Key Features of Partnership Structures in Ireland and Luxembourg

Maples is one of the world's leading advisers in the formation, structuring, financing and distribution of investment funds structured as partnerships. Unlike many advisers who concentrate on single jurisdictions, we have offices and expert teams in multiple domiciles and can compare the pros and cons of potential locations on an impartial basis. In the following chart we compare the characteristics of the most popular partnership structures in the largest EU fund domiciles, Ireland and Luxembourg. We have focused on partnerships falling fully in-scope of AIFMD and note they are typically selected by managers availing of closed-ended strategies in real estate, private equity, venture capital, credit, infrastructure, sustainable finance and related alternative asset classes.

	IRELAND		LUXEMBOURG	
Legal Structure	Irish Investment Limited Partnership ("**ILP**").	Irish 1907 Limited Partnership ("**1907 LP**").	Luxembourg Special Limited Partnership ("**SCSp**") and Luxembourg Common Limited Partnership ("**SCS**").	Luxembourg Partnership Limited by Shares ("**SCA**").
Legal Regime	Common Law.	Common Law.	Civil Law.	Civil Law.
Main Legislation	Investment Limited Partnerships Acts 1994 and 2020.	Limited Partnership Act 1907	1915 Law on Commercial Companies.	1915 Law on Commercial Companies.
Regulatory Status	Regulated by the Central Bank of Ireland ("**CBI**").	Unregulated.	Unregulated[1].	Unregulated[2].
AIFMD Compliant	Yes.	Yes.	Yes.	Yes.

[1] Unless it opts into a (regulated) Luxembourg regulatory regime (i.e. SIF or SICAR) in which case it will be regulated by the *Commission de Surveillance du Secteur Financier* (CSSF).

[2] An SCA typically opts into a Luxembourg regulatory regime (i.e. SIF, SICAR or RAIF).

	IRELAND		LUXEMBOURG	
AIFMD Opt-Outs[3]	No.	Yes.	Yes.	Yes.
Statutory constitutive document content requirements / legally prescribed terms	Limited statutory requirements allowing significant contractual freedom.	Limited statutory requirements allowing significant contractual freedom.	Limited statutory requirements allowing significant contractual freedom.	Sizeable statutory requirements limiting contractual freedom.
Additional Regulatory Requirements	Certain CBI prescribed requirements in the AIF Rulebook and related Guidance.	N/A.	None*.	None*.
Separate Legal Personality	No.	No.	SCSp: No. SCS: Yes.	Yes.
Investor Eligibility	For qualifying investor AIFs ("**QIAIFs**"), investors must meet "Qualifying Investor" criteria (i.e. sophisticated and HNWI only).	None.	None*.	None*.
Minimum Initial Commitment	€100,000.	None.	None*.	None*.
Maximum No. of Investors	Unlimited number of investors permitted.	50 partners for "investment partnerships", otherwise limited to 20.	Unlimited number of investors permitted.	Unlimited number of investors permitted.
Ability to Divide Limited Partners ("LPs")/Limited Shareholders ("LS") into Sub-categories	Express statutory ability to divide LPs into sub-categories for regulatory reasons, fee treatment, rights and voting etc.	No express statutory ability. Capable of being provided for in the limited partnership agreement ("**LPA**").	Express statutory ability to divide LPs into sub-categories for regulatory reasons, fee treatment, rights and voting etc.	Express statutory ability to divide LS into sub-categories for regulatory reasons, fee treatment, rights and voting etc.

[3] In certain instances a partnership can be structured so as to fall outside of AIFMD, e.g. a single investor fund.

*Unless it opts into a Luxembourg regulatory regime, e.g. SIF, RAIF.

	IRELAND		LUXEMBOURG	
Manner of Investment	LPs invest in ILP by way of capital contribution and contribution in kind. LPs prohibited contributing to ILP by way of loans.	LPs invest in 1907 LP primarily by loan. 1907 LPs prohibit return of capital during the continuance of the 1907 LP.	No restrictions (and includes cash contribution, loans, contribution in kind, contribution of services, etc.).	No restrictions (and includes cash contribution, loans, contribution in kind, contribution of services, etc.).
Investor Liability	Limited liability, provided LPs do not take part in the management of the ILP. The ILP Act sets out an enhanced non-exhaustive list of activity which can be performed by LPs without affecting their liability. Express statutory ability for LPs to participate on LP investment committees without losing limited liability.	Limited liability, provided LPs do not take part in the management of the 1907 LP.	Limited liability, provided LPs do not carry out acts of management for the SCSp or SCS. The 1915 Law sets out a non-exhaustive list of acts that do not constitute acts of management for these purposes.	Limited liability, provided LPs do not carry out acts of management for the SCA. The 1915 Law sets out a non-exhaustive list of acts that do not constitute acts of management for these purposes.
Confidentiality	LPs and the depositary have right to inspect the ILP's register of the name and address of each partner of the ILP, date a person becomes and ceases to be a partner. With the exception of the CBI and other statutory bodies, inspection of details of amounts and dates of capital contributions only	Registration of an 1907 LP requires certain details to be filed as part of the registration process, including the name of each partner and the sum contributed by each LP (in cash or otherwise). Where there is a change to this detail, it must be notified to the Companies	Access to the register of partners is restricted to the details of the relevant partner. If not restricted in the LPA, each partner may access all the information in the register of partners. Extract of LPA (with very limited information) published with the Luxembourg trade and companies register.	Each shareholder may access the register of registered shares in compliance with Art. 430-3 of the 1915 Law[4]. The articles of incorporation ("**Articles**") are published with the Luxembourg trade and companies register.

