Macroprudential Policy for the Property Fund Sector – Consultation Paper 145

Feedback from Davy Global Fund Management Limited

Do you agree with the proposal in Consultation Paper 145 to limit leverage and introduce additional Guidance around liquidity mismatches as a means to meet the Central Bank's objective of safeguarding resilience of the property fund sector to shocks in the Irish CRE market? If not, which measures, or combination of measures, do you think best meet the objective of safeguarding resilience of the property funds sector, so that it is better able to absorb – rather than amplify – shocks in the Irish CRE market?

Response:
In our role as an Alternative Investment Fund Manager, with a significant number of Property Funds under our management, we are of the opinion that some of the proposals in the Consultation Paper 'CP" may be both unnecessarily restrictive and have limited impact on the overall resilience of the sector.

We are of the view that the proposals for the liquidity measures are sufficient and in line with what we would expect for a Property Fund. While most of the Property Funds under our management are not sold to retail investors, the proposal to have longer lead-in times for redemptions is understandable, given the nature of the investments. Where the investor base of a Fund is in favour of a shorter redemption period, we would welcome the inclusion in the proposal of a provision that this reduction could be facilitated by the Board of the Fund, at its discretion.

However, we do not agree that the proposal for a maximum Loan to Value 'LTV" of 50% of a Property Fund will safeguard the resilience of the Irish property market. This proposal would, in effect, be giving a Property Fund a gross exposure limit of 200%. This LTV limit is much more restrictive than the average commercial rates that we are seeing in the industry, with pillar banks typically lending at a maximum LTV of 65% and alternative lenders offering LTV levels of up to 80%. The Capital Requirements Directive (CRDIV) and the Capital Requirements Regulation (CRR) agreed in 2013 significantly altered the capital requirements for Irish banks. It is our experience that a consequence of these requirements being placed on Irish lending banks is that there is a reduced appetite for the type of risk that existed in the market previously and that any risk around a reversion to a higher level of LTVs is being sufficiently counteracted by these measures.

The Central Bank of Ireland 'CBI" Financial Stability Note Vol. 2021, No. 11 states that:

"The macroeconomic channels of macroprudential mortgage policies states "Principally, demand for housing is driven by demographics and societal changes to household size and composition. Therefore, in cases where macroprudential measures restrict access to the mortgage market, demand for rental units would increase"

We agree with this view and would like to point out that the macroprudential measures previously introduced by the CBI in the residential mortgage market appear to have dampened house price inflation, but that a by-product of these measures has been a material increase in demand for rental units. If the proposed leverage restrictions are imposed on the financing of the social housing, private rental 'PRS" and student accommodation sectors, then we believe that the current shortage in the delivery of housing units will materially deteriorate. A recent report by the Irish Institutional Property 'IIP" in May 2021 noted that to achieve an output of 30,000 residential units per annum, over 85% of the lending required would be from international capital sources and that the capital constraints on Irish retail banks would likely create a funding gap for the production of these units in the medium term. In 2019 the report estimates that 80% of the funding required for the delivery of approximately 21,000 housing units was provided by international capital, including investment through Property Funds.

It was also noted in a report published by the CBI entitled "Property funds and the Irish commercial real estate market Pierce Daly, Kitty Moloney and Samantha Myers Vol. 2021, No. 1" that one of the benefits of the current Irish CRE Market is the greater diversification of finance channels from those that existed previously. The inflow of international lenders and other sources of finance has meant that Irish retail banks have a relatively modest exposure to Property Fund lending of 3.2bn, a small proportion of the estimated total invested amount in the Irish CRE Market of 53bn. We would also note that the current macroprudential mortgage policy places a cap of between 90% -70% on LTV rates for individual mortgage holders. A 50% limit of LTV for a regulated Property Fund, the equity of which would be funded by institutional investors, and which must be

managed by a regulated investment manager, does not seem proportional.

In summary, it is our view that the imposition of additional limits on leverage would in fact result in potentially adverse impacts on the market in the following areas. We have expanded on these points further in a later question:

- The movement of capital to unregulated fund structures.
- The movement of capital to non-Irish domiciled fund structures.
- A detrimental impact on the delivery of residential housing units.
- The potential forced sale of property in the market.
- An uncertain regulatory landscape.
- The potential departure from the market of overseas real estate investors and lenders.
- A reduction in investor returns.

