

Information Sheet

SEGREGATED FUND INTERNATIONAL COMPANIES ACT 2000

Incorporation/Registration and Renewal

A trustee company may apply to the Registrar to incorporate a segregated fund international company or to register an existing international company as a segregated fund international company if authorised by its Memorandum or to register a segregated fund international company by way of continuance. Application must be lodged together with Memorandum and Articles of the proposed company, Notice of registered office, the prescribed fee(s) and a certificate by the trustee company confirming all requirements of the Act have been complied with. Every “segregated fund international company” and every “segregated fund” is required to pay a renewal fee on 30th November in each year following incorporation or initial registration.

Name

Name approvals must first be obtained from the Registrar and must include the words “Segregated Fund”, “SF”, “SFC” or any cognate expression approved in writing.

Legal Status

A segregated fund international company is regarded in law as a single legal person. The company is permitted to establish as many “segregated funds” with their assets and liabilities held separately from all other assets and liabilities of the company. A “segregated fund” is not regarded as a legal person separate from the company.

Memorandum

In addition to requirements under the International Companies Act 1987 the memorandum shall state:- it is a segregated fund international company, each segregated fund that is created will bear its own distinctive name or designation and the name of the trustee company to be the first registered segregated fund manager

Directors

The company must have a resident director who is both a natural person and an officer of a segregated fund manager. The directors are obliged to account separately for assets and liabilities of the company and assets and liabilities of each segregated fund. The directors may become personally liable for failure to inform any person with whom it transacts of the nature of the company.

Segregated Fund Manager

The company is required to appoint and maintain at all times a registered segregated fund manager which must be a licensed trustee company to protect investors and creditors and ensure compliance with the Act.

Registered Office

The registered office must be the office of a Trustee Company.

Capital

The company may create and issue shares or other forms of membership interests specifically allocated and proceeds of issue may be credited to a segregated fund.

Assets

Assets of a segregated fund international company are divided into “segregated assets” and “non segregated assets”. Segregated assets of the company comprise assets attributable to segregated funds of the company. Non segregated funds are assets of the company which are not segregated assets.

Liabilities

The liability of the segregated fund international company in relation to a transaction attributable to a segregated fund is limited to assets of that fund. A creditor can only have recourse to assets of the segregated fund to which his transaction is related. A creditor of one segregated fund cannot have recourse in that capacity to assets of other segregated funds.

Liquidation/Winding Up

On liquidation of the company “segregated assets” remain segregated and creditors can only be paid out of the segregated fund or non segregated assets to which their claim relates. In winding up the company, each segregated fund is wound up separately and segregated assets will only be available to creditors of that “segregated fund” who in turn are not permitted to have recourse to assets of other “segregated funds”.

Receivership

Each receivership must be separate for each segregated fund and non segregated assets. The Court may make a receivership order (on application of either the company, directors, creditor of a fund etc) provided it is satisfied that the claim of creditors are unlikely to be satisfied or that order is necessary for an orderly winding up of the business or assets attributable to the segregated fund or that particular fund had been deregistered.