

ELTIF 2.0 – Ireland's Road Map for ELTIF Readiness

In March 2023, the European Union reached agreement on an enhanced regulatory framework for European Long Term Investment Funds ("ELTIFs"). This enhanced regime ("ELTIF 2.0") will apply from 10 January 2024 and is expected to significantly unlock the ELTIF's objective of raising private capital from retail and institutional investors for long-term investments in the real economy.

Earlier this month, Irish Funds (the representative body for the Irish funds industry) announced that the Central Bank of Ireland (the "CBI") outlined its roadmap for the implementation of ELTIF 2.0, signaling the intention for Ireland to be "ELTIF-ready".

The CBI confirmed the following key points to Irish Funds:

- The CBI has developed a standalone ELTIF chapter (not yet published) for inclusion in its AIF Rulebook. It is proposed that the ELTIF will be a standalone product and therefore, it will not require separate authorisation as a Retail Investor Alternative Investment Fund ("RIAIF") or a Qualifying Investor Alternative Investment Fund ("QIAIF"). The authorisation process for ELTIFs will however broadly follow the existing authorisation processes for RIAIFs and QIAIFs.
- The CBI intends to consult on these amendments to the AIF Rulebook later this year. Given the challenging timeframe and overall aim to align with the full entry into force of the ELTIF 2.0 framework, the CBI is considering a shortened consultation period of approximately four to six weeks.
- It is expected that most of the amendments to the AIF Rulebook will relate to supervisory and operational matters that currently apply to Irish regulated AIFs, such as expected disclosures and regulatory reporting, rather than product-specific rules (which are already provided for directly in the ELTIF 2.0 framework).
- The CBI intends to publish the revised AIF Rulebook as quickly as possible. The proposed standalone ELTIF chapter of the AIF Rulebook will set out rules for Irish ELTIFs which complement the requirements of the ELTIF 2.0 framework. It is hoped that the revised AIF Rulebook will be published once the 'Level 2' implementing measures are in place. From that point, Irish ELTIFs can then be authorised in accordance with either the ELTIF 2.0 framework or the original ELTIF framework from 2015.
- The CBI will engage with the industry as the ELTIF amendments to the AIF Rulebook progress.

Irish Funds' announcement is strongly welcomed. It signals the CBI's constructive steps towards making Ireland ELTIF-ready. This will ultimately facilitate Ireland playing a key role in contributing to the objectives of the ELTIF and will provide fund sponsors and consumers with further choices in respect of the domicile of ELTIFs.

Further Information

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September 2023

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