

Central Bank of Ireland confirms key elements of the Irish ELTIF

January 2024

Introduction

The revised ELTIF Regulation¹, commonly referred to as ELTIF 2.0, entered into force on 10 January 2024.

Following recent industry engagement, the Central Bank of Ireland (**Central Bank**) has confirmed to industry that its finalised rulebook, which will provide for the establishment of Irish ELTIFs, will be published in early March 2024. Once the rulebook has been published, the Central Bank will accept applications for authorisations of Irish-domiciled ELTIFs.

Importantly, the Central Bank has confirmed the following key elements to the Irish ELTIF product which we expect will make Ireland the domicile of choice for those global asset managers considering the establishment of a regulated EU long-term investment fund:

i. Ability to establish an ELTIF fund within an existing umbrella structure

Subject to the conclusion of its internal review process, the Central Bank has indicated that an Irish ELTIF fund may be established within an existing or new Qualifying Investor AIF (**QIAIF**) or Retail Investor AIF (**RIAIF**) umbrella structure subject to satisfying certain conditions.



¹ Regulation (EU) 2015/760 as amended by Regulation (EU) 2023/606



This will allow asset managers with existing Irish QIAIF or RIAIF umbrella structures to establish a new Irish ELTIF product within such an umbrella structure without having to establish a separate legal structure and without having to identify and appoint a new board of directors (if applicable) or new service providers.

It will also provide more optionality for ELTIF managers setting up new umbrella structures as it will allow them to establish other sub-funds with different strategies under the same umbrella in the future.

This flexibility, when coupled with the fast-track approval process available to ELTIFs marketed solely to “qualifying investors” described below, will mean that an Irish ELTIF can be established in a fast and efficient manner.

ii. 24-Hour Approval Process

For those ELTIFs which will be marketed solely to “qualifying investors”², the Central Bank will facilitate a 24-hour approval process under which such ELTIFs can be authorised by the Central Bank within 24 hours of filing the appropriate documentation and related confirmations with it³.

All parties involved in the proposed ELTIF (such as the AIFM, the board of directors (if applicable) and other fund service providers) must be approved or cleared by the Central Bank in advance of the formal approval application being made to the Central Bank.

For those ELTIFs which can be marketed to “qualifying investors” other than those meeting the MiFID II “professional client” criteria, an obligation to comply with the retail requirements set down in the ELTIF Regulation will apply.

Conclusion

The Central Bank also reiterated to industry that it is not its intention to gold-plate the ELTIF Regulation meaning that the only product-specific rules applicable to Irish ELTIFs on eligible assets, portfolio composition, diversification and liquidity (amongst others) will be those set down in the ELTIF Regulation.

In facilitating an ELTIF product which can be housed as a stand-alone structure or within an existing Irish umbrella structure and which is capable of being approved by the Central Bank within 24 hours of filing all relevant documentation with it, the Central Bank is creating a flexible and quick-to-market regulated fund which benefits from the same favourable tax treatment currently available to other Irish-domiciled regulated fund.

For a more detailed analysis of the key features of the Irish ELTIF, please refer to our recent [guide](#) on the topic.

² Under the Central Bank’s AIF Rulebook, a “qualifying investor” includes (i) any “professional client” within the meaning of MiFID II, (ii) any investor who receives an appraisal from an EU bank, MiFID firm or UCITS management company that the investor has the appropriate expertise, experience and knowledge to understand the nature of the investment or (iii) any investor who self-certifies to the ELTIF that they are informed investor by providing certain specific confirmations.

³ We do not expect this 24-hour approval process will be available for those ELTIFs proposing to invest in Irish property.

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