling passporting throughout the member states of the EU. This is demonstrated by the critical mass already achieved in the insurance sector, and our aim is for the funds and asset management sector to follow suit as a mainstream European domicile.

The Gibraltar Government is actively working to achieve its stated objectives by establishing new business relationships with countries further afield, stepping up its marketing campaign by increasing its profile via greater participation in events, boosting our presence on the internet, including social media, and by increasing resources with the addition of three Senior Business Development Executives.

Our aim is to make Gibraltar the jurisdiction of choice in a range of financial services, and notably funds and asset management.

Hon. Gilbert Licudi QC  
Minister with responsibility for Financial Services  
HM Government of Gibraltar
Introduction to Gibraltar

Gibraltar is a British overseas territory that was ceded to the United Kingdom under the treaty of Utrecht in 1713. Gibraltar is a peninsula adjoined to Southern Spain and can be accessed by foot, car, aircraft and boat. It is approximately 6.8 square kilometres in size and has a population of 30,000 people. The official language is English, but Spanish is widely spoken.

Gibraltar is self-governing with parliamentary elections held every 4 years. The elected parliament assumes responsibility for all aspects of running the territory including taxation, education, health and policing. Gibraltar is self financing and the United Kingdom’s remit is limited to defence and foreign policy.

Gibraltar became a member of the European Union in 1973 by virtue of Article 353 (3) of the Treaty of Accession and is subject to EU legislation. Gibraltar, however is exempt from VAT, the Common Agricultural Policy and the Common Customs Union. As a territory within the EU, Gibraltar licensed financial services firms have access (passporting rights) to the single European market in investment services, banking, insurance, reinsurance and insurance mediation. The Government of Gibraltar is required to transpose into Gibraltar law EU directives, such as the Markets in Financial Instruments Directive (‘MiFID’), directives relating to Undertakings for Collective Investment in Transferable Securities (‘UCITS’) and the Alternative Investment Fund Managers Directive (‘AIFMD’).

The economy of Gibraltar is based on a broad range of industries. In addition to a strong and growing financial services sector there is a large insurance industry based in Gibraltar. Tourism is also one of the pillars of the economy. In recent years Gibraltar has also become the premium domicile globally for online gaming, attracting most of the leading operators in the sector. There is also a thriving ship bunkering sector. The currency of Gibraltar is Sterling, with Gibraltar Pounds being issued at par.

Direct flights connect Gibraltar with London (Heathrow, Gatwick and Luton) and Manchester. Other UK routes are also scheduled to open. A new airport terminal was opened in 2012 increasing capacity and providing the opportunity for flights to other European centres. In addition, Malaga and Jerez airports situated in southern Spain are approximately an hour’s drive from Gibraltar, providing easy access to most European countries, North Africa and North America.

Over the years Gibraltar has transitioned into an ‘onshore’ financial centre, complete with signed Tax Exchange Information Agreements with major global economies and white listed by the OECD. In addition, Gibraltar has successfully built and maintained a controlled and regulated business environment. The cautious and guarded approach fostered in Gibraltar has proven mission-critical for the jurisdiction.
In recent years corporate governance and regulatory control have become increasingly relevant across the EU and the global business community. Gibraltar embarked on this path by focusing early on good corporate governance and a workforce that is professional, knowledgeable and approachable.

When visiting Gibraltar the investment business service providers and the regulator can be visited all in one day. Gibraltar’s closely controlled environment is central to its business model. Participants in Gibraltar’s investment and fund business work to protect the reputation and integrity of their business, and by doing so, create an environment that allows for controlled growth.
Overview of Gibraltar’s fund industry

Gibraltar has emerged as a popular alternative jurisdiction for investment funds and their managers, offering robust fund legislation, favourable tax advantages within an EU framework, efficient regulation, the flexibility of a small jurisdiction, quality infrastructure and European ‘passporting rights’ for investment firms. The combination of Gibraltar’s accessibility, European time zone, UK standard schools, low crime rate as well as its Mediterranean climate and lifestyle, has positioned Gibraltar as a particularly attractive jurisdiction for fund managers to establish themselves.

Gibraltar’s funds and investments infrastructure has developed over the past decade. During this time Gibraltar has become home to a broad spectrum of domestic and international companies, including banks, fund administrators, accountants, investment managers, stock brokers, company managers, auditors and lawyers who comprise Gibraltar’s fund services industry. Gibraltar also presents political and economic stability, a professional workforce trained to UK standards and full employment rights for EU/EEA and Swiss citizens.

The Government of Gibraltar has been a consistent supporter of the domestic funds and investments industry since the early years of the industry’s inception. The Government has adopted a commercial and user-friendly approach, often partnering with industry in presenting the jurisdiction to international fund practitioners. Government support has helped position Gibraltar at the forefront of dynamic innovation in the sector and as one of Europe’s premier jurisdictions for the establishment of alternative investment funds.

Gibraltar’s financial services sector, which includes the fund and investment industry, is regulated by the Financial Services Commission (‘FSC’) which was established in 1989. The FSC regulates the administration and promotion of registered collective investment schemes and has a department that deals solely with funds. The FSC maintains high regulatory standards and, whilst modelled on the UK’s Financial Services Authority, it also benefits from the flexibility that a small jurisdiction brings. Entities regulated in Gibraltar are able to work directly with the regulator when the need arises.

As a member of the European Union, Gibraltar benefits from EU Directives such as MiFID, Parent Subsidiary Directive (‘PSD’), the Interest and Royalties Directive (‘IRD’), UCITS Directives and the soon to be implemented AIFMD. Firms regulated to provide investment advisory or management services under MiFID are able to passport their services into other EU jurisdictions under their license. Gibraltar firms have enjoyed passporting rights in respect of investment services for several years. This enables providers of investment services to operate in other EEA member states based on the authorisation granted to them locally by the FSC. While this is the case for similar managers domiciled in other European territories, the low cost and low tax environment of Gibraltar, which is EU-compliant and supported by established brand name service providers, presents a compelling alternative.
Gibraltar’s tax laws are central to its position as a thriving fund domicile. A new Gibraltar tax regime, launched in January 2011, has maintained the previous status quo such that any income received by a Gibraltar fund which is accrued and derived outside of Gibraltar will not be taxed in Gibraltar. This tax regime has now brought Gibraltar in-line with modern onshore financial centres.

Gibraltar’s flexible funds legislation provides for a variety of fund products, ranging from small unregulated private schemes to regulated professional funds for experienced investors and UCITS retail funds.

A significant step in Gibraltar’s development as a fund domicile jurisdiction was the introduction of the Experienced Investor Fund (‘EIF’) regime in 2005. The popularity of the EIF has been an important contributing factor to the advancement of Gibraltar’s fund industry. A revised EIF regime was introduced in 2012 to build on the progress achieved through the previous legislation. EIFs currently established in Gibraltar are a diverse assortment of open-ended and closed-ended funds with asset classes ranging from standard tradable securities to property, private equity, venture capital, fund of funds and other alternative investment classes.

