International Comparative Legal Guides

Alternative Investment Funds 2026

A practical cross-border resource to inform legal minds

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1 Regulatory Framework

1.1 What is the key legislation that governs the establishment and operation of Alternative Investment Funds?

The Financial Services Act 2019 ("Act") is the principal Gibraltar legislation and overarching framework statute applicable to all regulated financial services firms in Gibraltar, including funds. The Act was enacted as part of Gibraltar's Legislative Reform Programme, consolidating and replacing prior piecemeal financial services legislation. In particular, Part 18 of the Act (Collective Investment Schemes) sets out the statutory framework governing the authorisation of, and requirements applicable to, collective investment schemes in or from Gibraltar. Section 339 of the Act confers powers on the Minister to make regulations which permit the establishment of experienced investor funds ("EIFs"), and it is pursuant to that enabling provision that the EIF Regulations were established.

The primary subsidiary legislation governing EIFs, Gibraltar's flagship funds regime, is the Financial Services (Experienced Investor Funds) Regulations 2020 ("EIF Regulations").

Further, Gibraltar funds may also be subject to the following:

(i) Financial Services (Alternative Investment Fund Managers) Regulations 2020 ("AIFM Regulations"), which transposed the AIFM Directive into Gibraltar law and applies to EIFs that fall within the scope of the AIFM Directive.

(ii) Financial Services (Investment Services) Regulations 2020, which transposed Directive 2014/65/EU on markets in financial instruments ("MiFID II") into Gibraltar law and is relevant to AIFMs that provide MiFID investment services.

1.2 Are managers to Alternative Investment Funds required to be licensed, authorised or regulated by a regulatory body?

Third-party managers or advisers of Alternative Investment Funds ("AIFs") will need to be regulated as either a full-scope AIFM or a small AIFM under the AIFM Regulations, depending on whether the fund falls within the scope of the AIFM Directive. Alternatively, where a small AIFM is an external manager, it may apply for Part 7 permission as a small scheme manager under Chapter 2 of Part 3 of the AIFM Regulations. Small scheme managers are subject to threshold conditions, conduct of business requirements, record-keeping obligations, and must ensure that at least two individuals conducting the business are ordinarily resident in Gibraltar.

A typical solution is for a Gibraltar AIF to be self-managed, with no external investment manager. A self-managed fund that does not exceed the thresholds in Regulation 8(1) of the AIFM Regulations (€100 million of assets under management including leverage, or €500 million for unleveraged funds with no redemption rights exercisable during the first five years) may register as a small AIFM. A small AIFM is not required to appoint an external AIFM, an AIFM depositary or comply with the full-scope AIFM requirements, but must regularly report to the Gibraltar Financial Services Commission ("GFSC") on its principal instruments, exposures and concentrations, and monitor its total assets under management.

If the fund approaches or exceeds the €100 million threshold, it may apply to the GFSC for an exemption under Regulation 8A of the AIFM Regulations, under which less onerous requirements apply and there is no need to appoint an AIFM depositary or external manager. A small AIFM will not benefit from rights under the AIFM Regulations (such as marketing passports) unless it opts in as a full in-scope AIFM.

The regulatory body with supervisory authority over the Gibraltar AIF industry is the GFSC. The GFSC maintains a register of EIFs, grants consent to controllers and authorises administrators, AIFMs and other service providers.

1.3 Are Alternative Investment Funds themselves required to be licensed, authorised or regulated by a regulatory body?

EIFs are regulated by the GFSC. See question 1.5 below for further details on the authorisation process for EIFs.

In addition to EIFs, Gibraltar law provides for "private schemes" within the meaning of Section 293(4)(b) of the Act. A private scheme is a collective investment scheme not authorised to have more than 50 participants. Critically, a private scheme is not licensed, authorised or regulated by the GFSC, offering a lighter-touch alternative to the EIF regime for smaller or more bespoke fund arrangements.

Promotion of private schemes is restricted under the Act. A private scheme may only be promoted where: (a) the offer is addressed to an identifiable category of persons directly communicated by the offeror or its agent; (b) only those persons may accept the offer and they possess sufficient information to evaluate it; (c) the number of persons to whom the offer is communicated does not exceed 50; and (d) the scheme will remain a private scheme for at least one year after the offer is made.

Where a private scheme is managed by an external manager, that manager may be authorised as a small scheme manager under Chapter 2 of Part 3 of the AIFM Regulations (see question

1.2 above). Alternatively, a private scheme may be self-managed by its board of directors and, if it falls below the AIFM thresholds, may register as a small AIFM.

1.4 Does the regulatory regime distinguish between open-ended and closed-ended Alternative Investment Funds (or otherwise differentiate between different types of funds or strategies (e.g. private equity *vs* hedge funds))?

The EIF regime does not distinguish between different investment types or strategies (although there are some requirements that differ between different types of EIF, as will be set out in the answers to the questions below). Further, the EIF regime does not impose diversification requirements or limit the asset class in which an EIF may invest, making it suitable for a wide range of strategies including digital asset funds.

