



Banc Ceannais na hÉireann
Central Bank of Ireland

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Regulatory Service Standards Performance Report: January – June 2016



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Introduction

Authorisation of Investment Funds, Financial Service Providers (“FSPs”) and the processing of Fitness and Probity Pre-Approval Controlled Functions (“PCF”) Individual Questionnaire (“IQ”) applications is an important supervisory gateway and a significant operational activity of the Central Bank of Ireland (the “Bank”). The 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 Bank’s performance against Service Standards that it has committed to in respect of (a) Authorisation of FSPs and Investment Funds, and (b) processing of PCF IQ applications. The Service Standards were met or exceeded in 39 of the 40 targets set.




With effect from 1 July 2016, the Bank is introducing new Service Standards in relation to the handling of queries from FSPs as follows:

ID	Standard	Target
T41	To answer telephone calls to the Bank’s Helpline	80% answered within 20 seconds
T42	To respond to ‘call back requests’ made to the Bank’s Helpline	90% of ‘call backs’ made within 1 business day




The Service Standards Performance Report for H2 2016 will set out the Bank’s performance against these new Service Standards.

Appendix A contains a glossary of terms used in the report.

Funds and Fund Service Providers Authorisation

ID ¹	Standard	Target	Performance	Number of Submissions ²
T1	To process UCITS and RIAIF applications.	<ul style="list-style-type: none"> Initial submission assessed within 20 business days Subsequent submission assessed within 10 business days 	 (98%)	262
T2	To process UCITS and RIAIF funds/sub funds (fast track) applications	<ul style="list-style-type: none"> Initial submission assessed within 10 business days Subsequent submission assessed within 5 business days 	 (99%)	544
T3	To process QIAIF applications	<ul style="list-style-type: none"> 100% authorised within 1 business day 	 (99%)	140

In H1 2016 almost all Service Standards were met – Table 1 refers. However the Service Standard for QIAIF authorisations (i.e. process 100% of QIAIF applications within 1 business day) was not met. An operational incident resulted in 2 of 140 applications received taking longer than 1 business day, resulting in a 99% compliance rate for H1 2016. The incident has been resolved. Guidance on what constitutes a complete application for [UCITS](#) and [AIFs](#) is available on the Bank’s website.

ID	Standard	Target	Performance	Number of Applications ³
T4	To process UCITS Management Company applications	<ul style="list-style-type: none"> Authorisation within 6 months 	 (100%)	3
T5	To process AIF Management Company applications	<ul style="list-style-type: none"> Approval within 6 months 	 (100%)	1
T6	To process externally managed AIFM applications	<ul style="list-style-type: none"> Authorisation / Registration within 6 months 	 (100%)	Authorisation 0 Registration 7






¹ For Targets T1, T2, and T4 to T18, the Service Standard has been met if performance is 90% or above.

² This is the number of submissions that were processed in accordance with the target. Note that UCITS / RIAIF applications typically involve more than 1 submission. QIAIFs involve 1 submission.

³ This is the number of applications that were processed in accordance with the target.


Table 2: Service Standards for Fund Service Providers				
ID	Standard	Target	Performance	Number of Applications ³
T7	To process Fund Administrator applications	<ul style="list-style-type: none"> • Authorisation within 6 months 	None applicable	0
T8	To process Fund Depository applications	<ul style="list-style-type: none"> • Authorisation within 6 months 	None applicable	0

In H1 2016, 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 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
T9	To process applications for Self-Managed Investment Companies	<ul style="list-style-type: none"> Initial submission assessed within 20 business days Subsequent submission assessed within 10 business days 	 (100%)	56
T10	To process applications for Internally Managed AIFs (Authorised)	<ul style="list-style-type: none"> Initial submission assessed within 20 business days Subsequent submission assessed within 10 business days 	 (100%)	5
T11	To process applications for Internally Managed AIFs (Registered)	<ul style="list-style-type: none"> Initial submission assessed within 5 business days Subsequent submission assessed within 3 business days 	 (100%)	9
T12	To assess applications for the clearance of Investment Managers (EU authorised)	<ul style="list-style-type: none"> Submission assessed within 1 business day 	 (100%)	31
T13	To assess applications for the clearance of Investment Managers (Non – EU Authorised)	<ul style="list-style-type: none"> Initial submission assessed within 5 business days Subsequent submission assessed within 3 business days 	 (99%)	172




In H1 2016, 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 Bank’s website.

