

ILPA Updates Capital Call & Distribution Template: Implications for GPs and LPs

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The Institutional Limited Partners Association (ILPA) has released an updated Capital Call & Distribution Template (CC&D Template) to standardise the accounting details embedded in call and distribution notices and to align the template with the updated ILPA Reporting Template and the new ILPA Performance Template. The updated template is intended to supplement existing General Partner (GP) call and distribution notices. ILPA undertook a broad, industry-wide process, including a nine-week public comment period with nearly 50 responses, to finalise the design.

This article summarises what has changed in ILPA's updated CC&D Template and why those changes matter for fund operations and performance reporting, who is affected and when, and practical implementation considerations for GPs, Limited Partners (LPs) and their legal teams.

Key Updates to the CC&D Template

While the overarching structure of the updated CC&D Template remains unchanged from the 2011 version, there have been a number of changes, namely:

1. **Introduction of a standalone LP Unfunded Commitment section** aligned to the ILPA Reporting Template, designed to capture the notice's impact on unfunded commitments, and it adds "Inside Fund" and "Outside Fund" transaction subtotals to clarify whether cash flows occur within the fund entity or where the fund acts as a conduit.
2. **Alignment of the transaction types in the CC&D Template with the transaction types included in the ILPA Granular and Gross Up Performance Templates**, enabling direct mapping between call/distribution entries and performance reporting.
3. **Addition of 'Inside Fund' and 'Outside Fund' transaction subtotals** to clarify whether cash flows occur within the fund entity or where the fund acts as a conduit.
4. **Removal of 'Recallable Distribution' and 'Inside/Outside Commitment' transaction types**, which can now be inferred by the transaction's impact to LP unfunded commitment.

Scope and Timing

The updated template is designed for closed-end private markets funds, including private equity, venture capital, private credit, real assets, fund-of-funds/secondaries and co-investments, across geographies, and supplements existing notices at the Total Fund and Individual LP levels.

All three ILPA templates are expected to be implemented by GPs starting in 2026. Use of the template should begin immediately after commencement of operations, but the first delivery is not required until Q1 2027, providing an implementation window to align processes and systems. For funds commencing on or after Q1 2026 that are implementing the ILPA Performance Template, ILPA recommends adopting the updated CC&D transaction types from inception to ensure consistent performance reporting. Otherwise, funds commencing on or after Q1 2027 should adopt on a go-forward basis.

ILPA's Wider Goals

The CC&D Template is part of a wider ILPA effort to standardise documentation and reporting in the private equity industry. The previous template allowed, to some degree, flexibility. Rather than simply tweaking the previous version, ILPA has removed sections altogether.

The CC&D Template needs to be considered together with the ILPA reporting and performance templates that seek to provide for standardised calculation methodologies enabling investors to compare the relative performance returns among private equity funds. ILPA intends for the call and distribution notices to use the same terminology and categories as the performance template to reduce the reconciliation burden. As such, the ILPA CC&D Template is a complementary building block to the other two templates.

Practical Considerations

The new CC&D Template has several practical considerations:

- GPs who itemize calls should use granular call types (e.g. Investments, Management Fees and Partnership Expenses), and where a portion of a draw has no immediately identifiable use, "Working Capital" should be used rather than defaulting to "Total Amount."
- GPs who do not itemise calls should use "Capital Call: Total Amount – Inside Fund/Outside Fund," consistent with the Gross Up methodology, and should avoid estimates when possible.
- Subscription line repayments should be captured by selecting the call type that matches the original use of proceeds (investments or fees) and noting repayment in the transaction description, which enables accurate performance mapping and unfunded tracking.

- Negative contributions for returns of excess capital are treated as reductions of paid-in and increases to unfunded commitment (and not as distributions), while recallable distributions are shown as distributions with a corresponding increase to unfunded commitment.
- Withheld taxes may be reported as "Outside Fund" where the fund acts as a conduit with taxing authorities, and distributions should be captured net of carry but gross of withheld taxes in the ILPA Performance Template.

Notice Content and Transparency

ILPA provides best-practice guidance for the narrative cover and description letters that accompany the standardised template, including the information to include for investment calls, fee/expense calls, subscription facility repayments, cash distributions, stock distributions, and distributions from net asset value-based facilities, with clear references to limited partnership agreement (LPA) sections and wire instructions.

Operational Readiness – Resources, Modifications and Consistency

ILPA expects use of the standardised transaction list and discourages template modifications by GPs and LPs to promote comparability, while allowing limited optionality such as the use of supplemental calculations and certain disclosure choices that should be footnoted if exercised.

Preparers should align entries to their LPA and accounting framework and ensure that the template's values reconcile with financial statements and notices, recognising that accurate completion will require knowledgeable accounting personnel and enabling technology third-party commentary likewise emphasises the need for capable accounting and system support to re-map general ledger transaction types and implement the new structure.

Drawing on experience across structuring investment funds, operations and investor reporting, Katten's Financial Markets and Funds team supports managers and investors in interpreting the ILPA updates, assessing LPA and accounting alignment, calibrating transaction mapping and inside/outside-fund treatments, and refreshing notice narratives and workflows to fit the template, working seamlessly with administrators and technology providers as appropriate.

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