

AIF Rulebook update: Ireland gives private markets managers a head start

Last week, amid much fanfare in alternative investments circles, Ireland's Central Bank launched a consultation on the adoption of several significant changes to its AIF Rulebook that could put Ireland ahead of its European competitors as a preferred domicile. [Kevin Hogan](#) and [Angel Ramon Martinez Bastida](#) explain the changes in detail.

Ireland's Central Bank (CBI) has potentially given private markets in Ireland a rare advantage over other European domiciles in the race for capital by deploying a wide-ranging consultation with the industry on several significant amendments to its Alternative Investment Fund (AIF) Rulebook. This will also further harmonize it with Europe's Alternative Investment Fund Management Directive (AIFMD 2.0).

As investor appetite for private equity, private debt, infrastructure and real assets continues to grow, these changes are designed to make Ireland one of the most attractive and well-regulated jurisdictions in Europe for fund managers and their investors. Included are significant amendments to the rules governing Qualifying Investor Alternative Investment Funds (QIAIFs), including more flexible fund financing and changes to the capital commitment rule.

Also significant is the proposed removal of the CBI's own chapter on loan origination, replacing it with the incoming AIFMD 2.0 chapter, without gold-plating. These, along with around another 120 targeted updates to the document, are setting the stage for Ireland to put itself in a stronger position as a preferred domicile as the Emerald Isle gets ready for the incoming AIFMD 2.0 amendments on April 16, 2026.

The [AIFMD 2.0 loan origination](#) amendments came into force on April 15, 2024 and each member state had a two-year period to transpose the amendments into their national law. That window is now closing, and Ireland has opted for a pan-European approach that, if adopted, will simplify fund structuring and tax for investors and managers. The proposed amendments also allow for non-EU funds

to operate more easily from Ireland, which could simplify administrative services for fund managers, and support the growing interest in [European fundraising](#) among U.S.-based managers.

Notable for those managers raising loans is that the CBI also proposes eliminating the Irish Loan-Originating Qualifying Investor Alternative Investment Fund (L-QIAIFs) category, this means all QIAIFs will be able to engage in loan origination under the dovetailed AIFMD 2.0 rules.

Also key is the removal of the equal treatment requirement. The requirement proposes to replace 'equal' with 'fair'. This means investors must be treated fairly and none should be disadvantaged by the terms offered to others. This change aligns with broader EU regulatory trends and reflects market realities where differentiated terms are common and often necessary to attract key investors. For example, an institutional investor's requirements would be different from those of a family office, while differences in the size of investments or investor strategies would require specialized terms. The simplification of the provision to ensure fairness means differences in treatment are permitted provided they are justified, disclosed, and do not result in undue disadvantage to any investor. This aligns with international best practice and gives managers greater flexibility, while still protecting investor interests through transparency and oversight.

Here's a breakdown of the three notable areas included in the consultation that will impact how private markets fund managers and investors operate in Ireland:

Governance and structuring enhancements

Intermediary investment vehicles

The prescriptive subsidiary regime (including board composition and prior approval) is removed and instead AIFMs must now disclose, conduct due diligence, and document oversight policies for these intermediary investment vehicles. As an example, a QIAIF structured to provide SME financing via a wholly owned Special Purpose Vehicle (SPV) no longer needs prior CBI approval for board appointments. Instead, the AIFM must document its oversight policy and due diligence process for the SPV, aligning with broader EU standards.

Fund financing

Restrictions on QIAIFs acting as guarantors will be lifted, allowing more flexible financing arrangements such as subscription line and asset-level financing. A private equity fund investing in real estate development can now use subscription line financing backed by investor commitments to bridge capital calls. This mirrors practices seen in NAV facilities and capital call lines used globally.

Capital commitment model

The €100,000 minimum investment for QIAIFs can now be met through capital commitments drawn down in stages, aligning with international private equity practices. For example, a new infrastructure fund targeting institutional investors allows them to commit €100,000 over a multi-year drawdown schedule, rather than requiring upfront cash. Furthermore, the list of investors exempt from this minimum capital requirement is widened to include the AIFM and related Group entities, discretionary or non-discretionary investment advisors, and directors, employees, secondees, consultants or partners of these entities.

