

ICAV Factsheet: Comparison with Public Limited Company

The Irish Collective Asset-management Vehicle (“**ICAV**”), Ireland’s newest investment fund vehicle, was introduced in March 2015. The *Irish Collective Asset-management Vehicle Act 2015* is the culmination of a joint government and industry project to make available to promoters a legal framework for a corporate fund vehicle that is specifically designed for investment funds. Matheson partners were extensively involved in the industry project to introduce the ICAV, the introduction of which increases the range of available fund vehicles in Ireland, satisfying both promoter and investor appetite, and reflecting a practical balance between organisational and operational flexibility on the one hand and investor protection on the other.

ICAV v Public Limited Company

The ICAV sits alongside the investment company or public limited company (“**PLC**”) established under the *Companies Act 2014*, which has been the most successful and popular of the existing Irish fund vehicles to date. The ICAV is incorporated or registered with the Central Bank of Ireland (the “**Central Bank**”) and provides a tailor-made fund vehicle which is available to both UCITS and alternative investment funds (“**AIFs**”). While a large number of the ICAV’s features are similar to those of the PLC, the ICAV offers a number of significant advantages. The key advantages and common features of the ICAV as compared to a PLC are outlined in the table below.

Key Advantages of the ICAV	ICAV	PLC
Bespoke legislative regime	Yes	No
“Ticks the box” for US tax purposes	Yes	No
Ability to prepare separate accounts at sub-fund level	Yes ¹	No
Ability to dispense with the requirement to hold an annual general meeting	Yes ²	No
Investor approval always required for changes to constitutional documentation	No ³	Yes
Required to have the aim of spreading investment risk	No	Yes
Common Features	ICAV	PLC
Stand alone or umbrella structure	Yes	Yes
Segregated liability between sub-funds	Yes	Yes
UCITS or an AIF	Yes	Yes
Self-managed structure or with external management	Yes	Yes
The Central Bank acts as the supervisory authority	Yes	Yes
Board of directors required	Yes	Yes
A depositary must be appointed	Yes	Yes

1. The ICAV has the option of preparing accounts separately in respect of each sub-fund it holds under its umbrella.
2. An ICAV may dispense with this requirement by prior notice to shareholders.
3. Prior investor approval is not required where the depositary of the ICAV certifies that the changes to the ICAV’s instrument of incorporation do not prejudice investors’ interests and the Central Bank has not mandated that that the change is of a type that must be approved by the members.

Comment

Existing funds established as PLCs have the option to convert to ICAV status. The ICAV legislation does not result in any changes for established PLCs, which continue to co-exist with the ICAV. However, it is anticipated that the ICAV will become the vehicle of choice for UCITS and AIFs in Europe.

For further information on the key features and benefits of the ICAV, please refer to our factsheet available at www.matheson.com.

If you require detailed advice relating to the ICAV, please get in touch with your usual Asset Management and Investment Funds Group contact who would be delighted to assist you.

Full details of the Asset Management and Investment Funds Group, together with further updates, articles and briefing notes written by members of the Asset Management and Investment Funds team can be accessed at www.matheson.com.

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