

# **Brooks Macdonald International Multi Strategy Fund Limited (the “Company”)**

**This document is a supplement (the “Supplement”) to the Prospectus dated January 2022 (the “Prospectus”) for Brooks Macdonald International Multi Strategy Fund Limited for Investors in the Republic of Ireland.**

## **Important Information**

While the Company has been approved to market its Shares to the public in the Republic of Ireland by the Central Bank of Ireland under Section 256(8) of the Companies Act, 1990 Part XIII and Section 9 of the Unit Trusts Act, 1990, it is not supervised or authorised in Ireland. It is incorporated in Jersey and is supervised by the Jersey Financial Services Commission.

**Please note that the above authorisation extends to the Cautious Balanced, Growth, High Growth and US\$ Growth Strategies only. The Balanced Strategy has not been authorised for marketing in the Republic.**

The Company's Representative in Ireland is:  
BDO, Beaux Lane House, Mercer Street Lower, Dublin 2.

Copies of the latest Prospectus, Annual and Semi-Annual Reports and Accounts, together with the material contracts entered into by the Company may be inspected at the offices of the Representative. Shareholders can request payment of dividends and redemption or repurchase proceeds from the Manager and complaints may also be submitted to the Representative for forwarding to the Manager.

## **Irish Tax Considerations**

**The following summary is intended only as a general guide to the Irish tax position as at the date of this document, for shareholders beneficially entitled to their participating redeemable preference shares (“Shares”), where such Shares are held as investments, and is based on current legislation and practice. This summary does not address special classes of shareholders such as dealers in securities.**

**This summary is not exhaustive, does not generally consider tax reliefs or exemptions and may be subject to change. Investors are advised to consult their own tax advisers with respect to the taxation consequences of their ownership or disposal of Capital Shares in a fund.**

## **The Company**

The Directors intend to conduct the affairs of the Company so that it does not become resident in the Republic of Ireland for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in Ireland, the Company will not be subject to Irish Income or Corporation Tax other than on Irish source income and capital gains relating to certain types of immoveable property located in Ireland.

## **Shareholders**

Each Fund is a Non-Qualifying Offshore Fund for the purposes of Irish taxation and shareholders are deemed to have a material interest in the Fund.

If a Fund does not obtain certification from the Irish Revenue as a distributing fund throughout the period during which Shares relating to that Fund are held, gains arising on the disposal of those Shares (for example, by way of transfer, exchange or repurchase) will comprise income for the purposes of Irish taxation.

Section 745 and Schedule 20 Taxes Consolidation Act 1997 provide for the charging of offshore income gains and the calculation of the amount of those gains for both Income and Corporation Tax purposes. If this calculation gives rise to a loss it is not allowable for Irish tax purposes. Indexation does not apply in calculating the gain arising on disposal of an interest in an offshore fund.

According to their personal circumstances, shareholders resident in Ireland for tax purposes will be liable to Income Tax or Corporation Tax in respect of any dividend or other income distributions of the Fund (whether or not reinvested in additional Shares) but may benefit from personal or other reliefs and allowances in computing their Irish tax liabilities thereon.

Each Fund will operate an equalisation account and therefore, if Shares are acquired otherwise than at the beginning of an accounting period, the first distribution after acquisition will include a refund of capital, referred to as an equalisation payment, which is not subject to tax. The amount of the equalisation payment must be deducted from the original purchase cost of the Shares in computing the allowable cost of the Shares for tax purposes.

It is intended that each Fund will not be a close company for Irish tax purposes. However, in the event that it should be deemed a close company, the relevant legislation provides that any gains made by the Fund are attributed back to Irish resident shareholders. Such shareholders may thereby become chargeable to Irish Income or Corporation Tax on such capital gains.

It is anticipated that no charge to Irish Stamp Duty will arise on the assignment or transfer of Shares in a Fund, but shareholders should confirm this with their own legal advisers.