Investment Firms Authorisation

ID	Standard	Target	Performance	Number of Applications
T14	To process MiFID Level 1 applications (Small firms with non-complex investment strategies)	<ul style="list-style-type: none"> Initial submission assessed within 20 business days Firm must respond within 10 business days of receiving first comments Response to first comments assessed within 10 business days Final submission assessed with 10 business days Firm must respond within 10 business days of receiving final comments 	 (100%)	1
T15	To process MiFID Level 2 applications (Larger firms or those with complex investment strategies)	<ul style="list-style-type: none"> Initial submission assessed within 40 business days Response to first comments assessed within 10 business days Response to second comments assessed within 20 business days Final submission assessed with 10 business days Firm must respond within 10 business days of receiving final comments 	None applicable	0

In H1 2016, all Service Standards were met – Table 4 refers. Guidance on what constitutes a complete application for an [Investment Firm](#) is available on the Bank's website.



Regulated Disclosures - Prospectus Approval

Table 5: Service Standards for Prospectus Approval				
ID	Standard	Target	Performance	Number of Submissions
T16	Debt Prospectuses	<ul style="list-style-type: none"> Initial submission assessed within 10 business days Subsequent submission assessed within 10 business days Financial Supplement approved on same day Initial submission for Recognised Prospectus Advisor (RPA) assessed within 3 business days Subsequent submission for RPA assessed within 2 business days 	 (100%)	1,137
T17	Closed – ended Funds Prospectuses	<ul style="list-style-type: none"> Initial submission assessed within 10 business days Subsequent submission assessed within 10 business days Initial submission for RPA assessed within 5 business days Subsequent submission for RPA assessed within 2 business days 	 (100%)	21
T18	Equity Prospectuses	<ul style="list-style-type: none"> Initial submission assessed within 10 business days / 20 business days for Initial Public Offerings (IPOs) Subsequent submission assessed within 10 business days / 20 business days for IPOs Initial submission for RPA assessed within 10 business days / 20 business days for IPOs Subsequent submission for RPA assessed within 10 business days / 20 business days for IPOs 	 (100%)	39



In H1 2016, all Service Standards were met – Table 5 refers. Guidance in relation to the submission of [Prospectuses](#) under the Prospectus Regulations is provided on the 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, these time limits may be extended by the Bank.

Retail Intermediaries, Money Lenders, Payment Firms, Bureaux de Change and Debt Management Firms Authorisation


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 Bank is minded to refuse an application. The time taken by an applicant to address matters raised by the Bank during the authorisation process is excluded from the Service Standards. Applications that remain dormant with no positive engagement from an applicant are returned.

Table 6: Service Standards for Retail Intermediaries (Investment, Insurance and Mortgage Intermediaries)				
ID	Standard	Target	Performance	Number of Applications
T19	To process complete applications	<ul style="list-style-type: none"> 90% within 3 months of becoming complete 	 (97%)	37
T20	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	 (100%)	22

In H1 2016, all Service Standards were met – Table 6 refers. Guidance on completing an application for [Retail Intermediaries](#) is available on the Bank's website.

Table 7: Service Standards for Money Lenders				
ID	Standard	Target	Performance	Number of Applications
T21	To process complete applications	<ul style="list-style-type: none"> 90% within 3 months of becoming complete 	 (100%)	1
T22	To process complete renewals	<ul style="list-style-type: none"> 100% prior to expiry of existing licence 	 (100%)	5
T23	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	None applicable	0

In H1 2016, all Service Standards were met – Table 7 refers. Guidance on completing an application for [Money Lenders](#) is available on the Bank’s website.




Table 8: Service Standards for Payment Firms and Bureaux de Change				
ID	Standard	Target	Performance	Number of Applications
T24	To process complete applications	<ul style="list-style-type: none"> 100% within 6 months of becoming complete 	None applicable	0
T25	To process complete applications	<ul style="list-style-type: none"> 75% within 3 months of becoming complete 	None applicable	0
T26	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	 (100%)	1

In H1 2016, 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 Bank’s website.

Table 9: Service Standards for Debt Management Firms				
ID	Standard	Target	Performance	Number of Applications
T27	To process complete applications	<ul style="list-style-type: none"> 90% within 3 months of becoming complete 	None applicable	0
T28	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	None applicable	0

In H1 2016, Service Standards did not apply as no applications were received. Guidance on completing an application for a [Debt Management](#) Firm is available on the Bank’s website.

