

Matheson Investment Funds and Asset Management Update

2015 will be characterised as an important year for the modernisation and consolidation of Irish company law, the framework of which applies to investment fund companies and management companies.

For international asset managers, these developments, when taken together with the imminent introduction of the ICAV, will present a choice of Irish fund vehicles available for establishing UCITS and AIFs which has never been better.

In this briefing, to assist you with planning ahead over the coming months, the partners at Matheson would like to update you on:

- the impact of the Companies Act 2014 (the “Companies Act”) on UCITS and AIFs established as investment companies, and on management companies; and
- the current timeline with respect to the adoption of the Irish Collective Asset-management Vehicle Bill 2014 (the “ICAV Bill”) which will introduce a new Irish corporate vehicle as a strategic alternative to the investment company - the ICAV - which may also be used for establishing UCITS and AIFs.

The Companies Act

The Companies Act was signed by the Irish President on 23 December 2014. It seeks to modernise and consolidate the legal framework applying to Irish companies. Although the new legislation is not yet in force, it is expected to be commenced in June 2015.

As the Companies Act introduces updates for all Irish companies, it has relevance for UCITS and AIFs which have been established as investment companies, and for management companies. The Companies Act does not alter the fundamental nature of any Irish company, which remains a body corporate with separate legal personality, and with a board of directors to which primary responsibility for management of that company is delegated.

With respect to the changes introduced by the Companies Act, the partners at Matheson have produced a guide to assist fund managers and investment companies in assessing the practical implications, and responding to the updates which the Companies Act incorporates. The guide also reviews the transitional provisions and the actions to be considered over the coming months by management companies, and UCITS and AIFs established as investment companies.

Our Companies Act guide for fund managers and investment companies can be accessed [here](#).

The ICAV

The ICAV Bill is a legislative measure separate to the Companies Act. Once enacted, it will give effect to a new Irish collective investment vehicle which may be used to establish a UCITS or AIF, referred to as an “ICAV”. It has been instigated in order to provide a more tailored, bespoke corporate vehicle solution designed to meet the operational needs of European investment funds and the needs of their investors.

A Matheson summary of the essential structural features of the ICAV can be accessed [here](#).

While existing Irish funds established as investment companies can continue as such post introduction of the ICAV, a question which we are frequently asked is whether those UCITS and AIFs already established as investment companies have the option of converting into an ICAV. The answer is yes, and we envisage that many will convert in order to avail of the benefits of the ICAV.

In this respect, the ICAV conversion procedure is relatively straightforward and a useful Matheson guide to the steps involved can be accessed [here](#).

Timing – When will the ICAV be available for my funds?

It is now anticipated that the ICAV Bill may be signed into law prior to the end of this month, with ministerial enactment expected shortly thereafter. Matheson will keep you updated. The Central Bank of Ireland has already indicated that it will be in a position to accept applications for ICAV authorisations from promoters within two weeks of formal ministerial enactment of the new ICAV legislation.

Next Steps

Matheson partners will be in touch with our clients to discuss the application of the Companies Act to their specific fund ranges, with a view to considering the impact and the implementation of any necessary changes with minimum disruption to funds, shareholders and managers.

Alongside this, given the imminent introduction of the ICAV legislation, we are also happy to discuss in further detail the opportunities which this will present – from setting up new UCITS and AIFs as ICAVs; to reviewing the option to convert an existing investment company into an ICAV (which can be done in tandem with the necessary M&A review for the purposes of preparation for the Companies Act); to considering the migration of existing non-Irish domiciled corporate funds to Ireland as an ICAV by continuation.

In the meantime, should you require additional information on these upcoming developments or in relation to any other matter, please do not hesitate to get in touch by phone or email with your usual Asset Management Group contact, or any of the contacts listed in this briefing.

Full details of the Asset Management and Investment Funds Group, together with further updates, articles and briefing notes written by members of the Asset Management and Investment Funds team, can be accessed at www.matheson.com.

Contacts



Michael Jackson

PARTNER
DUBLIN OFFICE

D +353 1 232 2219
E michael.jackson@matheson.com



Dualta Counihan

PARTNER
DUBLIN OFFICE

D +353 1 232 2451
E dualta.counihan@matheson.com



Joe Beashel

PARTNER
DUBLIN OFFICE

D +353 1 232 2101
E joe.beashel@matheson.com



Tara Doyle

PARTNER
DUBLIN OFFICE

D +353 1 232 2221
E tara.doyle@matheson.com



Anne-Marie Bohan

PARTNER
DUBLIN OFFICE

D +353 1 232 2212
E anne-marie.bohan@matheson.com



Elizabeth Grace

PARTNER
DUBLIN OFFICE

D +353 1 232 2104
E elizabeth.grace@matheson.com



Philip Lovegrove

PARTNER
DUBLIN OFFICE

D +353 1 232 2538
E philip.lovegrove@matheson.com



Shay Lydon

PARTNER
DUBLIN OFFICE

D +353 1 232 2281
E shay.lydon@matheson.com



Liam Collins

PARTNER
DUBLIN OFFICE

T +353 1 232 2195
E liam.collins@matheson.com



Aiden Kelly

PARTNER
NEW YORK OFFICE

T +1 646 354 6585
E aiden.kelly@matheson.com

The material is provided for general information purposes only and does not purport to cover every aspect of the themes and subject matter discussed, nor is it intended to provide, and does not constitute, legal or any other advice on any particular matter. The information in this document is provided subject to the Legal Terms and Liability Disclaimer contained on the Matheson website.

Copyright © Matheson