[4] 1915 Law: the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time

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	IRELAND		LUXEMBOURG	
	with consent of the GP.	Registration Office ("**CRO**") within 7 days. Detail available from the CRO for a fee.		
General Partner ("GP")	GP not subject to regulatory requirements but the Directors of the GP must meet fitness and probity standards set down by the Central Bank.	GP not subject to regulatory requirements.	GP not subject to regulatory requirements.	GP not subject to regulatory requirements.
Required Service Providers	GP, AIFM (which can also be the GP), depositary, administrator, auditor and legal advisors.	GP, AIFM, depositary, auditor and administrator (optional).	GP, AIFM, depositary, auditor and administrator (optional).	GP, AIFM, depositary, auditor and administrator (optional).
Speed to Market	If all service providers are approved by the Central Bank in advance, the ILP can avail of the Central Bank's fast-track 24-hour authorisation process.	No regulatory approval. 1907 LP can be formed as soon as the various contracts are agreed and the LPA is finalised and entered into by the GP and at least one LP.	No regulatory approval*. SCSp and SCS can be formed as soon as the LPA is finalised and entered into by the GP and at least one LP.	No regulatory approval*. SCA must be incorporated in front of a Luxembourg notary.
Global Marketing	An ILP is an EEA AIF which, provided it has an EEA AIFM, can avail of the AIFMD pan-EEA marketing passport. It can also be registered for sale in many of the world's leading investor markets subject to compliance with local securities laws.	Where the 1907 LP is a (full-scope) AIF, with an EEA AIFM, it can avail of the AIFMD pan-EEA passport like the ILP. If not or if it does not opt in to full AIFMD status, private placement.	Where the SCSp or SCS is a (full-scope) AIF, with an EEA AIFM, it can avail of the AIFMD pan-EEA passport. If not or if it does not opt in to full AIFMD status, private placement.	Where the SCA is a (full-scope) AIF, with an EEA AIFM, it can avail of the AIFMD pan-EEA passport. If not or if it does not opt in to full AIFMD status, private placement.

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Naming Convention	Express statutory power for an "alternative foreign name" to be registered to enable an ILP operating in a non-English speaking jurisdiction (e.g. China) to have official recognition of a translated name in that jurisdiction.	No particular naming requirements or statutory enhancements.	No particular naming requirements or statutory enhancements*.	No particular naming requirements or statutory enhancements*.
Investment Restrictions and Risk-Spreading Rules	QIAIF ILPs - no material investment restrictions and no borrowing or leverage limits (subject to making clear investor disclosure). ILPs are not subject to legal risk-spreading obligations.	None.	None*.	None*.
Amendment of LPA / Articles	Amendment of LPA (where provided in the LPA): either (i) upon certification by the depositary that the proposed amendment does not: (a) prejudice the interests of LPs; and (b) relate to any matter specified by the CBI as requiring approval by LPs, or (ii) where approved by a majority of partners.	In accordance with the terms of the LPA.	In accordance with the terms of the LPA, certain amendments (object, nationality, liquidation and change of legal form) subject to LP vote per 1915 Law requirements.	In accordance with the terms of the Articles and the 1915 Law, amendments to the Articles require a vote of the LS during an extraordinary general meeting to be held in front of a Luxembourg notary.
Ability to Establish Umbrella Partnerships	Yes - ILPs can be established as umbrella funds, with segregated liability between sub-funds.	No.	No*.	No*.

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Migration of partnerships	Ability to migrate into and out of Ireland on a statutoy basis.	No statutory basis.	Ability to migrate into and out of Luxembourg on a statutory basis.	Ability to migrate into and out of Luxembourg on a statutory basis.
Tax Transparent	The ILP is tax transparent for Irish tax purposes and is not subject to Irish tax on its investment income and gains. The ILP is subject to reverse hybrid rules applicable as of 1 January 2022. However as a regulated fund, there are exemptions if the ILP is widely held and has a diverse asset base. In addition, investors typically represent that they treat the entity as transparent.	The LP is tax transparent for Irish tax purposes and is not subject to Irish tax on its investment income and gains. Where an EEA AIFM is appointed, the LP is subject to reverse hybrid rules applicable in the same manner as an ILP. In all other cases, the reverse hybrid rules apply and typically investors are required to represent that they treat the LP as transparent.	The SCSp and SCS are tax transparent for Luxembourg tax purposes and are not subject to Luxembourg income tax on their investment income and gains, subject to reverse hybrid rules applicable as of 1 January 2022. Exemption of reverse hybrid rules applicable to SCS/SCSp subject to a regulatory regime and SCS/SCSp AIF subject to conditions.	The SCA is tax opaque for Luxembourg tax purposes and is subject to Luxembourg corporate income tax and municipal business tax unless it opts into certain regulatory regimes (e.g. SIF and RAIF not investing in risk capital).
Municipal business tax	NA		SCSp/SCS subject to a regulatory regime (i.e. SIF, SICAR, RAIF) are not subject to municipal business tax. SCSp/SCS AIF are not subject to municipal business tax if GP, own less than 5% of SCSp's/SCS' interests/economic rights.	See above.