1.5 What does the authorisation process involve for managers and, if applicable, Alternative Investment Funds, and how long does the process typically take?

EIFs are regulated by the GFSC. Under the EIF Regulations, an entity qualifies to become an EIF if it is a collective investment scheme and is established in one of the permitted legal forms. A qualifying entity becomes an EIF on the date on which a resolution that the entity is to be an EIF takes effect ("date of establishment").

On or before the date of establishment, the qualifying entity must obtain an opinion from a lawyer of at least five years' professional standing who is a barrister or solicitor of the Supreme Court of Gibraltar, confirming compliance with the EIF Regulations and the Act.

Authorisation may be via a notification or prior approval procedure:

(i) Under the notification procedure (Regulation 5(4)(b) of the EIF Regulations), the administrator sends to the GFSC notice of the fund's establishment, a copy of the offer document, the legal opinion and such other documents as the GFSC may require within 10 working days of the date of establishment. If these requirements are met and no previous authorisation has been revoked, the EIF is deemed authorised from the date of establishment. This means there is no regulatory downtime, allowing fund managers to launch quickly.

(ii) Under the prior approval procedure (Regulation 5(4)(a) of the EIF Regulations), the required documents are submitted no later than 10 working days before the proposed date of establishment. The GFSC then has 10 working days to issue a notice authorising the fund, requesting further information or requiring changes. If no notice is issued within that period, the EIF is deemed authorised. This procedure provides absolute regulatory certainty prior to launch.

The application pack for authorisation will include the following:

(i) Registration fee.
(ii) EIF authorisation form.
(iii) A copy of the offer document, which must comply with Schedule 1 of the EIF Regulations.
(iv) The legal opinion referred to above.
(v) Certificate of incorporation or registration of the legal entity.
(vi) Mapping assessment of how the application meets the relevant legislative threshold requirements.

1.6 Are there local residence or other local qualification or substance requirements for managers and/or Alternative Investment Funds?

EIFs must appoint at least two directors of the fund who are authorised by the GFSC to provide directorships to EIFs. The EIF may appoint further directors to the board, who do not need to be GFSC approved as EIF directors (EIFs typically appoint additional directors familiar with the investment strategy to assist in the management of the fund).

There is no requirement for controllers to be Gibraltar resident; however, there may be tax reasons for residency.

The EIF's auditor must be approved under Part 24 of the Act (in practice, a Gibraltar auditor). The EIF's administrator must be a Gibraltar administrator with a Part 7 permission, or an administrator established in a third country which the GFSC considers having equivalent regulation, and which holds GFSC consent (see question 1.7 below for further details).

1.7 Are any service providers specifically required to be appointed in respect of Alternative Investment Funds?

Experienced investor funds

The professional service providers for a Gibraltar EIF are set out below:

(i) EIF directors – see question 1.6 above for further information.
(ii) Administrator – a Gibraltar-based or GFSC-approved EU administrator. The main role of the administrator will be to produce accounts and to receive and process subscription forms when an investor subscribes to the fund.
(iii) Custodian/Banker – a custody account in order to process subscriptions and redemptions and to hold the EIF's assets (a custodian is not obligatory in the case of close-ended funds, although these must have a bank account).
(iv) Auditor – a Gibraltar-based auditor.
(v) Company secretary – a Gibraltar-based company secretary.

Private funds

The professional service providers required by a private scheme are set out below:

(i) Administrator – a Gibraltar-based administrator.
(ii) Company secretary – a Gibraltar-based company secretary.
(iii) Bank – the fund must have a bank account in order to process subscriptions and redemptions.
(iv) Auditors are not required; however, they are recommended to be contracted.

1.8 What rules apply to foreign managers wishing to manage funds domiciled in your jurisdiction?

Following Brexit, Gibraltar is no longer part of the EU single market. EU passporting rights no longer apply. Foreign managers or advisers must be authorised as fund managers or advisers in their own jurisdiction. Any activity carried out in Gibraltar must then be carried out following appropriate notification to and permission from the GFSC. The GFSC will consider whether the foreign jurisdiction's regulatory regime provides equivalent protection to that in Gibraltar.

For UK-based managers and advisers, the UK-Gibraltar market access arrangements (established under the Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019, as extended) continue to provide a framework for cross-border access. In the longer term, the Gibraltar Authorisation Regime ("GAR"), established under the UK Financial Services Act 2021, will provide a permanent framework for Gibraltar firms to access the UK market, subject to Gibraltar maintaining alignment with UK regulatory outcomes.

1.9 Are advisers (including foreign advisers) to Alternative Investment Funds required to be licensed, authorised or regulated by a regulatory body?

Advisers to Gibraltar AIFs are not required to hold a separate Gibraltar licence solely by virtue of providing advisory services to the fund, provided they are appropriately authorised or regulated in their home jurisdiction.

The controller of an EIF may delegate functions, including to an investment adviser, under Regulation 11 of the EIF Regulations. Where the adviser exercises the function in another jurisdiction, it must be authorised or otherwise legally entitled to carry out that function there, and the delegation must be disclosed in the fund's offer document.