Insurance / Reinsurance Undertakings Authorisation

Table 10: Service Standards for Insurance / Reinsurance Undertakings				
ID	Standard	Target	Performance	Number of Applications
T29	To process complete applications	<ul style="list-style-type: none"> 100% within 6 months of becoming complete 	 (100%)	1
T30	To process complete applications	<ul style="list-style-type: none"> 75% within 3 months of becoming complete 	 (100%)	1
T31	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	 (100%)	2


In H1 2016, all Service Standards were met – Table 10 refers. Guidance on what constitutes a complete application for [Insurance Undertakings](#) is available on the Bank's website.

Credit Institutions Authorisation

Table 11: Service Standards for Credit Institutions				
ID	Standard	Target	Performance	Number of Applications
T32	To process complete applications	<ul style="list-style-type: none"> 100% within 6 months of becoming complete 	None applicable	0
T33	To process complete applications	<ul style="list-style-type: none"> 75% within 3 months of becoming complete 	None applicable	0
T34	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	None applicable	0

In H1 2016, Service Standards did not apply as no applications were received. Guidance on what constitutes a complete application for [Credit Institutions](#) is available on the Bank's website.

Trust or Company Service Providers

ID	Standard	Target	Performance	Number of Applications
T35	To process complete applications	<ul style="list-style-type: none"> 90% within 3 months of becoming complete 	 (100%)	2
T36	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	None Applicable	0





All Service Standards were met – Table 12 refers. Guidance on what constitutes a complete application for [Trust or Company Service Providers](#) is available on the Bank's website.

Applications for Authorisation – Withdrawn / Dormant

Across all sectors, in H1 2016:

- 15 applications / submissions were withdrawn by the applicant; and
- 42 applications / submissions were deemed dormant as there had not been any engagement from the applicant in the previous 6 months.

Fitness and Probity PCF Service Standards

ID	Standard	Target	Performance	Number of Applications
T37	Provide a response to submitting entity where an IQ is incomplete.	<ul style="list-style-type: none"> 85% of cases within 5 business days 	 (97%)	67
T38	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 	 (98%)	203
T39	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 	 (99%)	223
T40	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 	 (99%)	418

In H1 2016, all Service Standards were met. Guidance on what constitutes a complete [Fitness and Probity](#) application is available on the Bank's website.

The Service Standards for the authorisation process take precedence where a FSP submits both an entity application and a PCF application under the fitness and probity regime. In H1 2016, there were 377 such PCF applications processed. The Service Standards do not apply to applications (a) where another regulator has to be contacted, (b) where the PCF is interviewed, (c) that form part of an acquiring transaction or (d) in respect of qualifying shareholders. In H1 2016 there were 344 such PCF applications processed.

In the context of incomplete PCF IQs which were returned during the period under review, Appendix B sets out the main reasons why PCF IQs continue to be returned as incomplete.

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)
Bank	Central Bank of Ireland
FSP	Financial Service Providers
IPO	Initial Public Offering
IQ	Individual Questionnaire
MiFID	Markets in Financial Instruments Directive
Payment Firms	Payment Institutions, Electronic Money Institutions and Money Transmission Businesses
PCF	Pre-Approval Controlled Functions
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, Insurance and Mortgage Intermediaries
RPA	Recognised Prospectus Advisor - listing agents/sponsors that have agreed to certain conditions with the 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 – Why IQ applications may be returned as incomplete

Reasons why an IQ application may be returned as incomplete⁴.

Section of IQ	Reason
3	Omitting 'Other relevant experience' or details of roles and responsibilities from question 3.1 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 demonstrating compliance with the Minimum Competency Code 2011, such as evidence of qualifications, grandfathering status, new entrant status, and proof of continuing professional development.
5	Lack of supporting documentation in respect of a matter disclosed in Reputation and Character section 5.
6	For Passporting persons ⁵ : Lack of documentation 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 and 9	Applicant providing incomplete list of directorships/senior positions and/or inaccurate/inappropriate number of days dedicated to the position in sections 6 and 9.
11 and 12	IQ completed by and / or submitted by a person whose name does not match the name of the applicant or the name of the proposer and / or the proposer is not an approved person within the entity with the authority to submit the IQ.

⁴ Please note that applications have also been returned as incomplete outside of the specified turnaround time as a result of persons not communicating appropriately with the Fitness & Probity (F&P) team in relation to queries raised. In each case, the Bank has advised of the possibility of the application being returned and has offered persons an opportunity to engage within a specified timeframe. Where no engagement or inadequate engagement has occurred, the application is returned.

⁵ 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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