IRELAND UPDATE - Investment Limited Partnerships Bill 2019 Progresses To Committee Stage

Following on from our July 2019 article on the Investment Limited Partnerships (Amendment) Bill 2019 (the “Bill”) (link here), the Bill progressed to the next stage of the Irish legislative process, known as Oireachtas Committee Stage, on 18 September 2019. This is a positive step in the direction of making Ireland a more attractive domicile for private equity and venture capital funds.

What is Committee Stage?
At Committee Stage, a detailed examination of each section of the Bill will be undertaken and the Government and opposition members will be given an opportunity to make changes to the text. If each section of the Bill is agreed to, the Bill will be set down for the next stage, Report Stage.

Committee Stage is the third stage of five stages in Dáil Éireann. If the Bill passes Committee Stage, it will still need to pass two further stages in the Dáil and five further stages in the Seanad (Senate) before being signed into law by the President of Ireland. The exact timing of this process is still unclear.

Background to the Bill
The purpose of the Bill is to reform Ireland’s existing investment limited partnership regime by amending the Investment Limited Partnerships Act 1994 (the “1994 Act”), which governs the existing regime. Investment limited partnerships under the 1994 Act were not as successful a fund structure as had been initially anticipated by its advocates.

The reforms which are contained in the Bill are predominantly aimed at (i) redefining certain rights and obligations relating to LPs and the GP; (ii) harmonising the rules relating to, and the characteristics of, the ILP structure with other Irish regulated fund structures and certain legal and regulatory developments since the Act was introduced; and (iii) adopting market standard practices and features from other popular fund domiciles.

Please see our July 2019 article for a more detailed summary of the key areas of reform and enhancements included in the Bill.

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