Over the past decade the funds industry in Gibraltar has matured considerably, drawing on experience from international clients and professionals, as well as developing substantial home-grown expertise. Investment funds are today one of the pillars of Gibraltar’s finance sector, along with insurance, banking and private client services. Gibraltar’s size and the seamless communication between the industry, regulator and Government, have allowed it to develop into what is arguably the premier experienced fund regime in Europe and certainly the regime with the greatest flexibility and fastest time to market.

**Gibraltar presents a unique offering to funds and their managers**

- Established EU Jurisdiction for a wide range of investment funds
- Well developed fund regime, including UCITS, Experienced Investor Funds and private funds
- Unique offering for asset managers, combining quality of life with fiscal and legislative stability
- High regulatory standards, combined with an approachable environment for fund managers, service providers and the regulator
- Specialist European master feeder fund solutions
- Professional and internationally recognized fund and investment expertise
Setting up a fund in Gibraltar

The formalities, required parties and the process involved in setting up a fund in Gibraltar will depend upon the type of fund sought, its proposed investment activities, the legal entity required (normally driven by tax considerations) and the method and extent of the intended marketing.

Gibraltar’s fund legislation does not provide for different regimes for open-ended and closed-ended funds. For example, EIFs established under the EIF Regulations 2012, and private schemes, established under the Financial Services (Collective Investment Schemes) Regulations 2011 (‘CIS Regulations 2011’), can opt to function as open-ended funds, closed-ended funds, limited partnerships, unit trusts or protected cell companies. UCITS may only operate as open-ended funds and funds established in accordance with the Prospectus Act 2005 can only function as closed schemes. There are no specific registrations or filings which need to be undertaken in order to differentiate between open-ended or closed-ended funds. However the FSC requires that, in the case of an EIF, prior notification is made where the planned EIF’s name contains certain words such as ‘fund’ or ‘capital’.
Private funds

A private scheme, or a ‘private fund’, is established under the CIS Regulations 2011. A private scheme is a collective investment scheme that is not listed on a stock exchange and is not authorised to have more than 50 investors. A private scheme does not require authorisation by, or registration with, the FSC, and is therefore unregulated.

There are no restrictions under the CIS Regulations 2011 on the type of vehicle which can be used to establish a private scheme. The common structures are:

- A Gibraltar private limited company is considered as having a distinct legal personality and thereby the ability to make a legal claim or have a legal claim made against it in Gibraltar.

- A unit trust is not considered as having a distinct legal personality and would typically be structured to take advantage of the tax transparency of the trust vehicle. In certain circumstances tax transparency enables investors to benefit from fiscal arrangements between their jurisdiction of residence and the jurisdiction of the investments. A unit trust follows the basic fundamentals of Gibraltar trust law and is created by a trust deed between the manager of the scheme and the trustee of the scheme. The trust deed is the constituting document of a unit trust and is the agreement that the trustee will hold the assets of the scheme on trust for the investors.

- A Gibraltar limited partnership would typically allow an investor to participate as a limited partner, whereas the general partner would usually be a Gibraltar limited company. A Gibraltar limited partnership has a distinct legal personality and most tax authorities accept them as tax transparent.

Private schemes in Gibraltar are not regulated and there are no statutory requirements for the production of audited accounts, a prospectus nor a requirement for the services of a fund administrator. However, industry practitioners in Gibraltar ordinarily insist on these elements as a matter of professional investor protection and good corporate governance. Private schemes are required to produce an offering document in order to ensure that investors have sufficient information to evaluate the offer.

Requirements

A private scheme is an unregulated collective investment scheme and is not subject to any licensing requirements nor is registered with any regulatory body. There are also no requirements for licensing of directors on the board. In addition there are no requirements for appointing a custodian or an investment manager. The private fund may be self-managed by its directors. It is noted however that with the forthcoming introduction of the AIFMD, private schemes may be subject to certain registration and other requirements.
Private schemes have no statutory restrictions governing investment or leverage. A private scheme is not required by statute to make any filings or returns under the CIS Regulations. However, if the private scheme is established as a Gibraltar limited company, it is required, under section 153(1) of the Companies Act, to make successive annual returns to the Registrar of Companies.

**Marketing the private fund**

The promoter or agent of a Gibraltar private scheme may only offer the fund to an identifiable category of persons whose number is fewer than 50. An identifiable category could be the friends, family or close clients of a promoter of the fund. This makes private schemes generally geared towards ‘friends and family’ or a known, identified and existing small investor base.

A private scheme must remain private for at least one year following the offer date. As such, it can only be ‘converted’ into an EIF after a one year period.

Other than the restriction on the limited nature of promotion, there are no statutory restrictions on the type of investor who can participate or the minimum investment size. The units of private schemes may not be listed on a stock exchange and would ordinarily be offered to potential investors on a private placement basis. It is customary for local legal advice to be sought in the jurisdiction where the private scheme offer is being made.
Experienced Investor Funds

The Experienced Investor Fund (‘EIF’) regime is similar to professional or sophisticated fund products offered in jurisdictions such as the Caribbean, the Channel Islands, Luxembourg and Ireland. Since its introduction in 2005, the EIF has been the primary driver behind the growth of Gibraltar’s fund industry, proving a robust and flexible product utilised by both EU and non-EU fund managers.

An EIF established under the current EIF Regulations 2012, is a regulated collective investment scheme exclusively for investment by experienced investors. Gibraltar EIFs are designed to invest in a wide range of traditional or alternative asset classes. EIF asset classes typically include tradable securities, commodities, currencies, property, private equity and funds, as well as alternative investments such as structured credit, mortgage tranches, credit loans, venture projects and aircraft. There are no restrictions in law as to the eligible assets classes for an EIF, and there are no diversification requirements within the relevant legislation.

Establishing a fund as an EIF presents a number of key advantages:

- pre-launch approval mechanism;
- no investment or borrowing restrictions;
- fund may be self-managed;
- expedited start-up process and competitive start-up costs;
- no limit to number of investors;
- reasonable ongoing operating costs;
- tax neutrality;
- benefit of EU directives such as PSD; and
- an EIF may be structured under a variety of formations.

Common EIF structures include:

- a Gibraltar limited company, unit trust or limited partnership. This can include foreign structures approved by the FSC where management and control is located in Gibraltar;
- other form recognised by the FSC; and
- a Protected Cell Company under the PCC Act 2001.
EIFs are often structured as open-ended companies. Open-ended funds require constituting documents to allow redemptions of shares at the prevailing Net Asset Value (‘NAV’). Typically, an EIF will issue ordinary shares which carry most of the voting rights and participation shares which carry the economic rights. Participation shares are the units purchased by investors at the NAV price. The ordinary shares are usually issued to the investment manager or to the directors, depending on who manages the fund.

