

## The Irish advantage: why Middle Eastern managers are establishing funds in Ireland

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Ireland is the domicile for 5.9% of world-wide investment fund assets, making it the third largest global centre and the second largest in Europe.

1,053 fund managers from 54 countries have assets administered in Ireland. 17 of the top 20 global asset managers have Irish domiciled funds. Significant Irish fund ranges have been established by managers based in UAE, Qatar, Bahrain and Saudi Arabia including First Abu Dhabi Bank (FAB), Emirates National Bank of Dubai (ENBD), Gulf International Bank, Investcorp and Royal Group.

### Beneficial factors

Ireland's highly evolved, internationally focused funds industry has worldwide influence and benefits from an exceptional regulatory system, business-friendly climate, skilled workforce, distinguished listing service and favourable tax conditions.

As of November 2023, the AUM of Irish domiciled investment funds was approximately €4 trillion, distributed among 8,813 different funds and sub-funds.

### Global influence

Ireland acts as a crucial hub for international distribution, with its funds reaching a diverse range of retail and institutional investors across 90 countries in the Middle East, Asia, the Pacific, Americas, Europe and Africa. Being part of the EU, the Eurozone, the Organisation for Economic Co-operation and Development (OECD), the Financial Action Task Force (FATF) and the International Organisation of Securities Commissions (IOSCO), Ireland is internationally recognised as a leading financial jurisdiction. Significantly, it provides investment managers with the opportunity to utilise the EU wide marketing passport for UCITS and AIFs.

### Pragmatic regulatory structure

The regulatory structure for investment funds in Ireland, including Shari'ah compliant funds, is built upon principles of transparency, openness and investor protection. Acknowledged as a well established and thoroughly regulated financial services domain, the Irish financial industry has developed over thirty years and currently employs more than 17,000 fund professionals.

## Pro-business environment

In the 2023 global competitiveness rankings, Ireland is ranked as the world's second most competitive economy. Moreover, following Brexit, Ireland stands as the sole English speaking nation within the Eurozone, offering entry to a European market comprising 500 million consumers. Additionally, Ireland boasts one of the youngest and most highly educated workforces globally, with 62.3% of its population aged between 25 and 34 having completed third level education, significantly surpassing the EU average of 42%.

## Listing services

Euronext Dublin is recognised worldwide as the leading centre for registering investment funds with over 7,000 classes listed.

## Tax efficiency

Ireland's taxation system, in addition to being efficient and predictable, is open, transparent, and fully adheres to the guidelines set forth by the OECD and EU law. Investment funds regulated in Ireland, including those that adhere to Shari'ah principles, are exempt from Irish tax on income and gains derived from their investments and are not subject to any Irish tax on their net asset value.

Furthermore, there are no net asset, transfer or capital taxes imposed on the issuance, transfer or redemption of units held by investors residing outside of Ireland. For investors, with the exception of certain regulated funds invested in Irish real estate, those who are not residents of Ireland are not liable for Irish taxes on their investments and do not encounter any withholding taxes on payouts from the fund.

For these reasons, Ireland is globally acknowledged as one of the most favourable locations for setting up an international investment fund.

*To discuss the establishment process please get in touch with Ogier's Funds team in Ireland who would be delighted to assist.*

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people.

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