*Unless it opts into a Luxembourg regulatory regime, e.g. SIF, RAIF.

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Subscription Tax	No Irish subscription taxes are payable on commitments.	No Irish subscription taxes are payable on commitments.	No Luxembourg subscription taxes are payable on any type of subscriptions*.	Certain SCAs subject to a regulatory regime (i.e. SIF and RAIF not investing in risk capital) are subject to an annual subscription tax; certain exemptions apply, e.g. for ELTIFs.
Taxation of Income and Gains	For the purposes of Irish taxation, the income and gains of the ILP are treated as arising to each LP in accordance with the apportionment under the LPA as if the income or gains had arisen to the relevant partner without passing through the hands of the ILP.	Same as ILP	For the purposes of Luxembourg taxation, the income and gains of the SCSp or SCS are treated as arising to each LP in accordance with the apportionment under the LPA as if the income or gains had arisen to the relevant partner without passing through the hands of the SCSp or SCS.	For the purposes of Luxembourg taxation, the income and gains of the SCA are subject to corporate income tax and municipal business tax with certain exemptions. Certain SCAs subject to a regulatory regime (i.e. SIF and RAIF not investing in risk capital) are not subject to corporate income tax and municipal business tax.
VAT Exemption	Wide ranging VAT exemptions are available with respect to the provision of certain standard services to ILPs (e.g. investment management, administration, transfer agency etc.).	1907 LPs are subject to standard VAT rules and are not exempt from VAT on investment management or administration.	For SCS/SCSp AIF and SCS/SCSp subject to a regulatory regime, a VAT exemption is applicable for services specific to and essential for the management of funds.	For SCA subject to a regulatory regime, a VAT exemption is applicable for services specific to and essential for the management of funds.
Stamp Duty	In general, no stamp duty is payable in Ireland on the issue, transfer, re-purchase or	Same as ILP.	No stamp duty should be payable in Luxembourg upon the issue of interests in the SCSp or SCS.	No stamp duty should be payable in Luxembourg upon the issue of interests in the SCA.

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	redemption of partnership interests in an ILP. Specific rules apply if the ILP has invested, directly or indirectly, in Irish real estate.			
Exchange of Information	Ireland is fully compliant with the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. Ireland has fully implemented both the US FATCA regime and the OECD common reporting standard ("**CRS**"). ILPs are thus capable of complying with international FATCA and CRS requirements. Provided that the GP in respect of the ILP complies with its FATCA obligations, no FATCA withholding should apply on payments from US sources.	Same as ILP.	Luxembourg is largely compliant with the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. Luxembourg has fully implemented both the US FATCA regime and CRS. SLPs are thus capable of complying with international FATCA and CRS requirements. Provided that the GP in respect of the Partnerships complies with its FATCA obligations, no FATCA withholding should apply on payments from US sources.	Luxembourg is largely compliant with the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes. Luxembourg has fully implemented both the US FATCA regime and CRS. CLPs are thus capable of complying with international FATCA and CRS requirements. Provided that the GP in respect of the Partnerships complies with its FATCA obligations, no FATCA withholding should apply on payments from US sources.
Treaty Access	The ILP does not have separate legal personality and is treated as tax transparent under Irish law. As such, the ILP is not generally able to claim the benefits of Ireland's network of double tax treaties. LPs may be able to access the double tax treaty in place between their home jurisdiction and the	Same as ILP.	As a tax transparent entity, the SCSp or SCS can usually not benefit from double tax treaties, but LPs may be able to benefit from an applicable double tax treaty by virtue of where the LP is tax resident. The potential application of any tax treaty should be analysed by the relevant LP's	An SCA subject to corporate income tax can benefit from double tax treaties. A SCA which opts into certain regulatory regimes (e.g. SIF and RAIF not investing in risk capital) can benefit from certain double tax treaties.

*Unless it opts into a Luxembourg regulatory regime, e.g. SIF, RAIF.

	IRELAND	LUXEMBOURG
	jurisdiction where the assets are located and may be able to benefit from reduced withholding tax rates or be able to reclaim withholding taxes suffered in particular countries on that basis.	tax advisor on a case by case basis.

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