An EIF may also be structured as a closed-ended fund which locks in investors for a predetermined length of time, usually subject to one or more extensions. Closed-ended funds are usually used for private equity or property funds where investment is deal-specific rather than being intended to facilitate continuous trading by the fund.

**Limited partnerships**

There is an increasing interest in utilising Gibraltar limited partnerships as the preferred vehicle for private equity, given their commercial flexibility and transparency for tax purposes. Gibraltar’s limited partnerships are comparable to English limited partnership, with some key differences. A Gibraltar limited partnership has perpetual succession and separate legal personality, the two key common law ingredients for body corporate status. Separate legal personality renders the vehicles also suitable for funds of funds. Given the inherent tax advantages that Gibraltar offers, coupled with the light touch and flexible regime of the EIF, a continued interest is expected in these structures going forward.

**Protected Cell Companies**

A Protected Cell Company (‘PCC’) is a limited liability company established with a number of cells, or sub-funds, with statutory segregation of assets and liabilities into the different cells. Distinct classes of participation shares will normally constitute the different cells. Instead of relying on a purely contractual arrangement between shareholders, Gibraltar’s Protected Cell Company Act 2001, gives a statutory basis for the segregation of assets that binds third parties, in addition to the shareholders. The PCC structure is multijurisdictional and employed in a number of financial centres under different names such as the Segregated Portfolio Company.

Although historically the PCC structure was most commonly employed in Gibraltar within the captive insurance sector, in recent years PCCs have gained greatest traction within collective investment schemes. The structure has been in use in Gibraltar since 2001 and funds have been using the PCC structure since the enactment of the original EIF regulations in 2005.

The PCC structure is versatile since it allows a manager to create a single investment house within which there can be several different cells with different investment and risk parameters. In this way, a fund manager may provide investment products to clients
with varying risk and return appetites, all within one fund structure. The PCC structure is sufficiently flexible to permit cell assets to be managed by separate investment managers selected by individual policyholders, a structure common with high net worth individuals.

Over recent years, investment funds, including hedge funds and property investment companies, have been the catalyst for the growth of many PCCs. While larger funds will invariably be set up as single vehicles, there are often efficiency gains to be made by smaller funds pooling together under one PCC. Such structures are also fairly easy to establish and the documentation has become standardised.

The PCC structure serves as a useful tool for investing in a single corporate entity via distinct share classes. Each cell will hold securities or share classes which correspond to a particular risk/return investment objective or asset profile. Fund managers in particular have established PCCs as structured investment platforms for clients. For each separate investment a new protected cell is established. The promoters can use the PCC for any business transaction based on the investment objectives of its investors. The investors in turn own the economic rights over the cells and are only exposed to the risk of loss in respect of the activities of the particular cell. In contrast, the promoters retain the ownership risk related to the PCC and its core assets in order to obtain the benefits of the PCC’s management. There is therefore a significant case in favour of the PCC as a means of raising and segregating funds within a single vehicle.

**Registration and operational requirements**

One of the attractions of Gibraltar as a fund domicile is that no regulatory approval is required before a fund can begin to raise capital and commence with its investment activities. Gibraltar is a unique jurisdiction where a fund may be launched based on a legal opinion that confirms the fund has met all legal and structural requirements for its operations, and provided that the fund’s documentation is submitted to the regulator for registration within ten business days of its launch. The majority of Gibraltar funds make use of this preferred route, however, alternative or exotic fund structures and strategies are generally discussed with the regulator ahead of time.

An EIF may on the other hand opt for a pre-launch FSC registration where the fund notifies the FSC at least ten days prior to launch. If following ten days of receipt of the documents the FSC does not issue a notice to the applicant, the fund is deemed authorised. The pre-launch registration option is unique and allows the fund to be authorised on the day that it is launched, thereby enabling the manager to define the launch process and timeline with no regulatory uncertainty. Once launched, the fund may immediately begin its activities, including promotion, capital raising and investing.

A launch meeting marks the fund’s authorisation and launch. As part of the launch meeting, it is determined that the fund meets all relevant provisions of the EIF regulations and the
fund is deemed authorised. At launch the fund’s initial board meeting usually also takes place and the operator agrees that all the necessary contracts are completed allowing the fund to launch under the EIF regime.

In order for an EIF to be established in Gibraltar, the fund is required to notify the FSC, as described above, with the following materials:

- written notification of the establishment of the fund;
- the fund’s Private Placement Memorandum (‘PPM’) or offering document or prospectus;
- a legal opinion from a Gibraltar lawyer of at least five years standing, who is independent to the administrator, that certifies that the fund complies with EIF regulations;
- an application fee;
- the fund’s constituting documents; and
- any other documents requested by the FSC.

In essence, a fund is established in Gibraltar through the drafting and approval of the relevant documentation by legal counsel, along with input from the fund directors, administrator, investment manager and other service providers. The FSC does not review nor comment on the documentation prior to the establishment of the EIF. This provides the promoter with greater control over the process, and a fast time to market, all of which is unique to Gibraltar.
Following an EIF registration in Gibraltar the FSC may request further documentation or, on certain occasions, amendments to the prospectus. There is however no regulatory downtime to the authorisation of an EIF. If necessary, an EIF can be set up in a matter of days as many of the service providers in Gibraltar can offer turnkey solutions.

An EIF has the following key operating requirements:

- Where the fund is structured as a company, its board requires two Gibraltar resident directors who are authorised by the FSC to provide directorships to EIFs. A list of current authorised EIF directors can be found on the FSC website (www.fsc.gi). Other fund directors may be resident in other jurisdictions, subject to fiscal considerations.

- In the case of a trust, it is required that two trustees be resident in Gibraltar and authorised to act as a trustee of an EIF. If the unit trust is structured with a corporate trustee, two directors should be authorised and resident in Gibraltar.

- If an EIF takes another form, the person having ultimate responsibility for the management and control of the fund should be authorised by the FSC and be a Gibraltar resident.

- An EIF may be managed by a third party investment manager or ‘self-managed’ by the fund directors. The investment manager or adviser may be from any jurisdiction provided that it complies with the law of the jurisdiction from which it operates.

- An authorised Gibraltar administrator or an approved foreign administrator, is required for both open and closed-ended funds, regardless of the asset class in which the fund invests.

- An EIF operating as an open-ended fund is required to appoint a depository or custodial bank or agent. EIFs may work with any authorised depository or broker that is deemed acceptable to the FSC. A closed-ended EIF will usually appoint a banker for cash transactions, however, its assets are not required to be held for safe-keeping by a third party. There is no requirement for an EIF to use a Gibraltar based depositary. This will change in the case of those funds that are obliged to comply with the Alternative Investment Fund Managers Directive.

