



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Regulatory Service Standards Performance Report: January – June 2019

August 2019

Contents

Introduction	2
Funds and Fund Service Providers Authorisation.....	3
Investment Firms Authorisation	6
Regulated Disclosures - Prospectus Approval	7
Retail Intermediaries and Debt Management Firms, Moneylenders, Retail Credit Firms, Home Reversion Firms, Payment Firms and Bureaux de Change Authorisation.....	8
Insurance / Reinsurance Undertakings Authorisation	11
Credit Institutions Authorisation.....	12
Trust or Company Service Providers.....	13
Fitness and Probity PCF Service Standards (all required sectors)	14
Applications for Authorisation – Withdrawn / Dormant	15
Contact Management Service Standards.....	16
Appendix A – Glossary	17
Appendix B – Main reasons why F&P applications may be returned as incomplete	18

Introduction

Authorisation of Investment Funds, Financial Service Providers (“FSPs”) and the processing of Fitness and Probity Pre-Approval Controlled Function (“PCF”) Individual Questionnaire (“IQ”) applications is an important supervisory gateway and a significant operational activity of the Central Bank of Ireland (the “Central Bank”). The Central Bank is committed to providing a clear, open and transparent authorisation process while ensuring a rigorous assessment of the applicable regulatory standards.

This document sets out the Central Bank’s performance against Service Standards that it has committed to in respect of (a) authorisation of FSPs and Investment Funds, (b) processing of PCF IQ applications and (c) contact management.

There are 44 Service Standards in total, but depending on whether applications were submitted to the Central Bank not all standards may apply in any given period. There were nine Service Standards which were not relevant during H1 (indicated as ‘N/A’ in the relevant tables). Of the 35 Service Standards that applied during the period, 34 of these were either met or exceeded.

The one Service Standard which was not met related to Fitness & Probity (F&P) (T42). This was due to an increase in F&P application volumes during H1, and a prioritisation of applications related to firms seeking authorisation (which fall under the service standard related to the firm’s authorisation rather than F&P Service Standards). The increase in such applications related to financial service providers seeking to relocate to Ireland in advance of the initial March Brexit deadline.

We welcome any feedback you might have in relation to this publication. Please provide feedback to onlinereturns@centralbank.ie.

Funds and Fund Service Providers Authorisation

Table 1: Service Standards for Funds				
ID	Standard	Target	Performance	Number of Submissions ¹
T1	To process UCITS and RIAIF applications.	<ul style="list-style-type: none"> 90% of initial submissions assessed within 20 business days 90% of subsequent submissions assessed within 10 business days 	99%	459
T2	To process UCITS and RIAIF funds/sub funds (fast track) applications	<ul style="list-style-type: none"> 90% of initial submission assessed within 10 business days 90% of subsequent submission assessed within 5 business days 	98%	775
T3	To process QIAIF applications	<ul style="list-style-type: none"> 100% authorised within 1 business day 	100%	165

In H1 2019 all Service Standards were met – Table 1 refers. Guidance on what constitutes a complete application for [UCITS](#) and [AIFs](#) is available on the Central Bank’s website. Guidance on how to submit applications through the [ORION](#) Portal is also available.

¹ Note that UCITS / RIAIF applications typically involve more than one submission. QIAIFs involve one submission.

Table 2: Service Standards for Fund Service Providers				
ID	Standard	Target	Performance	Number of Applications
T4	To process UCITS Management Company applications	<ul style="list-style-type: none"> 90% of authorisations within 6 months 	100%	12
T5	To process AIF Management Company applications	<ul style="list-style-type: none"> 90% of approvals within 6 months 	N/A	0
T6	To process externally managed AIFM applications	<ul style="list-style-type: none"> 90% of authorisations / Registrations within 6 months 	100%	17
T7	To process Fund Administrator applications	<ul style="list-style-type: none"> 90% of authorisations within 6 months 	100%	2
T8	To process Fund Depository applications	<ul style="list-style-type: none"> 90% of authorisations within 6 months 	N/A	0

In H1 2019, all Service Standards were met - Table 2 refers. Guidance on what constitutes a complete application for a [UCITS Management Company](#), [AIFM](#), [Fund Administrator](#), and [Fund Depository](#) is available on the Central Bank's website. Guidance on the [AIF Management Company](#) authorisation process is also available.

