

Using a Gibraltar Fund for a Major Transaction

Case Study

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Raising Institutional Capital to Co-Invest with BlackStone

AZJ Legal advised a UK-based multi-family office on the creation of a Gibraltar fund structure used to raise institutional capital in both the United Kingdom and the United States for a major co-investment with BlackStone.

Key Highlights

- Institutional-grade fund structure – A Gibraltar fund structure suitable for UK and US professional investors.
- Cross-border fundraising – Enabled capital raising in both the UK and US, meeting regulatory and tax compliance standards in both jurisdictions.
- Tax efficiency – UK reporting fund status secured, allowing capital gains tax treatment for UK investors.
- Institutional acceptance – Structure approved and utilised by institutional investors.
- Speed and precision – Full incorporation, FCA registration, and offering documentation delivered within tight commercial timeframes.
- Successful capital raise – Over £25 million raised, enabling the acquisition of Co-Op Insurance.

Case Study

The client, a London multi-family office regulated by the FCA, sourced the opportunity to co-invest with BlackStone in the acquisition of a major insurance company. To proceed, the family office required a fund structure that would satisfy institutional investor standards while facilitating capital raising in both the UK and the US.

AZJ Legal advised that Gibraltar offered the ideal jurisdiction for a cost-efficient, tax-neutral, and institutionally credible solution. The firm designed a self-managed Gibraltar Private Scheme (also known locally in Gibraltar as a Private Scheme), drafted the offering memorandum, and registered the fund with the FCA, enabling the family office to market to UK professional investors.

AZJ Legal also obtained UK reporting fund status, ensuring that UK investors' returns would be taxed as capital gains rather than income. This tax treatment significantly improved the fund's attractiveness to UK participants.

Case Study (Continued)

For US investors, AZJ Legal collaborated with specialist counsel to ensure compliance with US securities and tax reporting obligations, facilitating cross-border investment under a unified legal framework.

AZJ Legal further supported the fund through its negotiation phase with investors, preparing side letters for institutional investors and ensuring alignment between the fund terms and the transaction documentation.

The Outcome

The Gibraltar fund successfully raised over £25 million from a combination of institutional and high-net-worth investors in the UK and the US. The capital raised enabled the acquisition of the insurance firm alongside BlackStone.

The transaction demonstrated the institutional viability of Gibraltar fund structures for complex, multi-jurisdictional investments. The fund's cross-border compliance, FCA registration, and UK reporting status provided investors with the comfort required to participate confidently.

Three years later, the investment was exited successfully, generating substantial returns for all investors. The family office solidified its reputation with BlackRock as a credible, innovative co-investment partner, opening the door for future collaboration on further transactions.

About AZJ Legal

AZJ Legal is a corporate law firm with offices in London and Gibraltar, focused on advising investment professionals, single and multi-family offices, fund managers, and high-performing entrepreneurs and high-growth corporates, particularly within the technology, artificial intelligence and digital asset sectors. We regularly support clients operating across the United Kingdom, Europe and United States.

AZJ Legal advises clients across a broad range of corporate and commercial matters, with particular expertise in corporate structuring, fund formation, and investment transactions. The firm's practice areas include mergers and acquisitions, shareholder and partnership agreements, corporate governance, regulatory compliance, and financing arrangements. AZJ Legal also provides specialist advice on tax, trusts, employment, intellectual property, data protection, and wealth structuring, supporting clients in managing their legal affairs efficiently and strategically across multiple jurisdictions.

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