

Central Bank Proposes Enhancements to Ireland's Alternative Investment Fund Regime

What you Need to Know

The Central Bank of Ireland ("CBI") recently published its consultation paper [CP 162](#), marking a significant step forward for Ireland's regulated alternative investment fund ("AIF") product framework, particularly for private asset strategies.

These reforms propose an overhaul of the CBI's AIF Rulebook which sets out the rules for Irish regulated AIFs, including qualifying investor AIFs ("QIAIFs"), retail investor AIFs and European Long Term Investment Funds ("ELTIFs"), as well as key service providers to those products.

The reforms are designed to modernise and streamline the regulatory landscape to ensure that Ireland remains an attractive and competitive jurisdiction for AIF sponsors and investors. In particular, the changes are intended to facilitate the transposition of AIFMD 2.0¹ into Irish law and to better accommodate the use of QIAIFs for private asset strategies.

They also underscore the CBI's commitment to maintaining a best-in-class regulatory environment that supports the evolving needs of the funds industry while upholding high standards of investor protection.

The updates are extensive with some of the more notable enhancements set out below.

Loan Origination

The CBI proposes to remove its domestic loan origination regime for QIAIFs and instead align with the AIFMD 2.0 loan origination framework, with no additional local requirements. This will ensure that Ireland is on an equal footing with other leading European fund domiciles and enable managers and sponsors to avail of a broader range of private credit strategies in Ireland using both the ICAV and ILP flagship vehicles.

It is also proposed to include provisions in the AIF Rulebook permitting non-EU AIFMs to manage loan originating QIAIFs.

Greater Structuring Flexibility

Intermediary investment vehicles

The CBI's prescriptive rules on wholly owned subsidiaries of QIAIFs will be removed and replaced by (i) investor transparency on the use of such SPVs and (ii) requiring the AIFM to conduct due diligence, oversight and monitoring (in line with existing AIFMD obligations).

This change means greater flexibility to structure investments in an efficient manner

¹ <https://www.esma.europa.eu/document/consultation-paper-draft-regulatory-technical-standards-open-ended-loan-originating-aifs>

that best addresses legal, regulatory and tax considerations.

Financing arrangements

QIAIFs will no longer be constrained by limitations on guaranteeing the obligations of third parties (e.g., other funds/vehicles within the same structure or family), making financing arrangements more efficient.

Fund and Share Class Features

The proposals more clearly envisage features commonly used by private asset funds, such as: (i) capital commitments; (ii) entry into side letters; (iii) differentiated investor participation including excuse and exclude rights; (iv) management participation for carried interest purposes; and (v) flexibility regarding the duration / timing of closings to tailor fundraising periods to investor needs and market conditions.

Disclosure around the Selection and Use of Liquidity Management Tools (LMTs)

The proposals incorporate new requirements for the selection and use of LMTs and provide for an AIFM to select further LMTs in addition to those defined in Annex V of the revised AIFMD.

Other Clarifying and Technical Changes

The proposals also include a number of other clarifying and technical changes to aid the aim of greater certainty and clarity including alignment of the ELTIF chapter of the AIF Rulebook with proposed changes to the QIAIF chapter.

Timing and Application

The consultation is open until 5 November 2025 and the CBI will publish a feedback

statement following the close of the consultation.

Further Information

At Maples, we are analysing the detailed proposals and intend to submit comprehensive responses.

Please reach out to your usual Maples Group contact or any of the contacts below if you require any further information or to ensure that any views you have are taken into account.

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