Table 3: Service Standards for Self-Managed Investment Companies, Internally Managed AIFs and Investment Managers				
ID	Standard	Target	Performance	Number of Submissions ²
T9	To process applications for Self-Managed Investment Companies	<ul style="list-style-type: none"> 90% of initial submissions assessed within 20 business days 90% of subsequent submissions assessed within 10 business days 	100%	1
T10	To process applications for Internally Managed AIFs (Authorised)	<ul style="list-style-type: none"> 90% of initial submissions assessed within 20 business days 90% of subsequent submissions assessed within 10 business days 	N/A	0
T11	To process applications for Internally Managed AIFs (Registered)	<ul style="list-style-type: none"> 90% of initial submissions assessed within 5 business days 90% of subsequent submissions assessed within 3 business days 	100%	1
T12	To assess applications for the clearance of Investment Managers (EU authorised)	<ul style="list-style-type: none"> 90% of submissions assessed within 1 business day 	100%	54
T13	To assess applications for the clearance of Investment Managers (Non - EU Authorised)	<ul style="list-style-type: none"> 90% of initial submissions assessed within 5 business days 90% of subsequent submissions assessed within 3 business days 	100%	197

In H2 2019, all Service Standards were met – Table 3 refers. Guidance on what constitutes a complete application for [Self-Managed Investment Companies](#), [Internally Managed AIFs](#), and [Investment Managers](#) is available on the Central Bank’s website.

² Number of submissions received in relation to all applications. An application will typically have multiple submissions prior to being cleared/authorised.

Investment Firms Authorisation

Table 4: Service Standards for Investment Firms				
ID	Standard	Target	Performance	Number of Applications
T14	To process MiFID applications	<ul style="list-style-type: none"> 90% of initial submissions assessed within 40 business days 90% of responses to first comments assessed within 10 business days 90% of responses to second comments assessed within 20 business days 90% of final submissions assessed within 10 business days 	93%	22

In H1 2019, Service Standards for applications received were met - Table 4 refers. Guidance on what constitutes a complete application for an [Investment Firm](#) is available on the Central Bank's website. The Service Standards only apply if firms respond to the Central Bank's request for additional information within 10 working days.

Regulated Disclosures - Prospectus Approval

Table 5: Service Standards for Prospectus Approval				
ID	Standard	Target	Performance	Number of Applications
T15	Debt Prospectuses	<ul style="list-style-type: none"> 90% of initial submissions assessed within 10 business days 90% of subsequent submissions assessed within 10 business days 90% of financial supplements approved on same day 90% of initial submissions for Recognised Prospectus Advisor (RPA) assessed within 3 business days 90% of subsequent submissions for RPA assessed within 2 business days 	99%	1838
T16	Closed – ended Funds Prospectuses	<ul style="list-style-type: none"> 90% of initial submissions assessed within 10 business days 90% of subsequent submissions assessed within 10 business days 90% of initial submissions for RPA assessed within 5 business days 90% of subsequent submissions for RPA assessed within 2 business days 	N/A	0
T17	Equity Prospectuses	<ul style="list-style-type: none"> 90% of initial submissions assessed within 10 business days / 20 business days for Initial Public Offerings (IPOs) 90% of subsequent submissions assessed within 10 business days / 20 business days for IPOs 90% of initial submissions for RPA assessed within 10 business days / 20 business days for IPOs 90% of subsequent submissions for RPA assessed within 10 business days / 20 business days for IPOs 	100%	21

In H1 2019, all Service Standards were met – Table 5 refers. Guidance in relation to the submission of [Prospectuses](#) is available on the Central Bank’s website. The targets set out in Table 5 above derive from Article 13 of the Prospectus Directive. In certain instances, as set out in the Prospectus Directive, the Central Bank may extend these time limits.