Do you agree that the definition of property funds – for the purposes of the proposed macroprudential measures – should include all AIFs that are domiciled in Ireland, authorised under domestic legislation, and investing over 50 per cent directly or indirectly in Irish CRE, subject to the narrow class of exclusions noted in the consultation paper? If not, what do you see as a better alternative definition of property funds for the purposes of application of the proposed measures?

Response:
We have no objection to the proposed definition of property funds. However, we would like to request two clarifications. First, the CP refers to the category of asset that is in scope in one instance to investment in Irish CRE (section 1) and in another to investment in Irish property assets (section 3). We would welcome clarification of which is proposed for use in the definition. We would further ask that

the definition is expanded to include specific criteria to categorise "indirect holdings".

While we do not disagree with the definition above it does highlight a significant risk associated with the proposals within the CP. As noted above. an AIF that would be covered under the proposals would be one that is domiciled and regulated in Ireland. This may encourage the flight of capital from regulated Irish structures to non-Irish and/or unregulated fund structures.

Do you agree with the Central Bank's proposal to have a single leverage limit, irrespective of the type of property holdings? If not, how would you differentiate the limit with respect to property holding type, and what would be the practical implications of doing so (e.g. additional, more granular data collection)?

Response:
We disagree with the CBI's proposal to introduce a leverage limit for Property Funds for the reasons outlined in our answer to the initial question.

We believe that the unintended consequences of introducing such a leverage limit would be significantly disproportionate to the intended benefits. This is likely to be most evident in the development of new real estate infrastructure. which by its nature is a riskier investment than investment in a completed real estate asset. Institutional investors understand the risk of such investments, and in particular they understand the risk of leverage. Limiting the amount of leverage that a Property Fund can avail of is likely to negatively impact the return to the extent that it is insufficient for the development risk associated with the investment. In essence, investors would have to invest more capital for a lower return. We have given a worked example of this in the question related to "Unintended Consequences" below.

The CP acknowledges that Property Funds are a valuable and sustainable source of funding for economic activity, and that "the policy aims to strengthen the resilience of this growing form of financial intermediation". In our view, introducing leverage limits

would be a deterrent to international investors deploying risk capital in Ireland and would particularly result in a material reduction in new construction projects.

Do you agree with the proposed calibration of the 50 per cent total loan to total asset ratio as the appropriate leverage limit for property funds? If not, what level of leverage limit would you see as appropriate for Irish property funds, taking into account the risks the sector is exposed to and the levels of leverage employed by property funds throughout Europe? Please explain why you have suggested this level and the evidence that would support that.

Response:
As noted above, we do not believe that a limit of 50 per cent total loan to total asset ratio is an appropriate leverage limit for Property Funds

The drop in Irish commercial real estate 'CRE" values from 2008 to 2011 as a result of the Global Financial Crisis 'GFC" was, and is, unprecedented in both magnitude and duration. The GFC downturn resulted in a total reduction in Irish CRE value of 67% over five years. No other Irish CRE downturn produced an annual reduction of more than 10% or lasted more than two years. The unprecedented fall in Irish real estate was a function of structural deficiencies in the Irish financial system where the predominant source of capital was debt funded through Irish retail banks which had inadequate internal governance structures and were subject to weak prudential regulation. That is in stark contrast to the current position where most of investment and development capital in Irish real estate is funded by international capital, whilst Irish banks are well managed with strict capital requirements and are subject to high standards of prudential regulation.

The analysis in the CP, based on the same MSCI data, concludes that there is a 99% probability of a less than 42.6% drop in any one year. This is a major justification for the proposed 50% cap on leverage. This effectively assumes that another reduction in value in line with the GFC reduction has a high probability of recurring. We are of the opinion that the maturity of the market in terms of regulation and the

quality of participants has increased to a level where a drop of this magnitude is unlikely and therefore it is our view that a 50% limit on LTV is too restrictive given the evolved market environment.

