

Brexit deal overshadows UK LP law changes

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The potential impact of Brexit on the UK's financial regulation is of more concern to fund managers than the forthcoming reforms to limited partnership laws.

The deal struck with the EU over Brexit will have a bigger impact on the future of UK-based funds than the government's reform to the Limited Partnerships Regime, according to one fund lawyer.

In April, the UK government plans to implement legal reforms on domiciling and running private funds, which will make fund management less onerous and provide clarity on limited liability status for investors.

"Domestic legislation is still on the minds of fund managers, and these new laws will accommodate their needs. The LP is a great vehicle and it's well understood," Matt Lewy, associate at Baker Botts told pfm.

But he added fund managers are at least as concerned about macro level changes as a future deal with the EU.

"The extent to which EU rules applicable to UK funds (including LPs) will continue to apply post-Brexit is unknown. If EU-era regulations are stripped back, or reformed to be lighter touch, that could be to the advantage of fund managers," Lewy said.

The limited partnership reforms, are designed to keep the UK competitive as a fund domicile against jurisdictions including Jersey, Guernsey and Luxembourg.