

Press Release

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Irish Funds Market Opens to Chinese Investors

The Irish Funds Industry Association (“IFIA”) has announced that the Irish and Chinese regulatory authorities have today signed an agreement which will allow Chinese investors to invest in Irish domiciled funds - opening up Irish-managed and administered funds to one of the world’s largest pools of private capital.

In Beijing today, the Irish financial regulator, IFSRA, signed a Memorandum of Understanding with its Chinese counterparts, the China Securities Regulatory Commission (CSRC) and China Banking Regulatory Commission (CBRC), enabling Chinese investors to invest in Irish-domiciled, UCITS-compliant and non-UCITS, investment products for the first time.

Chinese investors are now able to access internationally distributed investment funds, domiciled and serviced in Ireland, through the Qualified Domestic Institutional Investor (QDII) regime.

Gary Palmer, Chief Executive of the IFIA welcomed the initiative commenting:

“This is further demonstration of the Irish government and authorities’ proactive commitment to ensure Ireland continues to develop as a domicile of choice for the international investment fund community. In a globally competitive marketplace it also highlights the government’s ongoing commitment to developing the Irish financial services industry. This very positive and welcome development will be of particular benefit and provides a significant opportunity for the manufacturers and promoters of Irish investment funds.

This agreement with China is further evidence that the Irish government is capable, willing and committed to enhance Ireland’s global reputation as an international fund jurisdiction.”

Ireland has been the premier jurisdiction for fund managers establishing regulated investment products for distribution in the global marketplace over the last 20 years. The value of funds serviced in Ireland is now in excess of US\$2 trillion, while approximately 8,000 funds are currently being serviced by the industry companies throughout Ireland. Ireland can also boast the largest European domicile for money market funds, as well as being the largest alternative investment fund and ETF administration centre in Europe. Additionally, the Irish Stock Exchange is the world’s leading exchange for listing investment funds.

Despite the recent global economic and market uncertainty, the Irish funds industry has continued to grow at a steady pace and there are now close to 350 leading asset management firms using Ireland as a domicile and distribution centre for their investment funds. Almost 700 new funds were established in Ireland in 2007, a 17 per cent growth rate on the previous year. In 2007, more than 1000 direct jobs were created within the funds industry, while employment grew by almost 10 per cent in the first 6 months of 2008. The Irish funds industry is now the single largest employer within Ireland's international financial services sector.

International investment managers are attracted to Ireland due to its open, transparent and regulated investment environment, its strong emphasis on investor protection, and its home based tax structure - while all Irish regulated investment funds are exempt from Irish tax on their income and gains irrespective of where their investors are resident the liability to tax remains in the investors home jurisdiction, and there is no tax applied to asset valuation. The industry also includes a significant depth of expertise and experience across the entire service provider community, including over fifty global fund administrators and trustees with a multitude of internationally recognised legal advisers, auditors, tax advisers, compliance, listing and other industry specialists.

Gary Palmer concluded:

"Undoubtedly, this will strengthen Ireland's attractiveness and standing as a domicile of choice for investment funds. Economic and market uncertainty has further strengthened investor appreciation for regulated and listed funds, Ireland with an acknowledged regulatory environment is ideally positioned to address this industry need."

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Note to Editors

The Irish Funds Industry Association (IFIA) is the representative body of the international investment funds community in Ireland, representing the custodian banks, administrators, managers, transfer agents, fund promoters and professional advisory firms involved in the international fund services industry in Ireland.