The current debt funding landscape is radically different to that of the pre-GFC period. The pillar Irish banks were dominant in CRE lending, which resulted in the systemic failure of the Irish banking system. Furthermore, the Irish banks' loan portfolios were characterised by large development loans, very often at high levels of LTV/LTC. Today, the remaining pillar banks are a minority participant in CRE lending and then only on a very selective and cautious basis.

The scale of the banking fallout in the GFC dwarfs the'at risk' debt currently exposed to CRE. As noted above, the Irish retail bank exposure to the total invested capital in the market is less than 10% and consequently the systemic risk is a fraction of what it was pre-GFC.

The CRE market is indeed systemically important, and we agree with the contention in the CP that "a significant and/or unexpected disruption in the CRE market could have adverse consequences for the broader financial system and the economy as a whole". However, we believe that in the case of such an event occurring, the relatively low exposure of Irish retail banks to Property Funds, coupled with their strong capital buffers, would materially mitigate the risk of a reduced supply of credit to the domestic economy, i.e. one of the proposed objectives of the CP.

In relation to comparisons with other European countries, we note that the CP contains several comparisons between Ireland and Germany and appears to use this, in part, to justify a 50% leverage limit being introduced for Property Funds. We would question the appropriateness of Germany as a benchmark for reasons including:

Germany is a mature market with a contracting population – its population (83.2m) has grown only 1.2% since 2000 (82.2m), with OECD forecasting a contraction of 0.7% by 2050 (82.6m). This is in stark contrast to Ireland, whose 5.0m population has grown 31.6% since 2000 (3.8m), with OECD forecasting an increase of 24% by 2050 (6.2m).

By extension, Germany's real estate market is comparatively well stocked relative to Ireland, with the latter being required to develop

significantly higher levels of new real estate infrastructure to house its fast-growing population and workforce.

Germany's market has historically been well funded by domestic German capital with foreign investors responsible for less than 30% of German real estate acquisitions in 2021 (source JLL Research Germany - Investment Market Overview – Q4 – January 2022). In stark contrast, circa 60% of real estate investments in Ireland were made by foreign investors (source - CBI Financial Stability Notes - Who invests in the Irish commercial real estate market?: An overview of non-bank institutional ownership of Irish CRE. Dermot Coates, Pierce Daly, Enda Keenan, Gerard Kennedy, and Barra McCarthy Vol. 2019, No. 6), with 73% of investors in Irish Real Estate Funds being overseas investors (source – CBI Financial Stability Notes - Property funds and the Irish commercial real estate market Pierce Daly, Kitty Moloney and Samantha Myers Vol. 2021, No. 1). On a relative basis, Ireland clearly has a far greater need for development capital than Germany to provide housing and places of employment for its growing population and is far more dependent on international capital to finance it. Therefore, we would argue that measures to encourage, rather than discourage such international capital inflows to fund the development of Irish real estate would clearly underpin supply, which we believe is key to ensuring the stability of the market.

The 2021 ESRB NBFI Monitor states "Higher leverage increases funds' interconnectedness with the rest of the financial system, as it provides an indirect contagion channel between funds and their credit providers..... In most countries, credit is provided by locally domiciled intermediaries. This implies that parts of any spillover effects through credit provisioning during a CRE market downturn would occur between funds, banks and financial auxiliaries within the same jurisdiction. Significant cross-border linkages exist for French and Irish funds". Here the ESRB report infers that a significant and/or unexpected disruption in the Irish CRE market may not necessarily pose a similar systemic risk to the domestic banking system in Ireland (and France) as in most of the rest of the EU, and this would appear to negate the need for the introduction of macroprudential policy changes to limit leverage for Irish Property Funds, notwithstanding the fact that the latter may employ a higher level of leverage than the European average.

Do you consider three years to be a sufficient amount of time to undertake any deleveraging in a gradual and orderly manner to meet the leverage limit as proposed, without the need to sell property assets over a short period of time? If not, what would an alternative transition timeframe be? Please explain why you have suggested this alternative length of time.

Response:
In addressing the initial question, we have considered the implications of deleveraging over a three-year period for existing Property Funds. This requirement, if imposed on existing Property Funds, would mean that the basis of their initial business plans and cash flow strategies may be impacted, depending on the stage of their investments and their ability to implement asset management strategies for their properties. The returns, which were the basis of their initial decision to proceed with their investment, may be negatively affected. The due diligence completed prior to an acquisition could in some cases be rendered irrelevant if a forced deleveraging needs to be implemented within any timeline or limit.

