



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

PO BOX 559
Dame Street
Dublin 2

T +353 1 224 4000
F +353 1 671 6561

Settlement Agreement
between the Central Bank of Ireland and The Endowment
Policy Purchasing Company Limited

The Central Bank of Ireland ("the Central Bank") has entered into a Settlement Agreement with effect from 9 November 2010 with The Endowment Policy Purchasing Company Limited ("the firm"), a regulated financial services provider, in relation to breaches of regulatory requirements contained in the Investment Intermediaries Act, 1995 ("IIA"), the Client Asset Requirements ("CAR") and the Handbook for Authorised Endowment Policy Traders ("Handbook").

The 7 breaches identified comprised of the firm failing to maintain adequate controls and accounting systems to facilitate effective management and to ensure it was in a position to satisfy supervisory and reporting requirements. In particular:-

- Failure to properly designate the firm's internal record of its client account;
- Failure to obtain a required confirmation from an eligible credit institution, prior to lodging client monies, that the funds are held by the firm as a trustee and will be dealt with in a prescribed manner;
- Failure to carry out daily calculations of client monies in accordance with regulatory requirements and failure to notify the Central Bank that it had not performed the daily calculations;

- 2 instances of failure to correct an error identified during the reconciliation process as soon as possible, and a failure in both instances to notify the Central Bank of such error;
- Failure to provide annual statements to clients.

The Central Bank reprimanded the firm and required it to pay a monetary penalty of €23,500.

These breaches were detected by the Central Bank during the course of an inspection. Once informed of the breaches, the firm undertook immediate remedial steps.

The firm confirms that the breaches did not result in financial loss to any clients.

Industry is reminded that the Central Bank regards compliance with the Client Asset Requirements as a key protection for customers of authorised investment firms. Industry should note that the requirement to perform a daily calculation is in addition to the requirement to carry out reconciliations. Failure to comply with Client Asset Requirements is a contravention of important regulatory safeguards and is viewed seriously by the Central Bank.

The penalties imposed in this case reflect the cooperation of the firm during the course of the investigation and in settling at an early stage in the administrative sanctions procedure.

The Central Bank confirms that the matter is now closed.

-end-