

Internal Revenue Service Reaffirms its position on Life Settlements

LUXEMBOURG--(Marketwire - October 4,2011) – In response to a recent letter asking for clarification on Tax Ruling IRS 2009-14 the Internal Revenue Service (IRS) has reaffirmed its position on the tax treatment of Life Settlements.

On May first 2009 the IRS issued two Revenue Rulings (IRS 2009-13 & IRS 2009-14) that confirmed the official position of the IRS on certain key tax issues as they related to the life settlement asset class. Uncertainty in this area plagued taxpayers and tax practitioners for years. The clarification meant that unless the Life Settlement funds were structured in a tax transparent manner where the investor is located in a jurisdiction with a relevant double tax treaty with the United States, investor would be subject to a 30% withholding tax. This latest update reaffirms the original rulings.

“Confirmations like these reiterate the importance of securing a robust tax structure that complies with all relevant laws and regulations,” commented Jose Garcia, Chief Executive Officer of Carlisle Management Company. “When we established the Luxembourg Life Fund it was our long term goal to develop a new breed of Life Settlement Fund that would incorporate market developments and tax compliance, as well as a structure that would stand the test of time. Our FCP SIF is an umbrella mutual investment fund designed to deal with the challenges facing the Life Settlement industry today, both from a regulation and a tax perspective. The Luxembourg Life Fund FCP SIF is an umbrella specialized investment fund that can provide institutional investors with a tax compliant solution into the life settlement asset class.”

About Luxembourg FCP's

A Luxembourg FCP is considered as being a tax transparent entity in Luxembourg. A tax transparent entity is an entity which is not taxed either in representative capacity or in its own capacity as a tax paying entity, but the tax is levied on the investors, in their domicile, on their share of income in the entity.

Indeed, investors in the FCP should be no worse off as a result of pooling their investments than if they had invested directly in the relevant investments held by the FCP on their behalf. This can be achieved by the tax authorities of the investor's domicile and the tax authorities where investments are located (USA) agreeing to apply tax treaty benefits (double taxation treaty) as if the FCP did not exist i.e. considering it as tax transparent.

For more information go to www.luxlf.com.

About Carlisle Management Company

Carlisle Management Company SCA (CMC) is a Luxembourg based fund management firm focused on the US secondary life insurance market known as life settlements. Carlisle specializes in alternative asset strategy consulting and life settlement fund development. CMC also is a provider of alternative risk finance and secondary market insurance product consulting. For more information on Carlisle and its life settlement services, please visit the website at www.cmclux.com.