- An EIF is required to undergo an annual audit by an auditor approved under the Financial Services (Auditors) Act. There are international audit firms based in Gibraltar, including three of the Big Four firms. A fund manager would not have a problem engaging a global brand to audit the fund.
An EIF is required to submit its audited accounts to the regulator within six months of its year-end, together with a form containing the fund’s general compliance and statistical information.

An EIF is required to produce an offering document, commonly referred to as a Private Placement Memorandum (PPM), which includes certain information about the fund. The PPM is often drafted by the lawyers engaged to set up the fund and should be the only document that investors rely on when basing their decision to invest in the fund. Fact sheets and other marketing material are also permitted.

An EIF is required to notify the FSC immediately of any regulatory breach and within 20 business days of any material changes to the fund.

Marketing of the fund

An EIF can market its shares or units to experienced investors and begin trading from the time the fund is officially launched. Prior to launch, one is permitted to have discussions with professional advisers of potential anchor investors, for example in a private equity fund situation, provided it is made clear that the fund is not available for subscription at that time. Marketing EIFs should always be in accordance with the laws of the jurisdiction in which the fund is being offered.

An Experienced Investor is defined as:

a) A person or partnership whose ordinary business or professional activity includes acquiring, underwriting, managing, holding or disposing of investments, whether as principal or agent, or providing investment advice;

b) A body corporate or unincorporated association which has net assets in excess of €1 million or which is part of a group which has net assets in excess of €1 million;

c) The trustee of a trust where the aggregate value of the cash and the investments which form part of the trust’s assets is in excess of €1 million;

d) An individual whose net worth, or joint net worth together with the individual’s spouse, is greater than €1 million, excluding that person’s personal place of residence;

e) A participant who has a current aggregate of €100,000 invested in one or more EIFs;

f) A participant who invests a minimum of €50,000 in an EIF and has been professionally advised, with the fund’s administrator receiving confirmation of such advice;

g) A person who is a professional investor, as defined under the Financial Services (Markets in Financial Instruments) Act 2006; or
h) A participant in a fund that has re-domiciled to Gibraltar where the regulator has permitted the inclusion of such participant either in respect of a specific fund, or more generally, in respect of funds from a certain jurisdiction.

It is important to note that it is sufficient for the investor to fulfil any one of these conditions to be considered an Experienced Investor under Gibraltar law.

Since EIF investors are by definition experienced, there are no statutory restrictions on acceptable investment or borrowing strategies, except that the fund must provide in its PPM details of its investment and leverage policy.

EIFs have no minimum or maximum requirements governing the number of investors or amount of invested capital. In general EIFs have no legislative restrictions on accepting US investors, provided that the fund and its manager adhere to the relevant US securities laws. Since Gibraltar funds can trade as private companies, they are eligible under US law to make a ‘tick the box’ election and thereby be treated, for US tax purposes, as partnerships. In some cases this obviates the need to set up a US feeder fund structure for US investors.

EIFs are typically marketed in jurisdictions on a private basis under national private placement regimes. A private placement is a private offering of securities to a select group of investors without requirements to register the product with the national regulatory authority or undergo disclosure requirements common when financial products are offered to the retail market. Each jurisdiction will generally have proprietary private placement regulations that may differ significantly between one jurisdiction and the next. At this time, there is no common private placement regime across the European Union. EIFs and their managers complying with the authorisation process of the AIFMD will receive a pan European marketing passport, thereby circumventing the private placement regimes in place and enabling Alternative Investment Fund Managers (‘AIFMs’) to passport the Alternative Investment Funds (‘AIFs’) they manage and market them to professional investors across the EU.
Retail funds – UCITS

A Gibraltar fund may be licensed in accordance with the laws on Undertakings for Collective Investment in Transferable Securities (‘UCITS’) where the intention of the fund is: (a) to operate with the sole object of collective investment in transferable securities or in other liquid financial assets; (b) raise capital from the public and invest on a the principles of risk-spreading; and (c) issue units which are at the request of holders redeemed, directly or indirectly, out of those assets.

A UCITS in Gibraltar may be established as:

- A Gibraltar open-ended investment company;
- A Gibraltar unit trust comprising a trustee and an independent manager; or
- A contractual fund which is an unincorporated body established by a management company under which the participants agree to share in the assets of the fund. As an unincorporated body the contractual fund will not have separate legal personality and will be tax transparent, thereby allowing investors to benefit from fiscal arrangements between their jurisdiction of residence and the jurisdiction of the investments.

A UCITS fund can be structured as an umbrella scheme under which the contribution of the participants and the profits out of which payments are to be made are pooled separately in relation to separate parts of the scheme.

Registration and operational requirements

A UCITS fund structured as a common fund is required to appoint an authorised UCITS management company and a licensed depository in Gibraltar. A standard arrangement would be for the UCITS fund to engage a UCITS management company, which in turn would contract with service providers such as an investment manager, administrator and distributor. However, a UCITS fund structured as an open-ended investment company may opt to be self-managed by its directors. In this case, the fund will contract directly with service providers in its own name. The decision to structure a UCITS fund with or without a UCITS management company depends on factors such as corporate tax, legal structure, consolidation of agreements, commercial arrangements, oversight and costs. A UCITS management company is able to passport its services from the member state where it is domiciled to another member state where it wishes to provide services.

A UCITS management company requires an initial capital of €125,000 and increase this figure by 0.02% of the amount by which the value of the portfolios it manages exceeds €2.5 million (with a cap of €10 million). A self-managed UCITS fund which has not appointed a UCITS management company is required to have a minimum initial capital of €300,000.
The UCITS' Key Investor Information Document (‘KIID’) is a concise standardised one-page document which provides fair and clear information to investors. The KIID must contain a risk indicator based on historical volatility – a scale which indicates risk/reward.

The Financial Services (Collective Investment Schemes)(Corporate Restructuring) Regulations 2011 provide for procedures to merge UCITS and establish UCITS master-feeder structures. Merging UCITS funds (cross-border and domestic) facilitates the creation of larger funds, increasing efficiencies through economies of scale. The UCITS IV regime also enables master-feeder UCITS structures to be created. A master UCITS fund may be created in one jurisdiction with investors from other member states investing in the fund via a locally domiciled UCITS feeder fund. UCITS feeders can be used to facilitate tax efficiencies and better serve local distribution channels.

Marketing the UCITS fund

UCITS benefit from a full EU marketing passport. This passport allows UCITS established in one EU member state to market its shares or units in other member states by following a simplified regulator-to-regulator notification procedure via standardised electronic documentation. This removes the burden of undergoing time-consuming authorisation procedures in each member state where the UCITS wishes to raise capital.

