Access to Europe: Ireland's updated AIF Rulebook puts flexibility first

- Greater flexibility in fund structures, financing and investor terms.
- What EU alignment means for private credit managers.
- How best to put the reforms into practice.

Private markets fund managers considering Irish-domiciled funds will benefit from greater structural and operational flexibility as the AIF Rulebook reforms make an impact. Kevin Hogan and Paul O'Shea examine how its alignment with the EU's AIFMD 2.0 creates opportunities and how managers can leverage them.

The Central Bank of Ireland's revised Rulebook has come into force, removing several Ireland-specific constraints and modernising the framework for Qualifying Investor Alternative Investment Funds (QIAIFs), private equity, private credit and other alternative strategies. More fit-for-purpose commercially, the EU-aligned model that streamlines QIAIFs retains the important safeguards based on disclosure, due diligence, governance and fair treatment.

For managers comparing European domiciles, these Rulebook changes mean Ireland can now offer a more coherent route from fund design to cross-border scale. The strongest outcomes will come where the legal structure and operational model are developed together, so that the flexibility available on paper can be delivered consistently in practice.

How do the reforms better reflect private markets realities?

The most significant change is that the Rulebook now reflects more closely how private assets funds are established, financed and operated in practice. This moves Ireland away from relying on bespoke legal solutions for common private

markets features.

It explicitly accommodates features including co-investment arrangements, staged investing, excuse and exclude provisions, management participation at share-class level, side letters, capital commitment and drawdown models, minimum subscription exemptions, share-class-level asset allocation, in-kind subscriptions and redemptions, and charity share classes.

How does it make fund financing more flexible?

The longstanding prohibition on QIAIFs providing third-party guarantees or security has been removed. This gives managers more scope when structuring subscription lines, NAV facilities and hybrid financing, particularly where financing sits at an intermediary vehicle or portfolio holding-company level.

The practical benefit is this flexibility can more easily support liquidity management, capital efficiency and smoother deployment across complex fund families. It also reduces the need for additional structuring designed solely to work around the previous restriction.

What changes for intermediary investment vehicles?

The Rulebook now takes a less prescriptive approach to intermediary investment vehicles such as special purpose vehicles (SPVs), subsidiaries and co-investment vehicles. Detailed structural requirements have given way to an emphasis on prospectus disclosure and the Alternative Investment Fund Manager's (AIFM) documented policies and procedures for due diligence, oversight and monitoring.

This should make multi-layered and cross-border holding structures easier to design and operate. However, accountability remains with the manager to be able to demonstrate how risks and exposures are identified and governed across the structure.

What does EU alignment mean for private credit?

Ireland has deleted the legacy loan-originating QIAIF chapter and aligned its framework with the AIFMD II loan origination rules, allowing loan origination to

sit within the broader QIAIF framework, without additional domestic gold-plating.

This provides a more consistent basis for launching and scaling private credit and hybrid strategies across the EU. It also allows non-EU managers to manage certain closed-ended loan origination AIFs, although access to the AIFMD marketing passport still requires an authorised EU AIFM.

The flexibility comes with harmonised requirements covering areas such as leverage, concentration, risk retention and restrictions on originate-to-distribute models. Managers therefore need to consider portfolio construction, compliance monitoring and data requirements from the outset, rather than treating regulatory alignment as a simple removal of restrictions.

How has it made investment strategy more flexible?

Previous limitations associated with a QIAIF taking positions of significant influence in an issuer have been removed. This can support a broader range of private markets approaches, including concentrated portfolios, hybrid credit strategies and opportunistic allocations.

The change gives managers greater room to respond to market conditions and pursue the strategy described to investors. The corresponding discipline is that investment policies, risk parameters and disclosures must remain clear and operationally supportable.

How do investor terms and operational processes change?

The requirement for investors in the same class to be treated “equally” has been replaced by a requirement for “fair” treatment, read alongside AIFMD rules on preferential treatment. This provides a clearer basis for differentiated terms, including side letters, where arrangements are appropriately disclosed and do not create unfair outcomes.

The updated framework also replaces point-in-time verification of individual performance fee calculations with a more principles-based focus on whether effective verification procedures are in place. In addition, updates to material

agreements already filed with the Central Bank no longer need to be re-filed, reducing recurring administrative work.

For warehousing and pre-launch arrangements, the previous pricing constraint has been replaced by enhanced disclosure of relevant fees, charges and interest. This gives managers more commercial flexibility when assembling seed portfolios and transaction pipelines, while giving investors clearer information about the economics.

What should existing and prospective Irish platforms do now?

Existing platforms should assess whether their prospectuses, constitutional documents, side-letter processes, financing policies, performance fee controls, warehousing disclosures and intermediary vehicle oversight frameworks reflect the revised Rulebook.

While new launches should consider the reforms at the design stage because decisions about share classes, capital commitment mechanics, financing, loan origination, liquidity, investor differentiation and the use of SPVs all have consequences for legal drafting, governance, accounting, reporting and administration.

The 2026 Rulebook also includes an AIFMD II liquidity management tools framework for open-ended AIFs. Managers considering open-ended or limited-liquidity strategies should ensure that selected tools, activation and deactivation terms, investor disclosure and regulatory reporting are built into the operating model.

What does the update mean for Ireland as a domicile?

Ireland already combines an established regulated funds ecosystem with access to EU markets. The updated Rulebook strengthens that proposition by making the framework more familiar to global private markets managers and more adaptable to the way private equity, infrastructure and private credit strategies operate.

The competitive advantage is the combination of structural flexibility, clearer

rules and proportionate oversight. It doesn't equate to deregulation. Instead, managers have more room to design commercially workable products, while investors retain protections through transparency, governance, risk controls and regulatory supervision. This streamlines Ireland's offering for managers looking to set up in an EU domicile and market across the EU more seamlessly.

What are the operating realities?

The updated AIF Rulebook marks a significant development in Ireland's private assets offering. It removes legacy friction, aligns important areas with AIFMD II and gives managers more practical options across structuring, financing, loan origination and investor arrangements.

As with all such developments, long-term impact will depend on structured implementation. For example, fund documents must accurately describe the chosen model, governance must remain demonstrable and service providers must be able to support the data, controls and reporting that more sophisticated structures require.

As a specialist fund administrator in private markets, Aztec supports managers throughout the fund lifecycle, combining technology-enabled infrastructure with specialist operational expertise. If you are considering an Irish structure or reviewing an existing platform in light of the revised Rulebook, please contact us directly.

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