

ELTIF II Updates from the Central Bank

The Central Bank of Ireland (the “Central Bank”) has on 11th March issued new materials, including guidance, application forms and an updated AIF Rulebook, to provide for the new ELTIF II regime. This will facilitate the authorisation and launch of products under this revised regime, which is expected to be very popular with asset managers seeking to bring alternative investment options previously largely confined to institutional investors to a broader target audience.

Background

The European Long Term Investment Fund (“ELTIF”) was originally provided for in EU legislation in 2015 by means of Regulation (EU) 2015/760 in order to facilitate investment into the real economy by private investors on a pan-European basis. However, in practice it was largely unsuccessful as a vehicle in attracting interest due to the onerous applicable restrictions. As a result, a review was conducted into the perceived shortcomings of the vehicle and amendments were made to provide for the so called “ELTIF II”. These were approved by the European Council in March 2023 and followed by the issuance of Regulatory Technical Standards (“RTS”) on various specific elements of the regime in the subsequent months.

Central Bank Updates

The Central Bank has now issued various documents to provide for the authorisation of vehicles under the ELTIF II regime in Ireland. These comprise a Feedback Statement to CP 155 in relation to ELTIFs, an update to the AIF Rulebook to

include a dedicated chapter on ELTIFs and publication of the actual application forms to be used to apply for authorisation as well as related website guidance.

The ELTIF Chapter sets out the requirements related to ELTIF specific restrictions, supervisory, prospectus and general operational requirements as well as annual and half-yearly reporting.

For the moment only closed ended ELTIFs may be authorised pending issuance of a relevant RTS for open ended schemes - but these may be retail investor or qualifying investor funds.

How Clerkin Lynch can Help

The Asset Management team at Clerkin Lynch LLP can assist in advising on the establishment and launch of ELTIFs under the new ELTIF II regime. The firm’s team has extensive practical experience in liaising with the Central Bank to secure regulatory authorisations in Ireland. Contact us with any related queries or to receive copies of our other materials on the ELTIF II for further background.



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