A Gibraltar UCITS intending to distribute its shares/units in another member state is required to submit to the FSC a notification letter of its intention to market in a target member state. The FSC will subsequently verify the application and transmit the request, along with other supporting documents relating to the fund, to the relevant competent authority of the member state where the Gibraltar UCITS wishes to raise capital or make distributions. Once the transmission has been confirmed by the FSC, the Gibraltar UCITS may begin marketing in that member state.
Redomiciliation

Funds redomicile to Gibraltar because of many of the same factors attracting newly established funds to the jurisdiction – namely the fiscally effective legislative framework for funds and managers, combined with high regulatory standards, economic stability, accessibility, Mediterranean climate, European time zone and the high quality professional services infrastructure. In addition, market observers expect that with the entry of AIFMD and the subsequent harmonization of fund regulation across Europe, AIFs located outside the EU wishing to market to EU-based investors will find it useful to establish a European feeder fund structure in jurisdictions such as Gibraltar. This will address the restrictions in place on fund managers marketing non-EU domiciled funds in Europe and provide funds with an EU marketing passport based on AIFMD.

Redomiciling a fund to Gibraltar commences on the basis that the entity meets the provisions of the legislation, is established in a form recognised under Gibraltar law and is approved by the FSC. A fund’s by-laws, as well as the laws and regulations of the home jurisdiction, must also allow for the redomiciliation to take place.

Apart from the long-standing re-domiciliation provisions codified in Gibraltar law, the 2012 EIF Regulations include 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. In addition, Gibraltar’s 2012 EIF legislation dispenses with the requirement for a redomiciled fund to appoint a local fund administrator. A foreign administrator, however, requires approval from its home regulator, must be located within the EEA or in a jurisdiction with similar regulatory and legislative standards to those of Gibraltar, and finally receive consent from the FSC and the Minister responsible for Financial Services. The foreign administrator may find it beneficial to appoint a local administrator to act as its ‘agent’. The local agent then handles the co-ordination of filings with Companies House, the FSC and other functions that the foreign administrator may wish to delegate locally.
Investment management

Gibraltar funds do not require a Gibraltar-based investment manager or advisor. Non-EU managers of Gibraltar funds are also not required to be licensed under equivalent standards to MiFID. However an investment manager running an EIF must comply with the legislation from its home jurisdiction. If the manager is based in Gibraltar or any other European jurisdiction, it will ordinarily require a MiFID license. In order to undertake investment management activities in Gibraltar a license is required from the FSC. There are three categories of license:

<table>
<thead>
<tr>
<th>Category</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td>arranging deals</td>
<td>arranging deals</td>
<td>arranging deals</td>
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<tr>
<td></td>
<td>discretionary portfolio management</td>
<td>discretionary portfolio management</td>
<td>discretionary portfolio management</td>
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<tr>
<td></td>
<td>holding client money</td>
<td>holding client money</td>
<td></td>
</tr>
<tr>
<td></td>
<td>deal on own account, both as agent and as principal</td>
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<tr>
<td>Capital requirement</td>
<td>€730,000</td>
<td>€125,000</td>
<td>€50,000</td>
</tr>
</tbody>
</table>

In addition to the basic capital requirement under the license process, each investment manager is required to complete an Internal Capital Adequacy Assessment Process ("ICAAP"). Submission to the FSC determines what additional capital is required to support the business, taking into account the risks faced by the business and mitigation controls in place. Typically most licensed businesses will need to provide some additional capital above the minimum set out in the regulations.

A Gibraltar investment manager or advisor must have a physical presence and staff located in Gibraltar. Investment managers licensed in Gibraltar may apply to passport the provision of their services across the EU. Similarly EU fund managers relocating to Gibraltar may passport in, which requires a relatively routine notification process. A new investment manager in Gibraltar, or one relocating from outside the EU, will be required to complete the application process set out in the FSC website. The FSC employs a universal application process across all licensed activities. The main elements of the application comprise:

- Completion of application forms for the business and all its controllers;
- Provision of a detailed business plan;
- Provision of a 3 year financial plan with accompanying statutory returns;
- Submission of an ICAAP assessment;
- Details of the systems and controls in place;
- Details of compliance and anti-money laundering procedures; and
- Business continuity plan.
The application time frame is driven by the quality of the application submitted. If the application includes the appropriate level of foresight and due diligence then an investment manager can expect to be licensed in Gibraltar within a period of three to six months. Once an application is submitted the FSC will work to ensure that the principal individuals behind the business are:

- Fit and proper to run an authorised business;
- Have the resources, systems and controls to effectively manage the business;
- Adhere to the ‘four eyes’ principle; and
- that mind and management of the investment manager is located in Gibraltar.
Taxation

The following is a general commentary on taxation of Gibraltar funds in Gibraltar. Those considering establishing a fund in Gibraltar should seek full tax advice on the matter.

Income tax in Gibraltar is levied on a territorial basis, under the ‘accrued and derived in Gibraltar’ principle. In most cases Gibraltar does not levy tax on investment or passive income wherever derived. Gibraltar does not typically tax dividends, interest, royalties from intellectual property, income from debentures or capital gains. The vast majority of Gibraltar funds undertake activities which fall outside the Gibraltar tax regime on general principles, either because the income consists of exempt investment income, income from a trade conducted outside Gibraltar, income which accrues and derives outside Gibraltar, or capital gains on the disposal of assets. Therefore no special tax exemptions are required in the case of most Gibraltar funds.

A Gibraltar fund may, however, obtain a confirmation from the Gibraltar Commissioner of Income Tax that the fund is not subject to corporate tax on its investment income. Private equity and real estate funds that wish to avail themselves of the PSD and IRD will usually not request an exemption, instead preferring to be taxed under Gibraltar’s 10% corporate tax rate and thereby demonstrate that they are taxable and able to benefit from these directives. Ultimately, these investment funds are unlikely to be liable for corporate tax as Gibraltar levies tax on a territorial basis on income accruing in Gibraltar, whereas the fund’s investments will ordinarily be located outside the jurisdiction.

Gibraltar is a well-regulated onshore finance centre located within the European Union. Similarly to many other niche international finance centres, Gibraltar does not have bilateral double tax treaties in place with other countries. The Government of Gibraltar is currently investigating the feasibility of implementing certain double tax treaties. Notwithstanding this, Gibraltar funds can make use of the PSD and IRD from many jurisdictions, including Luxembourg, which is particularly popular. PSD provides for no withholding taxes on dividends payable by a subsidiary in an EU member state to a Gibraltar parent company. IRD provides that there should be no withholding taxes on interest or royalties paid from a group company to a Gibraltar company. This is particularly advantageous in private equity fund structures investing on a pan European basis.