Share class features

The Rulebook now explicitly permits excuse/exclude provisions, stage investing, management participation, and side letters (with safeguards). This means, for example, a closed-ended QIAIF could include a side letter allowing a cornerstone investor to opt out of, say, fossil fuel investments. The fund manager ensures this does not disadvantage other investors by disclosing the arrangement in the prospectus and maintaining fair treatment across share classes.

Offer period flexibility

The 2.5-year cap on initial offer periods for closed-ended QIAIFs is removed. Offer periods are now flexible but must be disclosed in the prospectus. As an example, a private credit fund with a complex deployment strategy sets a four-year offer period to accommodate staggered capital raising. This is clearly disclosed in the prospectus, giving investors transparency while allowing operational flexibility.

Warehousing assets

The cap on warehoused assets is removed, aligning with European Long-Term Investment Funds ([ELTIFs](#)) and AIFMD valuation principles. So, a real estate fund

acquires seed assets before launch and warehouses them until investor capital is deployed. This approach, now permitted without a cap, allows smoother onboarding and better alignment with ELTIF practices.

Loan origination rules

Removal of Irish-specific rules

The CBI proposes to delete the domestic section of the AIF Rulebook on loan originating funds. This means Ireland will fully adopt the EU-wide framework under AIFMD 2.0, avoiding any gold-plating. Previously, Irish L-QIAIFs had to comply with stricter prudential rules, such as concentration limits and leverage caps. Under AIFMD 2.0, these funds will now operate under a harmonised EU framework. For instance, a Dublin-based private credit fund that previously had to navigate bespoke Irish rules can now lend across the EU without needing to tailor its structure to Ireland's gold-plated requirements. This opens the door for more cross-border lending and operational efficiency.

Elimination of L-QIAIF category

The specialized category for Loan Origination QIAIFs will be removed. All QIAIFs will now be able to engage in loan origination under the harmonised AIFMD 2.0 rules. A fund manager previously had to launch a dedicated L-QIAIF to originate loans. Now, any QIAIF, such as one structured for private equity or infrastructure, can include loan origination in its strategy. This flexibility is especially useful for hybrid funds. For example, a QIAIF investing in real assets can now directly lend to project developers without needing a separate L-QIAIF structure.

Non-EU AIFMs

The Rulebook will be updated to permit non-EU AIFMs to manage loan-originating QIAIFs. A U.S.-based asset manager with a Cayman GP stack can now manage an Irish QIAIF that originates loans, provided it complies with AIFMD 2.0. It enables global managers to tap into Ireland's fund ecosystem without needing to establish an EU-based management entity.

Consumer protection

Irish AIFs will remain prohibited from granting loans to consumers, in line with Ireland's decision not to exercise discretion under AIFMD 2.0. Even under the

harmonised EU framework, Ireland will not allow AIFs to lend to individuals for personal use.

Liquidity management tools (LMTs)

Mandatory LMTs

AIFMs must disclose at least two LMTs in the prospectus: One quantitative (e.g. redemption gates) and one anti-dilution tool (e.g. swing pricing), this is part of a broader strategy to align liquidity tools with investor protection and fund resilience. As an example, A semi-liquid credit fund structured as a QIAIF includes:

- **Redemption gates:** Investors can redeem only up to 10% of NAV per quarter
- **Swing pricing:** Applied during large redemptions to adjust NAV and protect remaining investors from dilution.

Activation/deactivation reporting

Any use of LMTs outside ordinary business must be reported to the CBI. This emphasizes transparency and regulatory oversight during exceptional liquidity events.

Clarification

Administrative redemption fees are now clearly distinguished from LMTs to avoid misclassification.

For private markets fund managers this consultation and the incoming amendments will potentially have a significant impact on how they are able to operate in Ireland and across Europe. It is a positive step for Ireland and for the industry generally that is in tune with international best practice, balancing managers' needs for more flexibility with robust investor protection.

As a leading fund administrator in Europe with an increasing presence in Ireland, Aztec has the expertise and experience to support you across the life cycle of your fund, whatever your needs. We look forward to engaging with you as the proposals take shape, please contact us directly.



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