



www.ifdassoc.ie secretary@ifdassoc.ie

**Irish Fund Directors Association (“IFDA”)
Response to**

**The Central Bank of Ireland’s CP120 – Second Consultation Paper on the Corporate Governance
Requirements for Investment Firms and Market Operators**

**Financial Risks and Governance Policy Division,
Central Bank of Ireland,
PO Box 559,
Dublin 1
Email : CP120@centralbank.ie**

31st July 2018

**Re: CP120 – Second Consultation Paper on the Corporate Governance Requirements for
Investment Firms and Market Operators**

Dear Sir / Madam,

The Irish Funds Directors Association (“IFDA”) is the representative body for independent directors within the Irish funds industry and our purpose is to support the industry through the delivery of professional independent directors and to represent the interests of our members to stakeholders in the industry. Our association’s objectives are to advocate industry best practice in corporate and fund governance as well as board oversight, and to encourage continuous professional development for fund directors. Our association represents a very significant number of the independent directors within the funds industry in Ireland.

We welcome this opportunity to present the comments and feedback from our members, on the Central Bank’s Consultation Paper (“CP120”) on the Second Consultation Paper on the Corporate Governance Requirements for Investment Firms and Market Operators.

In summary, we acknowledge the wishes of the Central Bank of Ireland (“CBI or the “Central Bank”) to finalise the Corporate Governance Requirements for Firms in order to provide clarity to the industry and to promote the highest standards of Corporate Governance within Firms.

IFDA welcomes the proposed Corporate Governance Requirements in CP120 for Investment Firms and Market Operators in terms of the Composition of the Board, the Chairman, Committees of the Board, Board Terms of Reference, Audit Committee, Risk Committee and Remuneration Committee.

We however have the following issues our members would like to be considered by the CBI before finalising the new Requirements:

- (1) The proposed applicable date is effective from 1st July 2019 and we support this date;
- (2) The CBI has widened the Director Independent test to potentially exclude all individuals who have been employed by the Firm or a group entity in the past. We have a preference for a time limit on this exclusion to be no more than three years which is in line with best internationally recognised Corporate Governance practice,

We trust the Central Bank will consider the feedback from the membership of the Irish Fund Directors Association (IFDA), which we hope you find helpful and constructive.

We look forward to the Central Bank's response to IFDA's submission on CP120.

Our Association through its elected Council is available to the Central Bank for further consultation on CP 120 and this significant regulatory development and initiative.

Yours sincerely,

Conor Molloy
IFDA Council Member - Regulation and Supervisory Policy

31st July 2018