



## Gibraltar emphasizes its position as a “Rock Solid” fund jurisdiction

**No or low tax funds jurisdiction in a low cost environment**  
**Passporting now available for non-Gibraltar administrators**  
**No Gibraltar based custodians required**  
**Regulatory approval can be obtained within 10 days**  
**Gibraltar is now ready for the AIFM Directive**

**The dawn of the new Experienced Investor Fund (“EIF”) legislation in Gibraltar has reaffirmed the jurisdictions intent to become the fund domicile of choice within the EU.**

**With quicker authorisation and no requirement of a Gibraltar administrator, fund redomiciliations to “The Rock” can now be completed in record time.**

### Who is experienced?

The Financial Services (Experienced Investor Funds) Regulations 2012 now defines an “experienced investor” as an individual or corporate who meets a simple test of net assets/worth over €1,000,000.

More notably, participants can individually invest into an EIF provided that they have a current aggregate of €100,000 invested in one or more EIFs.

For bank customers, any MiFID defined professional client can be considered to be an experienced investor, or similarly if a participant has invested at least €50,000 after being advised by a professional advisor, they would also qualify as experienced.

### Becoming authorised

An EIF must set up as a collective investment scheme and can be set up as a company or any other form recognised under Gibraltar law and approved by the regulator.

The key benefit here is that a fund will be deemed authorised if they do not receive a reply from the regulator within 10 days of their application.

Furthermore, a fund can opt to obtain “prior approval” 10 days before the fund launch date. This will allow the fund to be deemed authorised on launch date.

The documents and submissions required to be submitted for authorisation are:

- EIF approved form together with application fee;
- Offering document; and
- Legal opinion that the fund meets the requirements of the EIF legislation.

### Choosing the fund administrator

The key selling point of the new regulations is that funds redomiciling to Gibraltar are not required to appoint a Gibraltar administrator. As long as the fund has an appointed administrator that is established in the European Economic Area or a jurisdiction with similar legislative and regulatory requirements, and is so approved by the regulator, then the favoured administrator of the fund can be maintained even after redomiciliation.

Administrators can appoint an agent for service in Gibraltar and can also consider setting up in here. The regulator will entertain new interest should the administrator be able to show that new funds will flow into Gibraltar.

### Redomiciling

The new legislation states that any legal entity established in the EEA in a form recognised under Gibraltar law and approved by the regulator will be allowed to redomicile to Gibraltar provided it meets the provisions of the legislation.

After a fund redomiciles to Gibraltar, any participant in that fund is automatically considered to be experienced and no further work or due diligence is required at the participant level.

Given the large number of available EIF directors authorised in Gibraltar, identifying and appointing the minimum two local directors should not prove to be too cumbersome.

All the above create the right spirit for fund redomiciliation onto the Rock, and sets Gibraltar apart from its competitor jurisdictions as a place for business.

### Governance

All EIFs must appoint at least two local resident directors.

The directors cannot delegate their management and control responsibilities, but can delegate some of the functions to either an administrator or investment manager or other local presence, subject to this being disclosed in the offer document.



## Gibraltar emphasizes its position as a “Rock Solid” fund jurisdiction

### Taxation

Apart from the low headline rate of 10% corporate tax, the main benefit is that non-trading investment income is exempt from tax and so the effective tax rate could be considerably lower.

Furthermore, there is no capital gains tax in Gibraltar, whilst there is no withholding tax on dividends, interest or royalties.

There is an attractive top rate of personal tax at 28% as well as tax incentives for relocating High Executives which satisfy certain criteria which effectively cap their taxable income at £120,000 per annum. This represents a maximum tax of approximately £30,000.

### Life on “The Rock”

With eight months of sunshine, Gibraltar really is an ideal location for individuals working in the area. Through easy access to Spain and Portugal, many lifestyle needs are also catered for via top-class golf resorts, fine dining, summer sports and winter skiing.

The Gibraltar climate is typically Mediterranean with mild winters and warm dry summers. The average winter temperature is 15°C and the average for summer is 30°C.

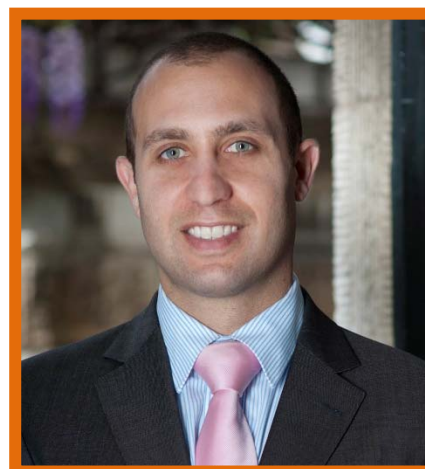
### Business infrastructure

Gibraltar has developed a financial and commercial infrastructure to meet the needs of new enterprises that are seeking a low cost operation based in Europe. As a business location, it provides a high quality professional service overseen by a European standard of legislation.

### Accessibility to UK and Europe

Gibraltar has between three to five daily flights to and from London. There are also flights to and from Manchester. A new state-of-the-art airport constructed in 2011 has considerably increased the capacity of scheduled flights in the future.

Access to Spain is via a land border. Gibraltar is also one hour's drive away from Malaga airport which has many daily scheduled flights to the UK as well as numerous other European destinations.



**Kristian Menez**  
Director, Assurance

### Other relevant points to note

- A fund can be set up as a trust as well as a company.
- A fund can be set up as a protected cell company.
- A fund shall file with the regulator annual audited accounts in accordance with internationally recognised accounting standards within six months of the year-end of the fund.
- A fund must file an annual return with the regulator within six months of the year-end of the fund.
- A list of eligible local EIF directors can be found on the regulator website: [www.fsc.gi](http://www.fsc.gi).

For further information, please contact:

**Kristian Menez**  
kristian.menez@gi.pwc.com  
+350 200 73520 ext 211

**Lalit Khatwani**  
lalit.khatwani@gi.pwc.com  
+350 200 73520 ext 404

PricewaterhouseCoopers Limited  
International Commercial Centre  
Casemates Square  
Gibraltar

[www.pwc.gi](http://www.pwc.gi)