

Qatar Investment Fund board proposes overhaul of investment strategy, rebrand

By: Gary Robinson | 16 Oct 2017



The board of Qatar Investment Fund PLC board has announced that it intends to change its investment policy from a largely Qatar-focused investment strategy to one that targets a broader, Gulf Cooperation Council (GCC) remit.

Currently, the investment policy enables the company to invest only up to 15% of its portfolio in GCC countries other than Qatar – which is to say, Saudi Arabia, Kuwait, the United Arab Emirates, Oman and Bahrain.

But under the proposed changes in its investment policy, this 15% limit would be removed, and the company's managers would be able to increase the fund's investment allocation to the other five GCC countries.

In a statement announcing the proposed changes, the company said it also was planning to change the name of the fund, to Gulf Investment Fund PLC from Qatar Investment Fund.

The company didn't say why it was proposing the move, but some industry observers noted that it comes in the wake of troubles in the region that have seen a number of the other GCC countries seeking to distance themselves from Qatar.

Board proposals

Alongside the amended investment policy, the statement said the the QIF board has resolved to put forward a number of proposals including:

- making a tender offer for up to 10% of the issued share capital of the company (excluding treasury shares) (the “2017 Tender Offer”);
- cancelling the discontinuation vote currently scheduled for the 2018 annual general meeting and replacing it with a continuation vote for the 2021 annual general meeting and every three years thereafter;
- making a tender offer to shareholders for up to 100% of the company’s share capital in 2020 subject to Shareholder approval to be sought in 2020; and
- proposing to change the name of the company to Gulf Investment Fund PLC. The company is a closed-ended investment company that incorporated in the Isle of Man in 2007. It was originally established to invest primarily in quoted Qatari equities.

Taxation and offshore fund rules

The statement added that if the proposals outlined in this announcement are approved by shareholders, including in particular the directors’ commitment to offer shareholders a further tender offer for up to 100% of the company’s share capital in 2020 (subject to shareholder approval to be sought in 2020), it is considered that this will result in the company being treated as an “offshore fund” for the purposes of UK taxation.