



Out with the old, in with the new: Ireland's Partnerships Bill 2024 explained

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Ireland's new Miscellaneous Provisions (Registration of Limited Partnerships and Business Names) Bill 2024 (**the Partnerships Bill**) will introduce notable significant changes to Irish law relating to partnerships, giving rise to new regulatory requirements and considerations for limited partnerships. The most noteworthy among these include the establishment of a register of beneficial ownership, the formalisation of naming requirements and the introduction of strengthened transparency and compliance measures.

| Main developments

Repeal of previous legislation

The Irish Partnerships Bill will repeal both the 1907 and 1963 Acts, giving rise to a new framework for registration and governance for partnerships in Ireland and creating a register of beneficial ownership for partnerships based outside the European Economic Area (EEA).

Creation and constitution of limited partnerships

The General Scheme of the Partnership Bill (**the General Scheme**) states that a limited partnership may be formed for "any lawful purpose" and must be made up of general partners (who are fully liable for all debts and obligations) and limited partners (whose liability is restricted to their capital contribution made upon entry into the partnership). The contributions and potential liabilities of each partner must be expressly set out. Both natural and legal persons over the age of 18 are eligible to become partners under the Partnerships Bill.

Naming requirements

The General Scheme also sets out that the names of limited partnerships must now include "limited partnership", or "comhpháirtíocht theoranta", which may be abbreviated to "l.p." or

"c.t."

New requirements for registration and compliance

The registration gateway

The Draft General Scheme sets out a detailed process of registration for limited partnerships in Ireland. This process includes the issuance of a "certificate of registration" which confirms the date of registration, and that the partnership is not a separate legal entity.

Transparency in advertising

Limited partnerships in Ireland must now disclose certain information, including their name, registration number and address, on all advertisements, signage, websites, and documents.

Emphasis on engagement with the registrar

Limited partnerships are now obliged to notify the Registrar regarding any changes to their registered details within 14 days. These details can include their name, primary activity or activities, registered address, and partner details.

Operational features of partnerships under the Partnerships Bill

Participation of management

To maintain their liability limitation, limited partners are restricted from participating in the management of the partnership business and do not have the authority to bind the firm.

Inspection and consultation rights

Limited partners have the right to inspect the firm's accounts and may consult with general partners regarding business opportunities and outlook.

Conditions of dissolution

The death or bankruptcy of a limited partner will not dissolve the partnership. Specific rules also apply for the dissolution by a court, for reasons relating to limited partner's decision-making capacity.

Key considerations for partnerships

The compliance imperative

Partnerships must ensure that they are compliant with the requirements of the Irish Partnerships

Bill, which sets out several penalties for non-compliance, which range from criminal prosecution to removal from the register.

Adequate record-keeping and notification

The Partnerships Bill places a major emphasis on the upkeep of records and the timely reporting of any relevant changes to the partnership. These reporting requirements relate primarily to the partnership's beneficial ownership structure to the Registrar.

Transition to the new framework

Partnerships in Ireland must pay keen attention to the transitional arrangements, which will involve responding to notifications from the Registrar (which may include a requirement to re-register) within a specific time-period, complying with the obligation to maintain a registered office in Ireland, disclosing details of beneficial ownership and submitting annual statements.

Conclusion

The Irish Partnerships Bill seeks to streamline the registration process, as well as improve the governance regime in place for limited partnerships in Ireland. The Bill also brings about major updates, including the establishment of a beneficial ownership register for entities based outside the EEA, stringent naming conventions, and enhanced disclosure and notification requirements. These developments will place a renewed focus on compliance and diligent record-keeping for partnerships. Additionally, partnerships must adhere to transitional requirements, which may involve re-registering if necessary, and ensure their continued compliance with the new regulation, all while ensuring the smooth progression of business activities within the new framework.

How can Ogier help

For more information on the Partnerships Bill or Irish corporate law, please contact a member of our team via the contact details provided below.

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