



Ireland ILP

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COST EFFICIENCY & SPEED

ILP brings swift and cost-efficient launch of sub-funds

FLEXIBILITY

New structure accommodates broad range of asset classes

INDUSTRY GROWTH

Private funds pegged for expansion in Ireland

Featuring Alter Domus | CSC | DMS Governance | Maples Group | Matheson



Maximising the growth potential

Interview with Ross McCann

Various market forces are driving prospects for alternative managers globally, with Ireland being a key destination. Persistent low interest rates are pushing institutional investors towards alternative assets. This, coupled with the Covid pandemic further curtailing appetite for bank lending, has created opportunities for managers, particularly in the debt/credit spheres.

In Ireland, accelerated growth is expected to come from the private funds sector, following the launch of the enhanced Investment Limited Partnership (ILP) in December 2020.

From its perspective, Alter Domus is poised to make the most of this new development and support its existing and prospective clients with “full-suite” offerings under one roof. The firm is due to open a depositary business under new Irish regulatory guidance for Depositary of Assets Other than Financial Instruments (“DAoFI”), which is expected to directly complement the launch of the ILP. The firm is also adding an Irish ManCo business to provide AIFM services and complete the full service offering.

The ability to provide a full service solution is a compelling component for the 1,000 or so managers who are

already in Ireland and want to do business in the jurisdiction. It will put Alter Domus in strong stead for 2021 and beyond. It was also well-timed in terms of the Covid recovery and will help accelerate the firm’s momentum over the course of the year.

Ross McCann, Head of Fund Services, Ireland, comments: “Locally, we have been setting up our firm to take advantage of the anticipated new business coming from private funds here in Ireland. This involves us expanding our service line to have an even stronger administration and corporate services offering. We are also due to open a ManCo business, in addition to the real assets depositary.” Alter Domus is making these additions to bolster its efforts in offering managers a one-stop-shop.

Discussing the way the business adapted and reacted to the pandemic, McCann outlines: “After an initial pause in March 2020, we ramped up our recruitment in Ireland and have been successfully onboarding people remotely, with 80 new hires in 2020 and an additional 100 this year. It hasn’t been without its challenges, but it’s really positive that the business has continued to grow strongly over this period. Looking ahead at 2021, we see further growth.

Investment managers are continuing to get new funds ready or have existing funds take advantage of the investment opportunities present in the market.

“From our perspective, it’s hugely exciting. Many opportunities are coming together at the same time; the market for private assets is growing and now we have best in class products to offer in this space with the ILP. We really look forward to Ireland pushing forward in that regard and acting as a gateway for managers to fundraise in Europe, with a greater share of funds domiciled in Ireland.”

Alter Domus in Ireland also recently announced a move to new offices for its Cork Centre of Excellence, designed with the new way of working in mind; embracing an aspect of working from home, while maximizing productivity and collaboration of any teams in the office.

Outsourcing prospects

In McCann’s view, the investment opportunities in private assets for managers as well as challenges around greater regulatory and investor reporting demands are leading to even more compelling arguments to use outsourced partners as well: “This all bodes well for the fund industry, including the fund service provider support network, to grow. There’s an incredible amount of dry powder out there which means managers need to focus on their core business, comprised of deploying capital, managing their assets and their investor relationships.

“Together with the ever-changing regulatory environment, this is driving managers to outsource more strategically. When working with third parties, managers need stability and they want their service providers to take on more of the heavy lifting in terms of regulatory and investor reporting requirements.”

Outlining the specific prospects of the ILP in more detail, McCann comments: “The timing of this is quite good, in the sense that we can see a large amount of growth coming from North American managers looking to Ireland as a gateway to Europe in terms of funds and fundraising. As a result of Brexit, Ireland also stands to benefit given the legal, cultural and language similarities shared with the UK and North America along with having a strong onshore domicile reputation, whilst being a firmly committed member of the European Union.”

He lauds the general ease of doing business in Ireland and the ability to set up in the jurisdiction swiftly: “Ireland is a global hub which has the depth of expertise needed, in terms of the service providers and the advisors. We’re not just seeing providers grow; many managers have set up in Ireland over the last few years on the back of Brexit.

“Cost and tax efficiency also remain key factors for managers looking to domicile their funds here and it’s important that Ireland remains competitive. More institutional investor involvement when it comes to structuring products, fee negotiations, and investor reporting terms means managers need to have the ability to be flexible and their service providers need to fully support them in their efforts.”

Key support network

Although the environment is largely encouraging, especially for closed-ended funds or funds investing in illiquid assets, many unknowns still remain. McCann details: “One of the main challenges managers coming to Ireland may face is a general unfamiliarity with the jurisdiction, especially if they come from outside Europe. Thankfully, this can be addressed by having a strong network of advisors, lawyers and service providers who can really guide and partner with them through setting up here and operating here.

“Getting to grips with local regulation can be a struggle, where understanding the particulars of the regulatory reporting required and other such intricacies is key. Here once again, managers will benefit from using service providers who have in-depth, local experience and can take on that type of work in the background. Our work is essentially about letting the managers continue to focus on taking advantage of opportunities and managing assets.” ■



Ross McCann

Head of Fund Services Ireland, Alter Domus



Ross joined Alter Domus in September 2015 as Head of Fund Services in Ireland. He holds a number of regulated roles and Director’s mandates, is a member of the Board of Alter Domus Fund Services (Ireland) Limited and has over 15 years of financial services experience having managed in-house teams for Private Equity Investment Fund Managers in Ireland and Canada. Prior to joining Alter Domus, Ross was part of the Private Equity & Real Estate management team at JP Morgan. Ross has extensive experience of services to both Fund Managers and Investors, relationship management and regulatory requirements, including client/fund onboarding, launch and the specialist administration of illiquid and semi illiquid asset class funds.