2 Fund Structures

2.1 What are the principal legal structures used for Alternative Investment Funds (including reference where relevant to local asset holding companies)?

Experienced investor funds

The legal structures that can be used for Gibraltar AIFs are listed below:

(i) limited liability companies;
(ii) protected cell companies ("PCCs");
(iii) limited partnerships ("LPs") (under the Limited Partnerships Act 2021);
(iv) protected cell limited partnerships ("PCLPs") (under the Protected Cell Limited Partnerships Act 2021); and
(v) unit trusts.

The most common structures are limited liability companies for single strategy managers, PCCs for multi-strategy managers, and PCLPs for managers seeking statutory asset segregation with tax transparency. Unit trusts, although contemplated by Gibraltar law, are rarely used.

The principal features of each legal structure are set out below:

(i) Limited companies – provide limited liability within a well-established corporate governance structure and are most attractive for managers with a single strategy.
(ii) PCCs – enjoy the same advantages as a limited liability company, with the flexibility to develop different strategies that can be ring-fenced and housed in different cells.
(iii) LPs – have a low administrative burden and are attractive to clients whose own local law provides for LPs. LPs have tax transparency, which is readily accepted in many jurisdictions.
(iv) PCLPs – introduced under the Protected Cell Limited Partnerships Act 2021, PCLPs combine the advantages of LPs (tax transparency, flexibility) with statutory asset segregation between cells, making them attractive for multi-strategy fund structures, including digital asset funds.
(v) Unit trusts – although unit trusts enjoy a lower administrative burden than companies and LPs, many jurisdictions are unfamiliar with the structure and they lack the corporate governance oversight of companies. They are therefore rarely, if ever, used.

Private funds

Private schemes in Gibraltar may be established as either limited companies or LPs.

2.2 Do any of the legal structures operate as an umbrella structure with several sub-funds, and if yes, is segregation of assets between the sub-funds a legally recognised feature of the structure?

Yes. Both PCCs and PCLPs operate as umbrella structures with the ability to create multiple sub-funds (known as "cells"), each with its own assets, liabilities, investment objectives and classes of shares or interests.

Segregation of assets between cells is a legally recognised feature of both structures. In the case of PCCs, the Protected Cell Companies Act 2001 provides for statutory ring-fencing of cellular assets. In the case of PCLPs, the Protected Cell Limited Partnerships Act 2021 provides that assets attributable to a cell are only available to creditors of that cell and are protected from creditors of other cells or of the partnership generally.

It is important to note that the segregation of assets and liabilities under Gibraltar law may not necessarily be recognised in all jurisdictions where the fund's assets are located, and a cell's assets may in those circumstances be subject to claims by third parties.

2.3 Please describe the limited liability of investors in respect of the different legal structures used for Alternative Investment Funds.

The liability of investors is limited in the same respect as all shareholders in limited companies or limited partners in LPs. In the case of a limited company or PCC, the liability of each shareholder is limited to the amount unpaid on their shares. In the case of a LP or PCLP, each limited partner's liability is limited to the amount of their capital contribution, provided they do not participate in the management of the partnership. Unit trust beneficiaries have no liability beyond their investment in the trust.

2.4 What are the principal legal structures used for managers and advisers of Alternative Investment Funds?

The principal structures for managers and advisers are limited companies or LPs. The characteristics of these are set out at question 2.1 above.

In addition, fund managers or advisers may be structured as limited liability partnerships.

2.5 Are there any limits on the manager's ability to restrict redemptions in open-ended funds or transfers in open-ended or closed-ended funds?

There are no explicit limits to a manager's ability to restrict redemptions in open-ended funds or transfers in funds generally. However, the gating provisions in open-ended funds must be fully and clearly set out in the fund's offer document and they will receive regulatory scrutiny (along with the rest of the fund's documents) when presented to the GFSC.

Gating and redemption restrictions should also be appropriately disclosed in the outline of risk factors in the fund's offer document.

2.6 Are there any legislative restrictions on transfers of investors' interests in Alternative Investment Funds?

There are no legislative restrictions on transfers. However, the relevant information on transfers must be set out in the fund's offer document.

2.7 Are there any other limitations on a manager's ability to manage its funds (e.g. diversification requirements, asset stripping rules)?

There are no diversification requirements. The overriding requirement is that the investment policy and strategy must be set out in the fund's offer document and the controller must comply with this. There are no borrowing restrictions or limits on the type of asset class in which the fund may invest.

Regulation 8A of the EIF Regulations imposes conduct of business obligations on the controller, administrator and any other person concerned in the promotion, management or control of an EIF, requiring them at all times to: act honestly with due skill, care and diligence; act in the best interests of the fund and its investors; employ effective resources and procedures; take all reasonable steps to avoid or manage conflicts of interest; and treat all investors fairly.

The corporate governance systems and controls include:

- At least two EIF directors (see question 1.6 above).
- A bank and/or custodian.
- A local, approved auditor.
- A fund administrator who must be independent of the auditor.