Whilst it is within the European Union, Gibraltar is outside the common customs area and the VAT area. In the private equity arena in particular, where there is an investment adviser based within an EU member state such as the UK, the adviser need not charge VAT on its services, and neither is there any reverse charge in place in Gibraltar where the service is received by a Gibraltar domiciled fund. This compares favourably to many other EU fund jurisdictions.
Gibraltar is not an island, and many people working in the financial services industry in Gibraltar live in Spain and commute daily across the Spain-Gibraltar border. Gibraltar has a burgeoning investment management community. Although not a tax benefit as such, it is worth noting that an investment manager with a Gibraltar issued MiFID license can passport its services throughout Europe. Where this can be achieved without creating a permanent establishment in the countries where the services are offered, foreign taxes will often be avoided.

**Taxation of fund managers**

A Gibraltar based investment manager providing licensable investment services is taxable in Gibraltar at the rate of 10%, as such activity is deemed to accrue in, and derive from, Gibraltar. Typical deductions from trading income, such as rents, salaries and office costs are allowable in arriving at taxable profits, in accordance with Gibraltar Generally Accepted Accounting Principles (GAAP). The profits of any branch or permanent establishment of the investment manager are not subject to tax in Gibraltar, to the extent that those activities are undertaken outside Gibraltar. The overall effective tax rate for such a business may be further reduced if the owner or manager receiving a salary can obtain a special tax status in Gibraltar, such as High Executive Possessing Special Skills (‘HEPSS’). The HEPSS scheme caps an individual’s personal employment and dividend income tax liability to under £30,000 per annum, provided the individual is an expatriate who possesses specialized skills, is earning over £100,000 per annum and owns or rents an approved residence in Gibraltar.

A self-managed fund, managed by its directors from Gibraltar, would not ordinarily become liable to income tax on trading income otherwise accruing and deriving from outside Gibraltar as a result of licensing under the Experienced Investor Fund regime or any other regime for the licensing of funds.

Where required, tax transparency is available in Gibraltar under certain structures. A Gibraltar limited partnership is confirmed by HM Revenue & Customs in the UK as tax transparent for UK tax purposes. There are similar rulings in place for certain other European countries. In addition, a Gibraltar private limited company is not considered a corporation for US tax purposes, and such an entity can therefore ‘check the box’ for US tax transparency.

There are no withholding taxes in Gibraltar and Gibraltar does not levy income taxes on non-resident directors of Gibraltar companies who are occasionally present in Gibraltar for less than 30 days per annum.

Gibraltar’s Income Tax Act 2010 introduced tax self-assessment for companies and individuals. Companies that have assessable income are required to make returns of their income and, where there is taxable income, calculate their own tax liability for the relevant
accounting period. Two payments on account are required for each calendar year: one on 28 February and one on 30 September. Each payment is equal to 50% of the tax payable for the last relevant accounting period. A balancing payment or refund is then due no later than six months after the month in which the accounting period falls. Companies are required to submit their tax returns within six months following the month in which an accounting period ends.

**Taxation of investors**

There are no withholding taxes in Gibraltar on dividends, capital gains or interest income. An exception to this is in connection to certain interest payments to UK resident individuals under the EU Savings Directive 2003/48/EC, where the payee elects for the withholding option. Consequently, non-Gibraltar resident shareholders in a corporate vehicle will generally not suffer any taxes in Gibraltar. Other interests, such as limited partners or unit holders, similarly will not suffer any Gibraltar taxes on income from a fund which does not accrue and derive income from Gibraltar.

Gibraltar resident shareholders will not suffer tax on income from a fund which does not accrue and derive income from Gibraltar. In addition, where a fund is marketed to the general public, such as a retail UCITS, there are no taxes on income arising from the fund.
Regulatory and legislative developments

The conduct of investment services, fund management and administration in Gibraltar is governed by the financial services legislation. Detailed rules and regulations have been issued under several acts to give effect to EU directives relating to investment services and the regulation of collective investments, thereby harmonising investment funds within a European context.

The majority of Gibraltar's fund legislation is contained in:

- the Financial Services (Collective Investment Schemes) Act 2011 ('CIS Act 2011');
- the Financial Services (Collective Investment Schemes) Regulations 2011 ('CIS Regulations 2011'); and
- the Financial Services (Experienced Investor Fund) Regulations 2012 ('EIF Regulations 2012').

In addition, there are a set of Gibraltar acts which transpose into Gibraltar law European Directives relating to collective investment schemes. These include:

- the Prospectus Act 2005, the transposition of the Prospectus Directive 2003/71/EC;
- the Financial Services (Markets in Financial Instruments) Act 2006 ('MiFIA 2006'); and
- the transposition of the Markets in Financial Instruments Directive 2004/39/EC ('MIFID').

Since Gibraltar is a member of the European Union it is required to implement European legislation which is the main driver of developing legislation, including the Alternative Investment Fund Managers Directive 2004/39/EC ('AIFMD') and the UCITS V legislation.
Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive (‘AIFMD’) is a European Union law which places alternative investment vehicles such as hedge funds and private equity firms under the supervision of an EU regulatory body. AIFMD introduces a common EU approach to bringing alternative funds and their managers within the scope of regulatory supervision, and creates transparency and stability to the way these funds operate. AIFMD is the most radical reshaping of fund management and marketing regulation in the EU since the UCITS directive changed the landscape for European retail investment funds.


The Directive is required to be transposed into EU national laws by 22 July 2013, and will be effective from this date. Existing fund managers that fall within the scope of AIFMD have until 22 July 2014 to bring their operations in-line with the Directive. At present the EU’s 27 member states are in the process of drafting legislation to implement AIFMD in their respective state. The new legislation comes at a particularly acute time, as due to volatile and low market returns elsewhere, investors are increasingly looking to invest in alternative assets and funds.

The AIFMD is designed to:

- Ensure all AIFMs are subject to appropriate authorisation and registration requirements;
- Provide a framework, through regular reporting obligations, to monitor and mitigate overall risk to the financial system, as well as specific risk to individual investment vehicles;
- Provide a common approach to protecting professional investors in AIFs;
- Enhance public accountability of fund managers holding controlling stakes in companies; and
- develop a single European market for AIFs.

AIFMD introduces wide ranging changes to the way in which fund managers are regulated in Europe. Under the new directive, AIFMs who manage AIFs with assets under management of at least €100 million (leveraged) or €500 million (close-end, unleveraged) are required to be authorised and thereby comply with obligations such as capital requirements,
operational requirements, depository requirements, remuneration, conflicts of interest, risk and liquidity management, transparency, disclosure and regulatory reporting. Further obligations target private equity firms and funds that are substantially levered.

AIFMD will apply to AIFMs domiciled in the EU which manage EU or non-EU domiciled AIFs as well as to non-EU domiciled AIFMs that manage non-EU domiciled AIFs and market them throughout the EU. Self-managed AIFs are treated for all intended purposes as the AIFM, and will consequently need to be authorised under the Directive.

