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## QUALIFYING INVESTOR FUNDS - AUTHORISATION PROCESS REDUCED TO ONE DAY

### Summary of Main Points

- **New notice filing regime to be introduced for qualifying investor funds (“QIFs”)**
- **No requirement to file draft documents for review by Financial Regulator**
- **QIFs to be authorised by Financial Regulator within one day of filing fund documents and forms**
- **New regime commences 14th February 2007**

In December 2006 the Board of the Financial Regulator approved a proposal to streamline the current authorisation process for QIFs. Under the proposal, draft fund documentation for qualifying investor funds (including the draft prospectus) will no longer need to be submitted to the Financial Regulator for review prior to the authorisation of the fund. Instead it is proposed to authorise QIFs on the day after the fund documentation is filed with the Financial Regulator, together with certain forms and confirmations to be provided by the fund’s law firm. This new authorisation process for QIFs is to commence on 14th February 2007.

Pending the implementation of the new authorisation process, the Financial Regulator has been in consultation with some industry representatives to finalise the revised application forms and confirmations that will have to be provided. The application form is now tailored for the use of QIFs only and requires disclosures appropriate to the more sophisticated type of investors to be included in the fund prospectus.

Notwithstanding the move away from the substantive review of the application form and fund documents by the Financial Regulator, it should be noted that it will still be necessary for the promoter, directors and service providers of a fund to have been approved by the Financial Regulator to act as such prior to an application for authorisation of a QIF being made. There have been no changes to the requirements in relation to these approvals. Similarly, any specific derogations from the general requirements needed for a particular fund type will also need to be pre-cleared with the Financial Regulator. However it is hoped that in the second stage of the industry review process many of the derogations obtained in the past by QIFs on a case by case basis will be made generally available by the Financial Regulator in the ordinary course of the authorisation process.

The proposed change in the authorisation process for QIFs is a very significant response by the Financial Regulator to industry concerns about having an institutional type fund product that could be

brought to market quickly. It should also remove timing of authorisation as an issue for a promoter when considering Ireland as a jurisdiction to establish an investment fund for certain types of institutional investors.

## In Brief

**Kevin O'Connor** has joined the firm as a partner in the Financial Services Group. Kevin has 15 years experience in working with offshore collective investment schemes. He is a law graduate from University College Dublin and has an MBA from HEC, Paris. Prior to joining Arthur Cox, Kevin was a partner in the Corporate Department of Walkers in Cayman specialising in hedge funds and private equity funds, and prior to that he worked in various legal and managerial roles in Deutsche Bank in Ireland and Cayman including Head of Legal & Trustee Services at Deutsche Bank, Ireland.

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