In addition, funds must comply with Gibraltar's anti-money laundering regime under the Proceeds of Crime Act 2015 ("POCA"), including any applicable requirements relating to customer due diligence, record-keeping and the reporting of suspicious transactions. Furthermore, Part 21 of the Act contains market abuse provisions that may apply where a fund trades instruments on a regulated market, multilateral trading facility or organised trading facility.

2.8 Does the fund remunerate investment managers through management fee or performance fee/carried interest or by a combination of management fee and carried interest? In the case of carried interest, how is this typically structured?

Gibraltar funds typically remunerate their investment managers (or, in the case of self-managed funds, their general partner or controller) through a combination of a management fee and a performance fee (commonly referred to as a "performance drawing" or "carried interest" in LP structures).

The management fee is typically charged as a percentage of net asset value (commonly 1–2% *per annum*), calculated and accrued monthly and paid monthly or quarterly in arrears. The rate may vary by share or interest class; for example, institutional classes may attract a lower management fee than private investor classes.

The performance fee or carried interest is typically structured as a percentage (commonly 20%) of the increase in net asset value per interest above a high-water mark, ensuring the manager only receives performance remuneration on new profits. The carried interest typically accrues monthly and is paid quarterly or annually. In LP and PCLP structures, it is allocated as the general partner's share of net profits through each investor's series account.

There are no legislative restrictions on the level or structure of fees that a Gibraltar fund may charge. Fee arrangements are a matter of commercial negotiation and must be fully disclosed in the fund's offer document as required by Schedule 1 of the EIF Regulations.

3 Marketing

3.1 What is the key legislation that governs the production and use of marketing materials?

The production and offering of Gibraltar funds' marketing materials is governed by the following legislation:

(i) the EIF Regulations;
(ii) the AIFM Regulations;
(iii) the Financial Services (Investment Services) Regulations 2020; and
(iv) the Financial Services Act 2019.

3.2 What are the key content requirements for marketing materials, whether due to legal requirements or customary practice?

An EIF's offer document must comply with Regulation 17 of the EIF Regulations, which requires that the offer document contain such information as would reasonably be required or expected by participants, potential participants and their professional advisers, for the purposes of making an informed evaluation of the merits of participating in the EIF and the extent of the risks involved.

More specifically, as part of the fund's authorisation process, the fund's legal adviser will confirm that the fund complies with the EIF Regulations and will ensure that all required disclosures are provided.

3.3 Do marketing documents need to be registered with or approved by the local regulator?

The offer document of a Gibraltar fund must be provided to the GFSC in accordance with the procedure outlined at question 1.5 above.

3.4 What restrictions (and, if applicable, ongoing regulatory requirements) are there on marketing Alternative Investment Funds?

A Gibraltar fund may market to local experienced investors (as defined in question 3.6 below). Non-Gibraltar funds must notify the GFSC of their intention to market in Gibraltar. Post-Brexit, EU AIFMD passporting is no longer available and non-Gibraltar funds may market under the Gibraltar National Private Placement Regime following appropriate notification and consent from the GFSC.

Private schemes are subject to specific promotional restrictions under the Act (see question 1.3 above).

3.5 Is the concept of "pre-marketing" (or equivalent) recognised in your jurisdiction? If so, how has it been defined (by law and/or practice)?

There are no specific Gibraltar provisions on pre-marketing. However, the EIF Regulations provide that information provided to potential participants to negotiate the terms of investment is not considered a promotion, provided that the status of the fund is made clear and potential participants are informed of any changes.

3.6 Can Alternative Investment Funds be marketed to retail investors (including any specific treatment for high-net-worth individuals or semi-professional or similar categories)?

Experienced investor funds

EIFs may only be marketed to investors who fall within the definition of "experienced investor" as contained in Regulation 3 of the EIF Regulations. An experienced investor is a person or body who, at the time of the investment, falls into at least one of the following categories:

a) a person or partnership whose ordinary business or professional activity includes acquiring, underwriting, managing, holding or disposing of investments, whether as principal or agent, or the giving of advice concerning investments (Regulation 3(1)(a) of the EIF Regulations);
b) a body corporate which has net assets of more than €1 million or which is part of a group which has net assets of more than €1 million (Regulation 3(1)(b) of the EIF Regulations);
c) an unincorporated association which has net assets of more than €1 million (Regulation 3(1)(c) of the EIF Regulations);
d) the trustee of a trust where the aggregate value of the cash and investments which form part of the trust's assets is more than €1 million (Regulation 3(1)(d) of the EIF Regulations);
e) an individual whose net worth, or joint net worth with that person's spouse, is greater than €1 million, excluding that person's pension fund assets and principal place of residence (Regulation 3(1)(e) of the EIF Regulations);
f) a participant which invests, or in aggregate has investments of, at least €100,000 in one or more EIFs and: (i) where the participant is an individual, is a certified high-net-worth investor, certified sophisticated investor or self-certified sophisticated investor, or does so on the basis of solicited advice; (ii) where the participant is a body corporate, each member (or equivalent) meets the requirements in (i); or (iii) where the participant is a limited partnership, each general or limited partner is an individual who meets the requirements in (i) or a body corporate who meets the requirements in (ii) (Regulation 3(1)(g) of the EIF Regulations);
g) a participant who invests at least €50,000 in an EIF where the participant was advised by a professional adviser to invest in an EIF and the EIF in which the investment is made receives confirmation of such advice (Regulation 3(1)(h) of the EIF Regulations); or
h) a participant who is a professional client, as defined in the Financial Services (Investment Services) Regulations 2020 (Regulation 3(1)(i) of the EIF Regulations).