Fund managers outside the ambit of the AIFMD who do not wish to opt-in, may continue to domicile in an EU member state, if the national laws of that state allow. They may continue to offer their funds throughout the EU under the national marketing laws of each member state, usually under private placement regimes. If, as some industry practitioners believe, AIFMD establishes itself as a brand product, similarly to UCITS’ impact on the retail market, smaller fund managers may have an additional incentive to opt-in and become part of a ‘gold standard’ product, which will be more attractive in terms of capital raising.

AIFMD provides that after 2015, non-EU fund managers managing non-EU funds may also take advantage of the AIFMD passporting, provided that the regulatory regime of the non-EU domicile is on par with the regime provided under AIFMD. A co-operation agreement between the respective jurisdictions is also required to be in place.

The AIFMD proposal includes the following key reforms:

- AIFMs operating in the EU require authorisation by the relevant home member state and demonstrate that they are suitably qualified to provide AIF management services;
- AIFs are required to delegate cash monitoring and investment compliance procedures to a depository agent, generally a bank;
- A private equity fund is required to appoint an independent valuer and an independent custodian;
- A private equity fund with EU investors is required to disclose its business plan for a portfolio company to the company’s other shareholders and employees; and
- Imposes limit to leverage of 1x the amount of capital across a fund.

With the introduction of the AIFMD, all investment funds in the EU will fall into either the category of UCITS or AIFs. UCITS funds are governed by the UCITS directive and are authorised for sale to the retail market.
AIFMD – impact on Gibraltar

Gibraltar is fully compliant in respect of EU investment business and fund legislation. Gibraltar-based investment firms will be able to comply with AIFMD and avail themselves of the European passport and market across member states on the basis of that authorisation, provided that they notify the FSC of where they intend to market. In a similar way, Gibraltar investment firms that are licensed under MiFID are already able to passport services or establish branch offices in other member states. MiFID firms are not required to reapply to the FSC for authorisation under AIFMD, however they are required to be AIFMD compliant in order to provide services to AIFs. Although AIFMD compliance will carry a cost to funds and their managers, the ability to market funds to a wide range of investors across the EU is expected to reduce overall marketing costs for funds.

The AIFMD provides a lighter regime for boutique managers with assets under management (AuM) of less than €100 million, which will be the case for a good number of Gibraltar funds. These managers may choose to opt in to the Directive, for example following demands from institutional investors seeking an AIFMD seal of approval. Other investors may prefer not to press boutique managers for full AIFMD compliance as the additional compliance costs are likely to be passed on to the investors. AIFMs operating under the lighter regime that have not opted in will be unable to passport throughout the EU. Gibraltar funds managing less than €100 million have both options available to them.
Although the AIFMD implementation requirements are similar across the EU, it is expected that the cost of implementation may vary across jurisdictions. Running costs are likely to be lower for operations run from a Gibraltar head office compared to operations based in many other European jurisdictions. This is owing to a number of Gibraltar-specific factors, including the special residency and tax status enjoyed by executives and the headline corporate tax rate of 10% with no applicable VAT or capital gains. The VAT exemption also provides useful options to a manager providing operational support to branch offices throughout Europe.

AIFMD contains new rules on the marketing of alternative investment funds in the EU by European and non-European managers, and provides regulation for the marketing of these funds to professional investors within the EU. For funds that market to EU investors, AIFMD presents a choice of keeping the fund domiciled outside the EU, re-domiciling existing funds into the EU or forming a new fund within the EU. Re-domiciliation to a jurisdiction like Gibraltar is often the choice approach as it usually involves a seamless transition without triggering a taxable event and it allows established fund managers to maintain their track record.

The AIFMD may therefore present certain opportunities to the Gibraltar funds and investment sector. It is expected that a number of Caribbean and other non-EU funds may consider re-domiciling into an EU jurisdiction such as Gibraltar, in order to avail themselves of the possible marketing advantages of European domiciled funds. This fundamental change in the international funds industry is therefore expected to drive funds that are marketed in the EU to be domiciled in the EU.

Gibraltar’s 2012 EIF provisions paved the way for foreign funds to re-domicile to Gibraltar and for Gibraltar funds to use fund administrators based outside Gibraltar. These revisions may trigger interest in the jurisdiction as a location for re-domiciling AIFs and establishing new funds. Gibraltar’s light but robust regulatory regime may very well make it the home of new EU feeder funds. Despite the 2012 EIF revisions, the introduction of AIFMD in Gibraltar may require further amendments to the EIF Regulations, particularly in regards to new depository requirements and the licensing of EIF managers.

Unlike funds domiciled in the Channel Islands and Caribbean jurisdictions, Gibraltar based funds will benefit from the AIFMD passport from July 2013. Funds in those other non-EU jurisdictions may potentially be able to become AIFMD compliant and avail themselves of the European passport only from July 2015.
Funds complying with the Prospectus Act 2005

The Prospectus Act 2005, which transposes the Prospectus Directive 2003/71/EC into Gibraltar law, provides the conditions to which an issuer must adhere to when offering securities to the public or admitting them for trading. The Prospectus Act 2005 does not create a fund regime, but does allow for the establishment of a closed-ended collective investment undertaking which may, in accordance with the provisions set-out in the Act, offer its securities. The Prospectus Act 2005 requires that the offering of fund securities be accompanied by a prospectus drafted in accordance with the terms provided. Once the prospectus has been approved by the Gibraltar ‘competent authority’, the fund may request that the Gibraltar competent authority notify competent authorities of other EU member states, in order to allow the fund to offer its securities in those member states.

A fund which intends to offer securities to the public, or admit the securities for trading in a regulated market, must issue a prospectus in accordance with the provisions set out in Schedule 5 of the Prospectus Act 2005. The fund is required to submit the prospectus to the FSC, who is required to notify the fund in writing of its decision on an application for approval of a prospectus within ten working days of receipt of the application. There are no requirements to appoint depositaries, administrators or any other party.

In order to take advantage of the marketing passport, a fund is required to be structured as a vehicle which is able to issue securities that fall outside the exempted securities covered by the Act, namely:

- units issued by collective investment undertakings other than the closed-ended type; and
- securities included in an offer where the total consideration of the offer is less than €2.5 million, the limit of which shall be calculated over a period of 12 months.

Once an offer to the public or admission to trading on a regulated market is approved by the FSC, the prospectus approved and any supplements thereof will be valid for the public offer or the admission to trading in any number of host member states, provided that the competent authority of each host member state is notified.
Statistics

In recent years Gibraltar has witnessed a steady increase in the number of registered EIFs. As of 31 December 2012 there were 96 EIFs\(^1\) registered in Gibraltar through which roughly £2.7 billion of assets were being managed. Since there is no registry in Gibraltar for private funds, it is difficult to ascertain their exact numbers and the assets they are managing. Many EIFs are structured as protected cell companies, each with a number of sub-funds or cells, statutorily segregated from each other. Including the various cells in the PCCs, Gibraltar has roughly 200 fund strategies in operation.