Retail Intermediaries and Debt Management Firms, Moneylenders, Retail Credit Firms, Home Reversion Firms, Payment Firms and Bureaux de Change Authorisation

Table 6: Service Standards for Retail Intermediaries (Investment Intermediaries, Insurance Intermediaries, Mortgage Intermediaries and Mortgage Credit Intermediaries) and Debt Management Firms Authorisation				
ID	Standard	Target	Performance	Number of Applications³
T18	To acknowledge receipt of application	95% within 3 business days of receipt of application	100%	134
T19	To complete key information check	95% within 10 business days of receipt of application	99%	138
T20	To complete the assessment phase and notify applicant of outcome ⁴	90% within 90 business days of commencement of assessment phase	100%	68
T21	To complete the notification of decision phase and notify applicant of outcome	90% within 10 business days of receipt of satisfactory response to issues set out in notification of outcome of assessment phase	100%	67

In H1 2019, all Service Standards were met – Table 6 refers. Guidance on completing an application for [Retail Intermediaries](#) and [Debt Management](#) Firms is available on the Central Bank’s website.

³ The Service Standards set out do not apply to applications (a) where another regulatory authority has to be contacted, (b) which are subject to interview, (c) where significant legal issues arise, (d) where significant fitness and probity issues arise, (e) where the business model of an applicant is complex or novel in nature, (f) where significant changes to the business model, the applicant’s shareholder structure or other key aspects of an application arise during the review process, or where the application becomes dormant, and (g) where the Central Bank is minded to refuse an application. The time taken by an applicant to address matters raised by the Central Bank during the authorisation process is excluded from the Service Standards.

⁴ In the event of further and/or subsequent information being sought, this 90-day timeframe is paused until such information is received by the Central Bank from the applicant.

Table 7: Service Standards for Moneylenders, Retail Credit Firms and Home Reversion Firms Authorisation				
ID	Standard	Target	Performance	Number of Applications
T22	To complete acknowledgement of receipt of application	<ul style="list-style-type: none"> 95% within 3 business days of receipt of application 	100%	4
T23	To complete key information check	<ul style="list-style-type: none"> 95% within 10 business days of receipt of application 	100%	5
T24	To complete the assessment phase and notify applicant of outcome ⁵	<ul style="list-style-type: none"> 90% within 90 business days of commencement of assessment phase 	100%	3
T25	To complete the notification of decision phase and notify applicant of outcome	<ul style="list-style-type: none"> 90% within 10 business days of receipt of satisfactory response to issues set out in notification of outcome of assessment phase 	100%	2
T26	To process complete renewals of moneylender licences	<ul style="list-style-type: none"> 100% prior to expiry of existing licence 	100%	7

In H1 2019, all Service Standards were met – Table 7 refers. Guidance on completing an application for [Moneylenders](#), [Retail Credit Firms](#) and [Home Reversion Firms](#) is available on the Central Bank’s website.

⁵ In the event of further and/or subsequent information being sought, this 90-day timeframe is paused until such information is received by the Bank from the applicant.

Table 8: Service Standards for Payment Firms (Payment Institutions, Electronic Money Institutions, Small Electronic Money Institutions and Money Transmission Businesses) and Bureaux de Change Authorisation				
ID	Standard	Target	Performance	Number of Applications
T27	To complete acknowledgement of receipt of application	<ul style="list-style-type: none"> 95% within 3 business days of receipt of application 	100%	12
T28	To complete key information check	<ul style="list-style-type: none"> 95% within 10 business days of receipt of application 	100%	12
T29	To complete the assessment phase and notify applicant of outcome ⁶	<ul style="list-style-type: none"> 90% within 90 business days of commencement of assessment phase 	100%	10
T30	To complete the notification of decision phase and notify applicant of outcome	<ul style="list-style-type: none"> 90% within 10 business days of receipt of satisfactory response to issues set out in notification of outcome of assessment phase 	100%	10

In H1 2019 all Service Standards were met – Table 8 refers. Guidance on completing an application for Payment Firms ([Payment Institutions](#), [Electronic Money Institutions](#), [Small Electronic Money Institutions](#), [Money Transmission Businesses](#)), and [Bureaux de Change](#) is available on the Central Bank’s website.