The GFSC may, with the prior approval of the Minister, approve other categories or descriptions of experienced investor where it considers that it is reasonable to expect that persons within that category or description are sufficiently experienced to understand the risks associated with an investment in the fund.

Private funds

Private schemes are not subject to the experienced investor requirements. Instead, promotion is restricted to an identifiable category of persons not exceeding 50 in number (see question 1.3 above).

3.7 Do any additional regimes need to be considered where investors are retail investors?

The EIF regime is designed for experienced investors only (see question 3.6 above) and EIFs may not be marketed to retail investors. However, under Regulation 39 of the AIFM Regulations, a full-scope AIFM may, with the prior approval of the GFSC, market to retail investors in Gibraltar units or shares of AIFs that it manages. AIFMs seeking to market to retail investors must comply with any additional conditions imposed by the GFSC as part of that approval. Private schemes are similarly restricted to identifiable categories of persons not exceeding 50 in number (see question 1.3 above) and are not available to the general retail public.

3.8 What qualification requirements must be met in relation to prospective investors?

In order to accept investors into an EIF, the directors must be satisfied that they comply with the requirements set out at question 3.6 above.

3.9 Are there additional restrictions on marketing to public bodies such as government pension funds?

There are no specific restrictions, although the pension fund provisions of Regulation 3(1A) of the EIF Regulations will apply. Regulation 3(1A) provides that a pension fund (or its trustees) only qualifies as an experienced investor if at the time of the investment: each beneficiary qualifies as an experienced investor under Regulation 3(1)(a) or (e); or the investment when aggregated with the pension fund's other investments in EIFs (if any) does not exceed 10% of the total assets of the pension fund.

3.10 Are there any restrictions on the participation in Alternative Investment Funds by particular types of investors (whether as sponsors or investors)?

There are no particular restrictions on this.

3.11 Are there any restrictions on the use of intermediaries to assist in the fundraising process?

There are no particular restrictions on this.

4 Investments

4.1 Are there any restrictions on the types of investment activities that can be performed by Alternative Investment Funds?

EIFs can invest across any asset class, making it a suitable regime for a wide range of sectors including digital assets and Distributed Ledger Technology ("DLT")-based investments. The only requirement is that the fund must follow the investment objective, strategy and restrictions set out in its offer document.

4.2 Are there any limitations on the types of investments that can be included in an Alternative Investment Fund's portfolio, whether for diversification reasons or otherwise?

There are no diversification requirements in respect of Gibraltar EIFs.

4.3 Are there any local regulatory requirements that apply to investing in particular investments (e.g. derivatives or loans)?

There are no specific regulatory requirements under the EIF Regulations that restrict or impose additional conditions on EIFs investing in particular asset classes such as derivatives or loans. As noted above, EIFs are permitted to invest across any asset class, provided the investment strategy and any associated risks are clearly set out in the fund's offer document. Where a full-scope AIFM manages the fund, the AIFM Regulations impose requirements relating to risk management, leverage limits and reporting, which may be relevant to derivative positions. In addition, Part 21 of the Act contains market abuse provisions applicable to conduct relating to financial instruments traded on a regulated market, multilateral trading facility or organised trading facility, which may be relevant to funds engaging in such trading activity.

4.4 Are there any restrictions on borrowing by the Alternative Investment Fund?

There are no borrowing restrictions. However, the fund's offer document must disclose the fund's approach to borrowing and leverage (including any self-imposed restrictions) and this will be reviewed by the GFSC.

4.5 Are there are any restrictions on who holds the Alternative Investment Fund's assets?

Under Regulation 12 of the EIF Regulations, an open-ended EIF must enter into and maintain arrangements with a bank and/or broker for the safe custody of its assets. The bank and/or broker must fall within one of the categories specified in Regulation 12(1), which include Gibraltar credit institutions with Part 7 permission, credit institutions supervised by central banks or banking regulators of OECD states, authorised investment firms with safekeeping permissions, UK investment firms, or equivalent bodies in jurisdictions the GFSC considers to have broadly equivalent regulation. Closed-ended EIFs are not required to appoint a bank and/or broker, although they must still have a bank account.