1. Statistics tracking the collective investment schemes in Gibraltar are provided by the Financial Services Commission.
Gibraltar EIFs invest globally in a wide range of asset classes. Almost half of Gibraltar’s EIFs are structured as hedge funds investing in tradable securities, commodities and currencies. The remaining funds mainly run real estate, private equity and fund of fund strategies. Non vanilla or exotic investment strategies make up 9% of EIFs. Approximately 1 in 7 funds employ a mixed strategy approach, usually via a number of cells, each with a distinct investment strategy.

Ten licensed fund administrators in Gibraltar administer roughly £3 billion of assets in approximately 150 local and foreign funds. Gibraltar fund administrators comprise accountancy firms, specialist fund administrators and corporate service providers. Fund administration in Gibraltar has enjoyed a sharp increase in the number of funds and capital managed since the sector’s humble beginnings in 2006 when only 20 investment funds were administered in the jurisdiction.
On 31 December 2012 there were 93 authorised EIF directors registered in Gibraltar, of which 79 directors were actively running EIFs. The number of authorised EIF directors in Gibraltar has remained fairly stable in recent years, with the proportion of those directors active with funds steadily increasing.
About the Gibraltar Funds & Investments Association

The Gibraltar Funds & Investments Association (GFIA) is the association representing the interests of the funds and investments sector in Gibraltar. This includes the interests of investment managers, investment dealers, banks, brokers, fund administrators and fund directors. GFIA’s objective is to develop and maintain Gibraltar as a specialized investments jurisdiction of choice within Europe, and to promote the awareness of Gibraltar as one of Europe’s premier financial centres. We promote this through regular dialogue with our members and cooperation with local government and regulatory bodies.

GFIA encourages the exchange of information between members and the relevant authorities in order to establish a recognized medium of communication between GFIA, the Government of Gibraltar and the FSC. GFIA also strives to promote adherence by its members of the principals of investor protection, corporate governance, compliance and professionalism in investment and fund activities.

GFIA makes a strong effort to identify and promote learning opportunities and provide members with professional development opportunities through regular training. This is important in developing and growing the capabilities of the local work force. GFIA also makes a concerted effort to inform and advise its membership of emerging and relevant issues affecting the financial industry locally as well as globally which often involves participation in international seminars and conferences.

GFIA is in constant dialogue with the Government of Gibraltar and the FSC to improve conditions for the investment and funds business. We present workable, marketable initiatives to both the Government and the regulator in order to improve the competitiveness and relevance of Gibraltar’s investment and funds business.

Listed below is GFIA’s membership, which is comprised of companies and individuals operating in Gibraltar, including investment managers, fund administrators, stockbrokers, lawyers, EIF directors, banks and auditors. There are a number of other Gibraltar fund directors and investment funds that are not yet members of GFIA and they can be found listed on www.fsc.gi.
Experienced Investor Funds

Alpha Beta Gamma Fund PCC Limited
Beyond Africa Fund Limited
Calderon Fund PCC Limited
Cimco PCC Limited
ClearRock Capital PCC Limited
Dharma Fund PCC Limited
FTC Futures Fund PCC Limited
Gauss Strategic Investments Fund Limited
Global Arbitrage Partners Fund Limited
Gottham Fund PCC Limited
Hilltop Funds PCC Limited
Jar Aviation Fund PCC Limited
Margaux Fund PCC Limited
Paradiso Fund Limited
Patron Capital LP III
Patron Capital LP IV
Peak Capital Partners Fund Limited
ProAlp Fund Limited
Suisto Fund Limited
The Hideaways Club City Collections Property Company Limited
The Hideaways Club Property Company Limited
Turicum Global Investment Fund PCC Limited
Value Preservation Fund PCC Limited

EIF directors

Anthony Jimenez
Daniel Rudich
David D. Cuby
George Felipes
James David Hassan
James Lasry
James Levy QC
James Neave
Jonathan C. Stagnetto
Lindsay Adamson
Maurice Albert Perera
Michael L D Nicholls
Peter Haynes
Peter Young
Philip Canessa
Raacida Amenzou
Subash Malkani
Tim Streatfeild-James

Investment managers
Armor Portfolio Management Limited
Burren Capital Advisors Limited
BVB Asset Management LP
Gibraltar Asset Management Limited
Huber & Co Limited
Hyperion Wealth Management Limited
IIG Financial Services Limited
Investglob (Gibraltar) Limited
Logistable Limited
Rock Limited
Sharpe Investments Limited
SMC Asset Management Limited
Sovereign Asset Management Limited
Taler Asset Management (Gibraltar) Limited

Collective Investment Schemes administrators
Abacus Fund Administration Limited
B&C Limited
Castle Fund Administrators Limited
Fiduciary Fund Administration Limited
Grant Thornton Fund Administration Limited
Helvetic Fund Administration Limited
Velay Financial Services Limited
Vista Fund Services Limited
Whitmill Fund Administration Limited

Collective Investment Scheme managers and depositaries
Barclays Bank PLC
Credit Suisse (Gibraltar) Limited
Lloyds TSB Bank PLC
Lombard Odier Darier Hentsch Private Bank Limited
The Royal Bank of Scotland International Limited (trading as NatWest)
SG Hambros Bank (Gibraltar) Limited
Turicum Private Bank Limited
Law firms
Attias & Levy
Hassans International Law Firm
Isolas
Ramparts
Triay & Triay
Triay Stagno Neish

Registered auditors
Baker Tilly (Gibraltar) Limited
BDO Limited
Deloitte Limited
KPMG Limited
Moore Stephens Limited
PwC (Gibraltar) Limited

Investment dealers
ADM Investor Services International
Prospreads Limited
Quay Financials (Gibraltar) Limited

Company managers
ECE Nominees Ltd
Finsbury Trust & Corporate Services Limited

Banks
Jyske Bank (Gibraltar) Limited
## Glossary of terms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<td>AIF</td>
<td>Alternative Investment Fund</td>
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<tr>
<td>AIFM</td>
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<td>European Securities and Markets Authority</td>
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<td>High Executive Possessing Special Skills</td>
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<td>PCC</td>
<td>Protected Cell Company</td>
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<td>Private Placement Memorandum</td>
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<td>UCITS</td>
<td>Undertakings for Collective Investment in Transferable Securities</td>
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GFIA Executive Committee
James Lasry (Chairman), Joanne Sené (Secretary), Moe Cohen (Treasurer), Joey Garcia (Head of Technical), Benjy Cuby (Head of Marketing), Clark Elder (Head of Training), Carlos Martins, Jordan Ramagge
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