## **Irish Resident Individuals**

Where a Fund obtains approval from the Irish Revenue as a distributing fund, gains realised on the disposal of Shares in the Fund will be chargeable to capital gains tax at 40%. Also gains arising on disposals of Shares in such distributing funds should not be within the charge to PRSI or Universal Social Charge which are detailed below.

Section 745(1) Taxes Consolidation Act 1997 provides that any gain accruing from the disposal of a material interest in a Non-Qualifying Offshore Fund (where certification as a distributing fund has not been obtained) will be charged to Irish Income Tax under Schedule D Case IV as income arising to the person making the disposal. The income is deemed to arise at the time of the disposal.

Irish resident and domiciled individuals are chargeable to Income Tax in respect of all income arising from their shareholdings, whether in the form of income distributions, dividends or offshore income gains.

The rate of Irish Income Tax for the tax year 2022 is 20% on the first €36,800 of taxable income. In the case of a married couple who are jointly assessed, the threshold is €45,800 where the couple has one income and €73,600 (subject to max transferable of €45,800) where the married couple has two incomes. The rate of Irish Income Tax applicable for the tax year 2022 above these thresholds is 40%.

An individual may also be liable to Irish pay related social insurance contributions (PRSI) and the universal social charge ("USC") on such income. The rate of PRSI is 4%. USC is charged at progressive rates of up to 11%.

Where a Non-Qualifying Offshore Fund is reconstructed or amalgamated and a new interest in a Non-Qualifying Offshore Fund is acquired proportionately in exchange for the original interest, then the disposal/cancellation of the original interest is not taxable. The new interest will acquire the cost and acquisition date of the original interest.

Details of material interests acquired in a Non-Qualifying Offshore Fund as well as any income and gains earned must be reported in the shareholder's annual Income Tax Return.

If Shares are transferred to an individual at less than market value or pass on the death of a shareholder, the recipient/beneficiary of the Shares may be subject to Capital Acquisitions Tax (CAT) on the transfer/bequest. Whether or not a tax liability arises will depend upon the specific circumstances of the recipient (including his/her relationship to the shareholder). The current rate of Irish CAT is 33%.

On death, there is a deemed disposal of the individual's interest in the offshore fund at market value for tax purposes which may give rise to a tax liability in the estate. There is no allowable offset between this tax and CAT.

## **Non- Domiciled Individuals**

Offshore income gains, dividends and income distributions attributable to Irish resident individuals who are not domiciled in the State are chargeable to Income Tax only to the extent that the receipts are remitted into Ireland. This is consistent with the normal treatment for non-domiciled individuals of income and gains from sources outside of Ireland.

## **Irish Resident Companies**

Where a Fund obtains approval from the Irish Revenue as a distributing fund, gains realised on the disposal of Shares in the Fund will be chargeable to Corporation Tax at the applicable capital gains rate. The normal effective rate is 33% except where the Shares sold constitute a material interest in a qualifying offshore fund, in which case a rate of 40% applies.

If certification as a distributing fund is not obtained, an offshore income gain arises on sale of Shares in a Fund which is charged to Corporation Tax under Case IV of Schedule D. The income gain is regarded as arising at the time of disposal and is treated as profits or gains arising in the accounting period in which the disposal takes place. Irish resident companies are taxable in respect of all offshore income gains at the present rate of Irish corporate tax on investment income of 25%.

Where a Non-Qualifying Offshore Fund is reconstructed or amalgamated and a new interest in a Non-Qualifying Offshore Fund is acquired proportionately in exchange for the original interest, then the disposal/cancellation of the original interest is not taxable. The new interest will acquire the cost and acquisition date of the original interest.

An Irish Revenue approved charity, be it in the form of a company or otherwise, is exempt from Irish tax in respect of offshore income gains provided the gains are applied for charitable purposes only. Irish Revenue approved exempt pension funds will also be exempt from Irish Income Tax and Capital Gains Tax on offshore income gains.

**January 2022**