Where a fund has a full-scope AIFM, Regulation 48 of the AIFM Regulations requires the appointment of a single depositary for each AIF, which must be a credit institution or investment firm meeting the specified prudential requirements. For funds investing in digital assets, the custody of crypto assets is typically addressed through specialist crypto asset custodians and exchanges, with appropriate arrangements disclosed in the fund's offer document.

5 Disclosure of Information

5.1 What disclosure must the Alternative Investment Fund or its manager make to prospective investors, investors, regulators or other parties, including on environmental, social and/or governance factors?

The EIF Regulations require that the fund's offer document contain such information as would reasonably be required or expected by participants, potential participants and their professional advisers for the purposes of making an informed evaluation of the merits of participating in the fund and the extent of the risks involved. Schedule 1 of the EIF Regulations specifies the detailed disclosure requirements for offer documents. Funds must disclose their offer documents to the GFSC as part of the authorisation process. Once authorised, details of the fund will appear on the GFSC's website.

In addition, Regulation 17A of the EIF Regulations requires the controller of an EIF to provide the GFSC with information on the fund's investment strategies, main instruments and principal exposures. Reporting frequency depends on the fund's assets under management (annual, half-yearly or quarterly, as prescribed by Schedule 3 of the EIF Regulations). The controller must also notify the GFSC of any material change: in the case of a planned change, at least one month before implementation; and in any other case, immediately after the change occurs.

There are currently no Gibraltar-specific legislative requirements mandating ESG disclosure by AIFs or their managers.

5.2 Are there any requirements to provide details of participants (whether owners, controllers or investors) in Alternative Investment Funds or managers established in your jurisdiction (including details of investors) to any local regulator or record-keeping agency, e.g., for the purposes of a public (or non-public) register of beneficial owners?

In accordance with the Register of Ultimate Beneficial Owners, Nominators and Appointors Regulations 2017 ("UBO Regulations") made under POCA, Gibraltar companies and other legal entities are required to disclose beneficial ownership details to a privately held central register. The disclosure covers beneficial owners holding over 25% ownership, voting rights or control, whether directly or indirectly. The register is stored within the Finance Centre Department of the Gibraltar Ministry of Financial Services, with supervision and enforcement delegated to the GFSC, and is disclosed by request to national authorities, licensed financial institutions and persons with a legitimate interest.

Gibraltar funds are required to comply with the UBO Regulations.

5.3 What are the reporting requirements to investors or regulators in relation to Alternative Investment Funds or their managers, including on environmental, social and/or governance factors?

The following entities must file annual returns with the GFSC:
(i) EIFs.
(ii) Controllers with consent under the EIF Regulations.
(iii) Fund managers that fall within the scope of the AIFM Regulations.
(iv) Small AIFMs.

There are currently no Gibraltar-specific reporting requirements in respect of ESG factors applicable to AIFs or their managers.

5.4 Is the use of side letters restricted?

There are no statutory restrictions on the use of side letters. However, Regulation 8A(1)(f) of the EIF Regulations requires that all investors be treated fairly, and that no investor may obtain preferential treatment unless such treatment is disclosed appropriately in the fund's offer document. Accordingly, any preferential terms granted by a side letter should be disclosed to the extent required to ensure compliance with this obligation.

6 Taxation

6.1 What is the tax treatment of the principal forms of Alternative Investment Funds and local asset holding companies identified in question 2.1?

Limited companies and PCCs

Gibraltar has a territorial basis of taxation. Companies are only taxed on profits accruing in or deriving from Gibraltar. "Accrued in and derived from" is defined by reference to the location of the activities that give rise to the profits.

The corporate tax rate is 15% (increased from 12.5% with effect from 1 July 2024). There is no capital gains tax, withholding tax or VAT. However, inter-company interest income is charged at 15% for sums over £100,000. Other interest received or receivable (including interest from bank deposits or from bonds listed on a stock exchange) is not taxable in Gibraltar.

LPs and PCLPs

LPs and PCLPs are tax transparent, although they possess legal personality.

6.2 What is the tax treatment of the principal forms of investment manager/adviser identified in question 2.4?

See question 6.1 above for the treatment of corporate managers and LPs.

Fund manager employees or hedge fund owners may be eligible for certain tax treatment benefits offered in Gibraltar to foreign high-net-worth individuals under the High Executive Possessing Special Skills regime. This tax treatment provides a cap on the maximum annual tax liability, and most managers of investment funds are likely to qualify.

6.3 Are there any establishment or transfer taxes levied in connection with an investor's participation in an Alternative Investment Fund or the transfer of the investor's interest?

There are no establishment or transfer taxes applicable in Gibraltar.

6.4 What is the local tax treatment of (a) resident, (b) non-resident, and (c) pension fund investors (or any other common investor type) in Alternative Investment Funds?

Gibraltar resident fund investors do not pay tax on fund income that is not accrued in or derived from Gibraltar.

There are no withholding taxes on dividends or capital gains tax in Gibraltar. Therefore, non-resident investors are generally not liable to pay tax in Gibraltar. They should, however, take their own international tax advice.

6.5 Is it necessary or advisable to obtain a tax ruling from the tax or regulatory authorities prior to establishing an Alternative Investment Fund or local asset holding company?

