

Group Briefing

ICAV - Key Features

INTRODUCTION

The Irish Collective Asset-management Vehicles Act 2015 (the “Act”) was signed into law by the President of Ireland on 4 March 2015 and came into effect in its entirety on 12 March 2015. The Act provides for the establishment of the new Irish corporate investment fund vehicle that is specifically tailored to the needs of the global funds industry.

This briefing is a quick reference guide to the key features of an ICAV and to highlight the similarities and differences between an ICAV and an investment company.

Advantages of the ICAV	ICAV	Investment Company
Meets US “check the box” taxation rules and permitted to elect for classification as a partnership for US federal tax purposes.	✓	✗
Established by bespoke legislation, thereby avoiding company legislation that is directed at trading companies rather than investment companies.	✓	✗
Ability to make amendments to constitutional documents without shareholder approval in respect of changes that do not prejudice the interests of existing shareholders (and do not come within certain categories of changes specified by the Central Bank of Ireland).	✓	✗
Allows directors to dispense with the requirement to hold an annual general meeting.	✓	✗
Ability to prepare separate financial statements for sub-funds.	✓	✗
Required to have the aim of spreading investment risk.	✗	✓

Common Features	ICAV	Investment Company
Can be authorised as a UCITS or as an AIF.	✓	✓
Can be authorised as a standalone fund or an umbrella fund with segregated liability between sub-funds.	✓	✓
Is an incorporated entity governed by a board of directors and owned by shareholders.	✓	✓
May be listed on a stock exchange.	✓	✓
Can appoint an external manager or be authorised as a self-managed investment fund.	✓	✓
Must appoint a depository.	✓	✓

The Act contains a mechanism for existing investment companies to convert to an ICAV by way of continuation. The Act also contains a mechanism for existing corporate collective investment schemes established in the Cayman Islands, the British Virgin Islands, Bermuda, Jersey, Guernsey and the Isle of Man to migrate to Ireland as an ICAV by way of continuation. Both of these processes are straightforward and many existing funds are expected to avail of these. For further information on these processes [please refer to our website](#).

Arthur Cox was a contributing member of the legislative group responsible for the preparation of the Act.

KEY CONTACTS

If you have any queries on this briefing, or require any further details on any aspect of the ICAV, please do not hesitate to contact a member of our team below.



KEVIN MURPHY
PARTNER, CO-HEAD OF ASSET MANAGEMENT &
INVESTMENT FUNDS
+353 1 920 1177
kevin.murphy@arthurcox.com



TARA O'REILLY
PARTNER, CO-HEAD OF ASSET MANAGEMENT &
INVESTMENT FUNDS
+353 1 920 1787
tara.oreilly@arthurcox.com



SARAH CUNNIFF
PARTNER
+353 1 920 1171
sarah.cunniff@arthurcox.com



DARA HARRINGTON
PARTNER
+353 1 920 1206
dara.harrington@arthurcox.com



CORMAC COMMINS
PARTNER
+353 1 920 1786
cormac.commins@arthurcox.com



IAN DILLON
+353 1 920 1788
ian.dillon@arthurcox.com

arthurcox.com

Dublin

+353 1 920 1000
dublin@arthurcox.com

Belfast

+44 28 9023 0007
belfast@arthurcox.com

London

+44 207 823 0200
london@arthurcox.com

New York

+1 212 782 3294
newyork@arthurcox.com

Silicon Valley

+1 650 943 2330
siliconvalley@arthurcox.com