



CAR Consultation
Securities and Markets Supervision Division
Central Bank of Ireland
Block D
Iveagh Court
Harcourt Road
Dublin 2

31 October, 2013

Dear Sir/Madam,

CP71 Consultation Responses

I enclose our submission with respect to the Consultation on Client Asset Regulation. Should you have any additional questions on the attached please do let me know. My contact details are as follows:-
vweir@globeop.com, or phone number 01 514 9696.

Yours sincerely

A handwritten signature in purple ink, which appears to read 'Veronica Weir'.

Veronica Weir
Compliance Officer

Q1: Do you agree that the Client Asset Core Principles encompass the key fundamental principles in protecting and safeguarding client assets? If not, please explain why.
A1: We agree.
Q2: Do you agree with the proposed wider scope in respect of “client funds”? If not, please explain why.
A2: We agree in principle to the proposed wider scope however the scope needs to be more clearly defined i.e. where funds are received with insufficient documentation.
Q3: Do you agree with the approach proposed to deal with instances where client funds are received but the firm has not identified the client or the necessary client paperwork is not complete? If not, please explain why.
A3: We agree in principle however when funds are received with insufficient documentation to identify the client it may be impractical in all instances to acquire appropriate information within a two business day period. A request to return funds can be initiated within two business days however we are reliant upon the bank to action such a request and have no control over that process. A more practical solution would be an extension of time allowed to identify the client in line with business processing procedures and AML regulations.
Q4: Do you agree that the Regulations should apply to funds that have been lodged into a Collection Account? If not, please explain why.
A4: We agree
Q5: Do you agree for the purpose of segregating client assets and determining which clients are impacted if a third party fails, a firm should be able to identify where each individual client’s assets are held? If not please explain why.
A5: We agree
Q6: Do you agree that a client’s required margin should be better protected under the client asset regime? If not, please explain why. If you agree, please outline how this could be best achieved.
A6: We agree in principle.
Q7: Do you agree that the records should be retained for six years? If not please explain why.
A7: We agree
Q8: Do you agree with the new approach proposed in respect of Facilities Letters and Confirmations? If not please explain why.
A8: We agree in principle but in practice a delay in receiving such a letter may cause a business interruption where funds are blocked and cannot be lodged until receipt. A more practical solution may be to allow up to 20 / 30 business days for receipt of such a letter from point of opening to facilitate business cash deposits to commence.
Q9: Do you agree that in the interest of protecting client assets, where a third party has not designated a client asset account/Collection Account as requested by the firm, these client assets should be withdrawn from the third party without delay? If not, please explain why.
A9: We agree in principle however we suggest that funds withdrawn within one business day may cause an unnecessary disruption to business in the event of an inadvertent error to name an account, in practical terms we suggest aligning the requirement to allow up to 20 / 30 business days for amendments.
Q10: Do you agree with the approach for reconciling client asset accounts that hold client funds? If not please explain why. If there are other types of accounts that do not readily conform to the frequency of reconciliation cited above, please provide details of same.
A10: we agree
Q11: Do you agree that client financial instruments should be reconciled at least monthly or should