A Gibraltar fund may apply to the Gibraltar Commissioner of Income Tax for a certificate of exemption from income tax under the Income Tax (Allowances, Deductions and Exemptions) Rules 1992 if they believe it is in the interests of the fund to do so.

This is not obligatory and funds generally do not often rely on this provision.

6.6 What steps have been taken to implement the US Foreign Account Tax Compliance Act 2010 (FATCA) and other similar information reporting regimes such as the OECD's Common Reporting Standard?

U.S. FATCA applies to Gibraltar funds. Gibraltar has entered into a Model 1 intergovernmental agreement with the United States. Gibraltar funds are generally treated as foreign financial institutions ("FFIs") for U.S. FATCA purposes and are generally registered as Registered Deemed Compliant (Reporting Model 1) FFIs and as such, they disclose to the relevant Gibraltar authorities the information relating to U.S. persons and entities covered by U.S. FATCA. Where investors are unable to provide the fund with the necessary information required to meet its U.S. FATCA obligations, the fund may be obliged to disclose details of those investors to the relevant U.S. authorities. Non-compliance with FATCA may result in a 30% withholding tax on payments received from U.S. sources or in respect of U.S. assets.

The International Co-Operation (Improvement of International Tax Compliance) Regulations 2015 ("CRS Regulations") came into force in Gibraltar in 2016. Gibraltar funds are generally classified as Reporting Financial Institutions under the Common Reporting Standards and act in accordance with the CRS Regulations to perform required due diligence and report any reportable accounts.

6.7 What steps have been or are being taken to implement the OECD's Action Plan on Base Erosion and Profit Shifting (BEPS), in particular Actions 2 (hybrids/reverse hybrids/shell entities) (e.g. ATAD I and II), 6 (prevention of treaty abuse) (e.g. the MLI), and 7 (permanent establishments), insofar as they affect Alternative Investment Funds' and local asset holding companies' operations?

In July 2019, Gibraltar joined the OECD Inclusive Framework on BEPS, committing to the four minimum standards covering treaty abuse (Action 6), country-by-country reporting (Action 13), harmful tax practices (Action 5) and dispute resolution (Action 14). Gibraltar's Double Taxation Agreement ("DTA") with the UK has been assessed as fully compliant with the Action 14 minimum standard, and Gibraltar is an OECD white-listed jurisdiction, assessed as "largely compliant" by the Global Forum on transparency and exchange of information for tax purposes.

As regards Action 7, Gibraltar taxation law taxes profits on the basis they are accrued and derived in Gibraltar irrespective of the permanent establishment or otherwise of an entity, meaning the artificial avoidance of permanent establishment status targeted by BEPS Action 7 has limited effect under Gibraltar law. The implementation of Pillar Two (GloBE rules) is addressed at question 6.8 below.

In addition, Gibraltar enacted and passed a revised General Anti-Avoidance Rule via the Income Tax (Amendment) Act 2025 in July 2025. This introduces a more robust framework defining "tax avoidance arrangement" and "tax advantage" and employs a substance-over-form approach.

6.8 What steps have been or are being taken to implement the OECD's Global Anti-Base Erosion (GloBE) rules, insofar as they affect Alternative Investment Funds' and local asset holding companies' operations? Do the domestic rules depart significantly from the OECD's model rules, insofar as they affect Alternative Investment Funds' and local asset holding companies' operations?

Gibraltar enacted the Global Minimum Tax Act 2024 on 18 December 2024, implementing the OECD's GloBE rules. The implementation was undertaken in two stages: first, a Qualifying Domestic Minimum Top-Up Tax ("QDMTT") for fiscal years ending on or after 31 December 2024; and second, an Income Inclusion Rule for fiscal years ending on or after 31 December 2025. These provisions apply to multinational enterprise ("MNE") groups with consolidated revenue of €750 million or more in at least two of the previous four fiscal years. The minimum effective tax rate is 15%. Gibraltar does not apply the Under-Taxed Payments Rule.

The Act applies the GloBE rules by direct reference to the OECD's Global Anti-Base Erosion Model Rules and Commentary. The QDMTT protects Gibraltar's tax base by ensuring in-scope MNE group entities are taxed in Gibraltar, shielding their profits from top-up taxation in the jurisdiction of the ultimate parent entity. Where a Gibraltar fund or holding company forms part of an in-scope MNE group, the top-up tax provisions will apply to ensure a minimum 15% effective rate.

6.9 Are there any tax-advantaged asset classes or structures available? How widely are they deployed?

There are no tax-advantaged asset classes. LPs and PCLPs may be used as part of wider tax planning requirements for fund investors.

Assets that are located outside Gibraltar fall outside of the meaning of accrued and derived in Gibraltar.

