

Irish Variable Capital Company (VCC)

The types of funds that can be constituted as an Irish Variable Capital Company (“VCC”) include UCITS and a full range of non-UCITS structures, including feeder funds and closed-end funds. A VCC may be listed, unlisted or the listing may be restricted to several classes of shares.

Investor Profile

- For a UCITS established as a VCC, any investor of any EU member state in which the fund has given proper notification can invest. Managers of alternative investment funds (“AIFs”), which may be established as retail or qualifying investor funds who have obtained the necessary authorisation under the Alternative Investment Fund Managers Directive (“AIFMD”) are permitted to utilise an EU passport system to market those AIFs to professional investors across the EU. The AIFMD passport does not extend to AIFs which do not satisfy the AIFMD requirements.
- In the U.S., when offered as a private fund to investors, the requirements are the same as those for Private Funds.

Regulatory Reporting Requirements

- VCCs are regulated by the Central Bank of Ireland and are subject to its regulatory reporting requirements.

Fund Launch Timeline and Organisier Requirements

- A VCC is constituted by a Memorandum and Articles of Association. There is greater flexibility with regard to the provisions which can be included in the Memorandum and Articles of Association when compared to a UK OEIC, as they do not have to follow a model code.
- Generally it takes 6 weeks to launch standard funds.
- An AIF marketing solely to qualifying investors is capable of being authorised within 24 hours of a single filing of documentation with the Central Bank of Ireland (subject to certain prerequisites such as the appointment of an external alternative investment fund manager (“AIFM”) (if applicable) or obtaining approval as a self-managed AIFM, directors and service providers by the Central Bank of Ireland).

Fund Operational Organisation Structure

- VCCs can be either single or umbrella multi-share class structures. Share classes can be hedged. Switching is permitted.
- A board of directors (with a minimum of two Irish-resident Directors) is appointed.
- A VCC may appoint a management company or it may be self-managed. A custodian, fund administrator, investment manager will also be appointed. AIFs may also appoint an external

AIFM or alternatively may be authorised as a self-managed alternative investment fund (as applicable).

Fees and Fee Limitations

- The charging structure is more flexible than that of a UK OEIC and may be tapered to suit the needs of the promoter of the VCC, as long as the fees/costs payable out of the assets of the VCC are disclosed to investors in the Prospectus.

Taxation

- Irish domiciled funds are exempt from Irish tax on income and gains derived from their investment portfolios and are not subject to any Irish tax on their net asset value.
- Investors who are not Irish tax residents may receive distributions from Irish domiciled funds without the deduction of any Irish withholding tax. Similarly, redemptions and transfers of units by such investors may take place without the imposition of any Irish tax.
- No capital duty is payable on the issue of units.
- For Irish tax resident investors, Irish withholding tax is generally deducted by funds from distributions and on disposals and redemptions of units by Irish tax resident (or ordinarily tax resident) investors. Certain categories of Irish investors such as pension funds, life assurance companies and other Irish domiciled funds are exempt from this withholding tax, provided appropriate documentation is completed.

This information is provided for education purposes only and is not intended to provide legal or investment advice. SEI does not claim responsibility for the accuracy or reliability of the data provided.

The Investment Manager Services division is an internal business unit of SEI Investments Company.

Information provided in the US by SEI Global Services, Inc. Beyond the U.S., this material is provided by SEI Investments - Global Fund Services Limited (Reg. in Dublin No. 242309), SEI Investments Trustee & Custodial Services (Ireland) Limited (Reg. in Dublin No. 315393), and their affiliates, which are all wholly owned subsidiaries of SEI Investments Company. SEI Investments - Global Fund Services Limited and SEI Investments Trustee & Custodial Services (Ireland) Limited (Styne House, Upper Hatch Street, Dublin 2, Ireland) are authorised by the Central Bank of Ireland under the Investment Intermediaries Act 1995. This material is not directed to any persons where (by reason of that person's nationality, residence or otherwise) the publication or availability of this material is prohibited. Persons in respect of whom such prohibitions apply must not rely on this information in any respect whatsoever.