⁶ In the event of further and/or subsequent information being sought, this 90-day timeframe is paused until such information is received by the Central Bank from the applicant.

Insurance / Reinsurance Undertakings Authorisation

Table 9: Service Standards for Insurance / Reinsurance Undertakings				
ID	Standard	Target	Performance	Number of Applications
T31	To process complete applications	<ul style="list-style-type: none"> 100% within 6 months of becoming complete 	100%	11
T32	To process complete applications	<ul style="list-style-type: none"> 75% within 3 months of becoming complete 	100%	11
T33	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	100%	3

In H1 2019, all Service Standards were met – Table 9 refers. Guidance on what constitutes a complete application for [Insurance/ Reinsurance Undertakings](#) is available on the Central Bank’s website.

Credit Institutions Authorisation

Table 10: Service Standards for Credit Institutions				
ID	Standard	Target	Performance	Number of Applications
T34	To process complete applications	<ul style="list-style-type: none"> 100% within 6 months of becoming complete 	N/A	0
T35	To process complete applications	<ul style="list-style-type: none"> 75% within 3 months of becoming complete 	N/A	0
T36	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	N/A	0

In H1 2019, no applications for authorisation were received – Table 10 refers. Guidance on what constitutes a complete application for [Credit Institutions](#) is available on the Central Bank's website.

Trust or Company Service Providers

Table 11: Service Standards for Trust or Company Service Providers				
ID	Standard	Target	Performance	Number of Applications
T37	To process complete applications	<ul style="list-style-type: none">90% within 3 months of becoming complete	N/A	0
T38	To return incomplete applications	<ul style="list-style-type: none">100% within 2 weeks of receipt	N/A	0

In H1 2019, no applications for authorisation were received - Table 11 refers. Guidance on what constitutes a complete application for [Trust or Company Service Providers](#) is available on the Central Bank's website.

Fitness and Probity PCF Service Standards (all required sectors)

Table 12: Fitness and Probity Service Standards				
ID	Standard	Target	Performance	Number of Applications
T39	Provide a response to submitting entity where an IQ is incomplete ⁷ .	<ul style="list-style-type: none"> 85% of cases within 5 business days 	94%	116
T40	Process IQ application for Qualifying Investor Fund (QIF)/ Qualifying Investor Alternative Investment Funds (QIAIF).	<ul style="list-style-type: none"> 85% of applications within 5 business days 	88%	172
T41	Process IQ application for individual previously approved by Central Bank of Ireland or European Economic Area (EEA) Financial Services Regulator.	<ul style="list-style-type: none"> 85% of applications within 12 business days 	85%	240
T42	Process “standard” IQ Application – i.e. non QIF/QIAIF and/or individual not previously approved.	<ul style="list-style-type: none"> 85% of applications within 15 business days 	81%	504

Three of the four Fitness & Probity (F&P) Service Standards were met – Table 12 refers. The 15 day Service Standard (T43) for “standard IQ applications” was not met, however, 85% of these “standard IQ applications” were processed within 20 days.

There was a 41% increase in the volume of F&P applications approved in H1 2019 compared to H1 2018. Where a firm submits a PCF application as part of an overall application for authorisation as a financial service provider, the Service Standard relevant to that firm’s authorisation process applies⁸ rather than F&P Service Standards (and thus are not included in Table 12 above). In H1 2019, there were 1,137 such F&P applications processed, a 293% increase compared to 338 such PCF applications processed in H1 2018 (most of these were Brexit related). These applications were prioritised by the Central Bank and was the main contributory factor in not meeting T42.

The F&P Service Standards do not apply where: (a) information is sought from external sources (e.g. other regulators, previous employers etc.) (b) the applicant is interviewed; or (c) it forms part of an acquiring transaction. In H1 2019, there were 395 such PCF applications processed.

Guidance on what constitutes a complete [Fitness and Probity](#) application is available on the Central Bank’s website.

⁷ Appendix B sets out the main reasons why PCF IQs continue to be returned as incomplete.

⁸ With the exception of QIF/QIAIF applications which are subject to Service Standards as set out in the above Table at T41.

