

Via email: [fundspolicy@centralbank.ie](mailto:fundspolicy@centralbank.ie)

Funds Policy,  
Central Bank of Ireland,  
N Wall Quay,  
North Wall,  
Dublin,  
D01 F7X3,  
Ireland

5 November 2025

Dear Sir/Madam,

**Re: Consultation Paper 162: Consultation on proposed amendments to the Central Bank Alternative Investment Fund Rulebook (AIF Rulebook)**

We are writing to you in response to your Consultation Paper 162: Consultation on proposed amendments to the Central Bank Alternative Investment Fund Rulebook (AIF Rulebook) (**CP 162**).

William Fry LLP is one of the largest dedicated asset management and investment funds legal advisory practices in Ireland and we represent a significant volume of Irish domiciled UCITS and Central Bank authorised AIFs. It is in that context, and as an Irish Funds member firm with representatives participating on several Irish Funds working groups, that we provide this response to CP 162.

We have reviewed the Irish Funds Industry Association's response to CP 162 and wish to express our support for the submissions made in that response.

In addition to that response, we raise the following points:

1. The response of Irish Funds to question 74 of CP 162 proposes changes to Chapter 3 paragraph 3 of section vii entitled "Relationship with the Central Bank". This paragraph provides that:

*Approval of the Central Bank is required in respect of any proposed change in direct or indirect ownership or in qualifying holdings. A qualifying holding for the purpose of this condition is defined in Regulation 5(1) of the AIFM Regulations.*

We fully agree that this paragraph of the AIF Rulebook should be edited for the reasons given in the Irish Funds response. It is our view that the proposed language below, which aligns with the first option presented in the Irish Funds response to question 74 of CP 162, would be appropriate to address this point. This language accords with the definition of "qualifying holding" in the AIFM Regulations and with the rules on acquisitions and disposals under the European Communities (Assessment of Acquisitions in the Financial Sector) Regulations 2009 (as amended) applying to credit institutions, insurance and reinsurance undertakings, MIFID firms and UCITS management companies.

Proposed amendment to Chapter 3, Part B, vii, 3 of the March 2024 AIF Rulebook:

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"Approval of the Central Bank is required in respect of:

- a. the acquisition, directly or indirectly, of a "qualifying holding"; and
- b. the direct or indirect increase in a "qualifying holding", whereby the resulting holding would reach, or exceed, 20%, 33% or 50% of the capital of, or voting rights in, a regulated firm, or a regulated firm would become the proposed acquirer's subsidiary.

A qualifying holding for the purpose of this condition is defined in Regulation 5(1) of the AIFM Regulations."

2. With respect to Question 36 on Charity share classes and the proposed insertion at page 112 of the AIF Rulebook and noting the removal of the previous Central Bank AIFMD Q&A ID1144, while we do not disagree with this change, we would request a clarification to avoid any uncertainty for qualifying investor AIFs which are intended to comply with Shariah principles.

Payments to charity are a standard feature in Shariah funds. These payments arise for the purposes of purification of income or capital gains arising from investments that are not compliant with Shariah principles. This purification mechanism is an established and routine feature in Shariah funds and the Central Bank has authorised several of these as UCITS as well as qualifying investor AIFs.

Since the purification mechanism involves payment of fund property (both in the form of capital and income) to a charity, it would be helpful to clarify that this provision is not applicable to that circumstance. This could be by way of a footnote in the AIF Rulebook or by a new Q&A. In particular the following element of the provision could be problematic in particular "...*that such distributions will not be paid out of the capital of the Qualifying Investor AIF*".

3. With respect to Question 130 on other feedback on the AIF Rulebook, we would briefly note:
  - As the Central Bank is aware, the EuVECA Regulation currently enables a registered (i.e. sub-threshold) AIFM to be registered by the Central Bank as a EuVECA manager (subject to various prudential and conduct of business requirements). The fund will be subject to the investment rules set out in the EuVECA Regulation. When so registered, that manager can access the EU-wide marketing passport under the EuVECA Regulation to market the fund to informed retail (subject to a minimum investment requirement and professional investors).

As far as we are aware, no EuVeCA funds are authorised by the Central Bank under the ICAV Act 2015 or the Investment Limited Partnership Act 1994 etc. In practice, our experience has been that venture capital sponsors establishing Irish EuVECAs are typically registered as limited partnerships under the Limited Partnership Act, 1907. Alternatively, these are often established in Luxembourg using its popular version of an "unauthorised" limited partnership (the SCSp RAIF).

In light of the aims of the EUVECA Regulation in fostering the venture capital ecosystem and SME financing environment in Europe, and noting the EU Commission's renewed focus on enhancements to support the success of the EuVECA Regulation in its strategy for the Savings and Investment Union (SIU), we encourage the Central Bank to revisit the current position to enable EuVECA funds to be established using the same legal structures available for QIAIFs and ELTIFs. We envisage this will require a new chapter

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to the AIF Rulebook dedicated to the EuVECA, in similar fashion to the recently introduced ELTIF chapter.

- Retail AIF Chapter: in addition to the feedback in the Irish Funds response, while we note that the Central Bank has not consulted in CP161 on changes to the Retail AIF chapter, we envisage amendments are necessary for implementation of, and alignment with, AIFMD 2.0 (including the (albeit draft) liquidity management tools RTS) corresponding to those provisions of the QIAIF chapter being amended for implementation of AIFMD 2.0.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Andrew Sheer", on a light-colored background.

Partner  
William Fry LLP