the reconciliation be performed in a lesser time period? If so, please explain why?
A 11: We agree in principle
Q12: Do you agree with the time allocation of ten days to complete these reconciliations or should it be performed in a lesser time period? If so, please explain why.
A12: We agree in principle
Q13: Do you agree that an investment firm should immediately make good or provide the equivalent of any shortfall in client financial instruments? If not, please explain why
A13: As administrators we would not be impacted but in theory we agree shortfalls should be made good.
Q14: Do you agree that a collection Account should be reconciled each time a transaction occurs on that account? If not, please explain why?
A14: We believe reconciliations should be daily.
Q15: Do you agree that it is appropriate for a firm to report material reconciling items with the level of materiality determined by the firm? If not, please explain why.
A15: Yes we agree in principle however guidance needs to be provided on levels of materiality.
Q16: Do you agree with the components of an investment firm's Client Money Requirement and Client Money Resource? If not, please explain why.
A16: N/A
Q17: Do you agree with the Central Bank's approach to the computation of the Client Money Requirement and Client Money Resource for FSPs? If not, please explain why.
A17: Yes we agree
Q18: Do you agree that a firm's Client Money Resource should only contain what it is required to hold for its clients on a given day? If not, please explain why.
A18: Yes agreed in principle however arrangements need to be considered where unidentified items are received.
Q19: Do you agree that the reporting of an investment firm's Client Money Resource shortfall should be investment firm specific based in its materiality appetite? If not, please explain why.
A19: Yes in principle however in practice this may cause inconsistency and be difficult to manage. Perhaps impact basis of firms may be used when assessing levels of materiality.
Q20: Do you agree that a statement should be provided on an annual basis or should it provide on a more regular basis?
A20: Agreed
Q21: Do you agree that a) to g) above will provide clients with sufficient information regarding their holdings? If not, please explain why, providing details of additional information which should be included.
A21: Agreed
Q22: Do you agree that a Fund Services Provider should issue a receipt to the clients? If not, please explain why and put forward an alternative approach that will provide confirmation to a client that his/her money is deposited in a Collection Account.
A22: No we do not agree that it would be practical to provide the detail prescribed through individual receipts. Disclosure in the fund documentation should clearly state specifics of client money receipt and its status whilst in the collection account and advise on what basis it is transferred to the fund account e.g. on Trade Date
Q23: Do you agree that an investment firm should seek prior written consent from its clients in respect of the circumstances which should be included?
A23: Agree however we believe consent should be obtained by acceptance of written terms and conditions, where these items are included. Upon subscription it should be implied that consent is given

i.e. completed initial subscription documentation.
Q24: Do you agree that a FSP should obtain prior written consent from a client in respect of the circumstances listed in a) to c) above and with the medium used to obtain this consent? If not, please explain why, providing details of additional circumstances which should be included.
A24: Agree however we believe consent should be obtained by acceptance of written terms and conditions, where these items are included. Upon subscription it should be implied that consent is given.
Q25: Do you agree that the CAKID will better inform the client with greater understanding providing information in clear plain English that will equip te client to comprehend where and how his/her assets are held when deposited with a firm? If not, please explain why.
A25: Agreed.
Q26: Do you agree with the need to provide the CAKID to both existing and new clients distinguishing clients of an investment firm and a Fund Service as outlined above? If not, please explain why.
A26: Agreed, however provided on a once off basis.
Q27: Do you agree with appointing a person to the role of CAOR which will be a pre-approved controlled function? If not, please explain why.
A27: Agreed this is a good idea and in line with other jurisdictions
Q28: Do you agree with the responsibilities of the Client Asset Oversight Officer as provided for in a) to g) above? If not, please explain why, providing details of additional responsibilities which should be included.
A28: Agreed responsibilities are in line with the role in other jurisdictions
Q29: Do you agree with the purpose of the CAMP and the minimum that should be included in this document? If not, please explain why, providing details of additional records which should be included.
A29: Agreed, CAMP is a useful document to evidence systems and controls
Q30: Do you agree that Regulation 8.(3) provides for what should be included in a CAE? If not, please explain why.
A30: Agreed
Q31: Should this review be carried out more frequently than annually? If so, please explain why.
Q31: No, annually will tie in with the financial year end audit.
Q32: Do you agree with the type of assessment that should be carried our in the firm's initial CAMP by an independent external expert?
A32: Whilst such a review would be useful, it is doubtful where the expertise would come from and the level of conformity of those reviews. It would also have additional costs for a firm. An alternative may be industry guidance to assist firms with internal compliance/audit signoff
Q33: Do you agree that 3 months is sufficient time for a firm to obtain an assessment of the CAMP from an independent external expert? If not, please explain why.
A33: No this would not provide sufficient time