6.10 Are there any other material tax issues for investors, managers, advisers or Alternative Investment Funds?

The UK-Gibraltar DTA, based on the OECD Model Convention (2017 revision), entered into force on 24 March 2020. The DTA establishes tiebreaker rules for dual residency, allocates taxing rights over different categories of income, provides for the elimination of double taxation (primarily by way of credit relief), and includes provisions on non-discrimination, mutual agreement procedures and anti-abuse. Gibraltar also offers unilateral relief on income in respect of which tax has been paid in another jurisdiction, on condition such income is sourced in that other jurisdiction.

The International Agreement on Taxation and the Protection of Financial Interests between the Kingdom of Spain and the United Kingdom regarding Gibraltar came into force on 4 March 2021. The Agreement contains rules for resolving conflicts over tax residency of both individuals and legal persons, enables administrative cooperation through the sharing of information, and establishes a Joint Coordination Committee for dispute resolution. Investors should take specialist tax advice on the application of both treaties.

6.11 Are there any meaningful tax changes anticipated in the coming 12 months other than as set out at question 6.6 above?

There are no anticipated significant Gibraltar-specific tax developments expected in the next 12 months.

7 Trends and Reforms

7.1 What have been the main trends in the Alternative Investment Funds space in the last 12 months?

The principal trends in the Gibraltar AIF space over the last 12 months have been:

(i) the continued growth of digital asset and DLT-based EIFs, with several new crypto funds, including several structured as PCLPs, being authorised by the GFSC;
(ii) the 2025 amendments to the EIF Regulations, which further refined the experienced investor categories and introduced new provisions on tied agents;
(iii) the 2025 amendments to the AIFM Regulations, which introduced new provisions on tied agents, allowing Gibraltar-authorised AIFMs with MiFID permissions to appoint tied agents;
(iv) the 2025 amendments to the AIFM Regulations, which introduced the requirement for all self-managed small AIFMs to appoint a Gibraltar-based fund administrator and to arrange for safe custody of assets (appointment of a bank/custodian); and
(v) the publication of the Protected Cell Companies (Amendment) Bill 2026, which proposes to amend the Protected Cell Companies Act 2001 to allow PCCs authorised as EIFs to issue cell shares in tokenised form and maintain share registers on DLT – a significant development for the funds industry (see further at question 7.2 below).

7.2 In your opinion, what reforms (if any) in the Alternative Investment Funds space would be advantageous for the evolution of the private markets?

The Protected Cell Companies (Amendment) Bill 2026, published in April 2026, represents a potentially transformative reform for the Gibraltar funds industry. The Bill proposes to allow PCCs authorised as EIFs to issue cell shares in tokenised form, with share token holders treated as shareholders carrying the same rights and obligations as holders of traditional cell shares. Tokenised shares would be legally equivalent to conventional share certificates, and DLT-based share registers would satisfy the existing statutory requirements for registers of members under Section 182 of the Companies Act 2014. The Bill embeds tokenised share treatment directly into Gibraltar company law, rather than relying solely on Gibraltar's existing DLT regulatory framework.

More broadly, the finalisation and implementation of the GAR would provide certainty for Gibraltar-based fund managers seeking long-term access to the UK market without reliance on annually extended transitional arrangements. Any reforms that continue to streamline the authorisation process while maintaining robust investor protection, building on the EIF regime's speed-to-market advantages, would be beneficial to the development of private markets in Gibraltar.

James Lasry is a Partner and Head of Hassans' Financial Services team. He deals with funds and with regulation of financial services law and blockchain businesses.

James is a highly regarded practitioner who has been instrumental in setting up the majority of Gibraltar's funds, including the first Experienced Investor Fund, the first protected cell company fund. Most recently, he has been involved in launching Gibraltar's first protected cell limited partnership fund.

James, who is qualified as a certified investment fund director, serves on the board of several investment funds and financial services firms. He has received regulatory approval to serve on the board of the Gibraltar Stock Exchange. James is Deputy Chairman of the Gibraltar Funds and Investments Association and he serves on the Gibraltar Finance Centre Council.

James advised the Government of Gibraltar on its funds legislation and was involved in the drafting of much of Gibraltar's funds legislation. A member of the Society of Trust and Estate Practitioners, James advised on a substantial trust in a case involving litigation in Paris, New York and Buenos Aires that was featured in *The New Yorker* magazine, the *New York Law Journal* and on *CBS News*.

He is fluent in English, French, Spanish and Hebrew and he read literature, music and law at Johns Hopkins and Bar-Ilan Universities.

James is a member of the Israel Bar Association, the Law Society of England and Wales and the Gibraltar Bar. He has been appointed Patron of the Gibraltar Philharmonic Society after having chaired the society for 14 years.

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Jeremy advises across the full spectrum of Gibraltar fund structures, including private limited companies, protected cell companies, limited partnerships, protected cell limited partnerships, and tokenised Experienced Investor Funds. His broader practice includes banking and payment services mandates spanning licensing, conduct and contractual matters for local banks, electronic money institutions and payment service providers. Jeremy holds a BSc (Hons) in Construction Management, a Graduate Diploma in Law, has completed the Bar Professional Training Course, and holds a Professional Certificate of Competence in Gibraltar Tax.

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