Applications for Authorisation – Withdrawn / Dormant

During the period January to June 2019, there were:

- 35 applications / submissions were withdrawn by the applicant firm and
- 21 applications / submissions were deemed dormant due to lack of engagement from the applicant firm.

Contact Management Service Standards

Table 13: Contact Management Service Standards				
ID	Standard	Target	Performance	Number of Cases
T43	To answer telephone calls to the Central Bank's Helpline ⁹	<ul style="list-style-type: none"> 80% answered within 20 seconds 	90.6%	8,668
T44	To answer telephone calls before the caller abandons the call ¹⁰	<ul style="list-style-type: none"> <5% of calls abandoned before being answered 	3.87%	349

In H1 2019, all Service Standards were met – Table 13 refers.

⁹ This helpline refers to calls made to the Public Contact Unit and other calls made in relation to Fitness and Probity, On-line Returns, Retail Intermediaries Firm Authorisations and the Central Credit Register.

Appendix A – Glossary

AIF	An alternative investment fund as defined in Regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (SI No. 257 of 2013)
AIFM	An alternative investment fund manager as defined in Regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (SI No. 257 of 2013)
Central Bank	Central Bank of Ireland
FSP	Financial Service Provider
IPO	Initial Public Offering
IQ	Individual Questionnaire
MiFID	Markets in Financial Instruments Directive
Payment Firms	Payment Institutions, Electronic Money Institutions, Small Electronic Money Institutions and Money Transmission Businesses
ORION	‘Online Regulatory InformatiON’ –an online Portal through which authorisation applications in respect of certain funds and fund service providers are submitted to the Central Bank in electronic format.
PCF	Pre-Approval Controlled Function
QIAIF	An alternative investment fund authorised by the Central Bank which may be marketed to investors who meet the criteria set out in the Qualifying Investor AIF chapter of the Central Bank’s AIF Rulebook
RIAIF	An alternative investment fund authorised by the Central Bank which may be marketed to retail investors
Retail Intermediaries	Investment Intermediaries, Insurance Intermediaries, Mortgage Intermediaries and Mortgage Credit Intermediaries
RPA	Recognised Prospectus Advisor - listing agents/sponsors that have agreed to certain conditions with the Central Bank with regard to the submission, review and approval of prospectuses. There is an obligation in the RPA Agreement that the RPA must ensure in as far as possible that the first draft of the prospectus should be submitted in a form that is likely to require a minimum amount of redrafting.
UCITS	Undertakings for Collective Investment in Transferable Securities authorised under the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011

Appendix B – Main reasons why F&P applications may be returned as incomplete

Section of IQ	Reason ¹¹
3	Omitting 'Other relevant experience' or details of previous roles and responsibilities when responding to Question 3.1 (i.e. demonstrating the applicant's experience in a particular sector and/or to a particular function). For example, credit union experience gained on a voluntary basis or details of specific duties held to demonstrate experience or knowledge.
4	Incomplete supporting documentation to demonstrate compliance with the Minimum Competency Code 2017 (e.g. evidence of qualifications, grandfathering status, new entrant status, and proof of continuing professional development).
5	Lack of supporting documentation in respect of any matter disclosed in relation to Reputation and Character.
6	With regard to certain previously approved persons ¹² insufficient documentation provide to demonstrate that the person is entitled under the laws of an EEA / EU member state to perform the equivalent to the PCF function.
6 & 9	Applicant not providing a complete list of directorships/senior positions and/or anomalies with regard to the number of days dedicated to these positions held.
11 & 12	Application completed and/or submitted by a person whose name does not match the name of the applicant or the name of the proposer. The proposer is not an approved person within the entity and does not have authority to submit the application.

¹¹ Please note that applications have also been returned as incomplete outside of the specified turnaround time as a result of persons not engaging with the Fitness & Probity team in relation to queries raised. In each case, the Central Bank has advised the applicant of the possibility of the application being returned and has offered an opportunity to engage within a specified timeframe. Where no engagement or inadequate engagement has occurred, the application is returned.

¹² Persons performing a PCF in another EEA / EU Member State, who are proposed to perform a similar PCF role within the same industry sector in Ireland.



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