# The Irish 1907 Limited Partnership

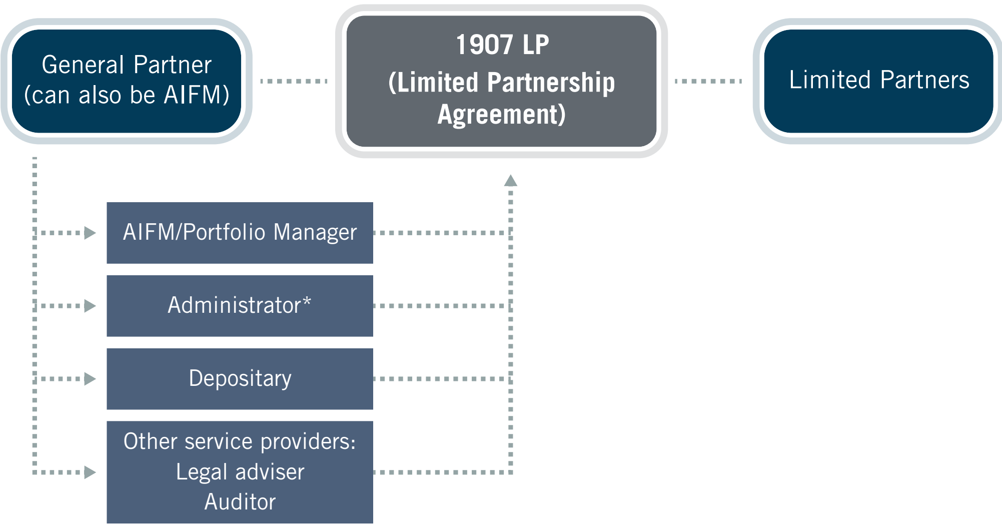
Irish 1907 Limited Partnerships (1907 LPs) are an alternative to traditional regulated Irish structures and other limited partnership structures globally. They are well suited to private equity and other illiquid investments such as infrastructure and other real-economy investing, but can be used for any type of investment.

1907 LPs are formed under the Limited Partnerships Act 1907, as amended (the Act). The Act is identical to the legislation that created the English and Scottish Limited Partnerships, enacted in 1907, prior to the independence of Ireland from the United Kingdom.

Unlike other structures in Ireland such as the ICAV, the Act does not require Central Bank of Ireland (CBI) authorisation or regulation for a 1907 LP to carry on business. As such, 1907 LPs are not regulated at product level, but can provide investor comfort by appointing a regulated Alternative Investment Fund Manager (AIFM) to manage the assets and other day-to-day activities.

Where a 1907 LP appoints an AIFM and a depositary, it is able to avail of the benefits of the pan-European marketing passport under the Alternative Investment Fund Managers Directive (AIFMD) (2011/61/EU).

## AIFMD-compliant structure




* If not conducted by the AIFM.



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Because 1907 LPs are not regulated by the CBI, this allows the use of terms not currently permitted by the CBI in regulated structures, such as: excuse provisions; tranching of interests; and the ability to provide bridge financing to portfolio companies, if such terms are agreed between the partners. The ability to include such provisions means the 1907 LP structure is commercially appealing as a stand-alone structure and can easily act as a parallel structure to e.g. Cayman or Delaware limited partnerships. With its ease to set-up, flexibility of terms and the ability to access the pan-European market under AIFMD, the 1907 LP is an investment fund structure that should not be overlooked.

## Features

The 1907 LP has many features similar to other limited partnership structures utilised for investment funds globally, such as:

- It is formed by way of agreement between one or more general partners and one or more limited partners, the terms of which are documented in a limited partnership agreement.
- It is tax transparent (for Irish purposes).
- It does not have separate legal personality and must, therefore, act through its general partner.
- The liability of limited partners is limited to the amount contributed to the 1907 LP.
- It can be open-ended or closed-ended.
- It can be used for all types of asset classes.
- It utilises capital accounts to determine investor holdings.
- It is commercially appealing with relative ease to set up and maintain as well as its flexibility as either a stand-alone fund or parallel fund.

Other features of the 1907 LP that are more unique and should be considered are:

- Capital commitments are made via debt and equity contributions (e.g. 99.999% loan (subordinated behind all other creditors) and 0.001% equity). This does not result in any de facto difference in participation by LPs vs e.g. a Cayman or Delaware partnership.
- Each 1907 LP is limited to having no more than 50 limited partners where it is for the provision of investment and loan finance and ancillary facilities structures and 20 for other purposes (a second, parallel, 1907 LP could be established if there is a higher number of LPs).
- The general partner must be an Irish entity at the time of establishment, but can then be replaced by a non-Irish entity.
- It is registered with the Irish Companies Registration Office (CRO) and the names of all partners must be filed with the CRO, resulting in technical availability to the public (for a fee).
- It must file accounts with the CRO like other corporate entities, per the European Communities (Accounts) Regulations 1993.
- It cannot be an umbrella/compartmented fund structure, but can be established in a series utilising the same base offering documents and contractual provisions with service providers.

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