

## **Reform of Irish Investment Limited Partnership Law**

On 18 July 2017, the Irish Government approved the drafting of legislation to introduce enhancements to the Irish investment limited partnership (“**ILP**”), with a view to further improving the current private equity offering in Ireland.

The Investment Limited Partnership and Irish Collective Asset-management Vehicle (Amendment) Bill (the “**Bill**”) was listed for pre-legislative scrutiny in the Irish Government’s spring / summer legislative programme, and has since been approved to proceed to the legislative drafting phase.

Irish investment funds may be established as investment companies, Irish collective asset-management vehicles (“**ICAVs**”), unit trusts, common contractual funds and ILPs. While unit trusts, investment companies and ICAVs constitute by far the majority of fund structures in Ireland, there is recognition of the preference for limited partnership structures as the vehicle of choice for private equity, venture capital and “real economy” investing for international promoters. Accordingly, the aim of the Bill is to bring ILPs in line with other Irish fund structures and global standards.

The main points that the reforms seek to address include:

- aligning ILP structures with other Irish regulated structures;
- incorporating best practice features from other jurisdictions;
- expanding the express limited liability safe harbours for limited partners;
- allowing for the establishment of umbrella ILPs;
- clarifying the rights, obligation and status of investors; and
- easing administrative burdens.

The Bill will also include technical amendments to the Irish Collective Asset-management Vehicle Act 2015 to assist with that act’s operation.

### **Next Steps**

As noted above, the Bill is currently being drafted by the Office of the Parliamentary Counsel. It is difficult to estimate at this stage when the final legislation will be enacted, but we welcome the Bill’s progress through the legislative process to date. The reform of Irish partnership law reflects the Irish Government’s continued commitment to growing the funds sector in Ireland and ensuring that Ireland remains one of the leading fund domiciles in Europe.

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*Please get in touch with your usual Asset Management and Investment Funds Department contact or any of the contacts listed in this publication should you require further information in relation to the material referred to in this update.*

*Full details of the Asset Management and Investment Funds Department, together with further updates, articles and briefing notes written by members of the Asset Management and Investment Funds team, can be accessed at [www.matheson.com](http://www.matheson.com).*

## Contacts



**Tara Doyle**

PARTNER

T +353 1 232 2221  
E [tara.doyle@matheson.com](mailto:tara.doyle@matheson.com)



**Michael Jackson**

MANAGING PARTNER

T +353 1 232 2000  
E [michael.jackson@matheson.com](mailto:michael.jackson@matheson.com)



**Dualta Counihan**

PARTNER

T +353 1 232 2451  
E [dualta.counihan@matheson.com](mailto:dualta.counihan@matheson.com)



**Joe Beashel**

PARTNER

T +353 1 232 2101  
E [joe.beashel@matheson.com](mailto:joe.beashel@matheson.com)



**Anne-Marie Bohan**

PARTNER

T +353 1 232 2212  
E [anne-marie.bohan@matheson.com](mailto:anne-marie.bohan@matheson.com)



**Shay Lydon**

PARTNER

T +353 1 232 2735  
E [shay.lydon@matheson.com](mailto:shay.lydon@matheson.com)



**Liam Collins**

PARTNER

T +353 1 232 2195  
E [liam.collins@matheson.com](mailto:liam.collins@matheson.com)



**Philip Lovegrove**

PARTNER

T +353 1 232 2538  
E [philip.lovegrove@matheson.com](mailto:philip.lovegrove@matheson.com)



**Elizabeth Grace**

PARTNER

T +353 1 232 2104  
E [elizabeth.grace@matheson.com](mailto:elizabeth.grace@matheson.com)



**Oisín McClenaghan**

PARTNER

T +353 1 232 2227  
E [oisin.mcclenaghan@matheson.com](mailto:oisin.mcclenaghan@matheson.com)



**Michelle Ridge**

PARTNER

T +353 1 232 2758  
E [michelle.ridge@matheson.com](mailto:michelle.ridge@matheson.com)



**Barry O'Connor**

PARTNER

T +353 1 232 2488  
E [barry.oconnor@matheson.com](mailto:barry.oconnor@matheson.com)



**Donal O'Byrne**

PARTNER

T +353 1 232 2057  
E [donal.o'byrne@matheson.com](mailto:donal.o'byrne@matheson.com)

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