A distinction should also be made between Property Funds which have invested in acquisitions of standing stock and those which have invested in development assets. Property Funds which have committed to an investment in development assets, which can require a higher degree of leveraging at the outset, could be severely impacted by new regulation being introduced mid-cycle depending on the timeline for completion. A significant concern that should be recognized is that a three-year window may not be sufficient to complete these large-scale developments and could, as a result, lead to scaled back developments, abandoned developments, or even forced sales, to meet the new leverage limit. Specific consideration should be given to the residential sector where the current demand and supply imbalance could be compounded if the need to deleverage resulted in investors being unable to complete on bringing new stock to the market. The residential, social housing, logistics and student accommodation sectors are critically undersupplied and are experiencing record low vacancy rates with

supply anticipated to remain relatively subdued over the medium term.

Finally, while efforts may be made by Property Funds to inject new equity, it is quite possible that lenders, banks, and alternative lending financial institutions might not agree to their loan to value 'LTV"�) limits being changed within the term of the loan. Prepayment penalties may be incurred to reduce loan levels to meet the required limit.

We do not believe that a period of three years would be sufficient to allow for an orderly deleveraging to meet the proposed leverage limit of 50% and alternatively, would put forward a recommendation that a grandfathering arrangement rather than a transition period would be more appropriate.

Do you consider the proposed approach to adjusting the leverage limit in response either to large, unanticipated adverse price shocks and/or significant overheating to be appropriate? If not, what do you see as a better alternative approach to adjusting the leverage limit to reflect cyclical risk developments in the Irish CRE market?

Response:
It is our view that this proposal may serve in fact to add further uncertainty rather than clarity. We appreciate the requirement for financial regulators to have the ability to respond robustly in unanticipated market circumstances. However, in any market shock, to prevent large scale default, the use of any leverage limit would in our view not achieve the desired outcome as it would take time to implement and be limited in scope to property assets held in Property Funds. Additionally, where an investment proposal is being decided upon, there is a significant amount of time spent on ensuring that an appropriate capital structure is implemented, and that a suitable investment structure is utilised. Where there is the possibility that the proposed structure to be used for the holding of the target asset may no longer be able to facilitate the proposed capital structure during the investment life cycle, this provides a level of uncertainty to those who establish and invest in Property Funds

and could lead to the regulated Irish AIF structure becoming an unattractive property investment vehicle.

These proposed measures would be potentially operationally difficult to implement given that the ability to move the existing LTV rates that are already contractually agreed with finance providers are not at the lenders' disposal. Whilst a Property Fund may be permitted to amend leverage limits per regulatory requirements and interventions, investments will be pursued and entered into with capital provided by investors and finance providers who may not have the ability or flexibility to adapt to such changes. As such this may result in a lack of sufficient capital being allocated to the jurisdiction to ensure an efficient and functioning CRE market.

In terms of an alternative approach, we would be of the view that the market is currently efficiently addressing the spreading of credit risk and concentration risk.

Do you agree with the use of Guidance on liquidity timeframes (with a focus on longer notification periods) to reduce liquidity mismatch in property funds? If not, how would you propose to reduce liquidity mismatch in property funds?

Response:
We take the view that the proposals for the liquidity measures are sufficient and in line with what we would expect for a Property Fund. The majority of Property Funds under our management are closed ended or limited liquidity structures.

Do you agree that 12 months is an appropriate liquidity timeframe (notification period plus settlement period) for property funds, to ensure that a sufficient timeframe is available to meet unexpected redemptions without requiring forced sales, even under conditions of collective market stress? If not, how long of a liquidity timeframe period do you think would be sufficient to reduce liquidity mismatch, even under conditions of collective market stress?

Response:
We agree with the proposed liquidity timeframe.

Do you have any additional evidence on the time it takes to sell property assets in Ireland, both in normal market conditions and in times of stress?

Response:
We agree with the proposed liquidity timeframe.

In addition to the analysis provided in Consultation Paper 145, what potential unintended consequences do you see from the proposed measures, and how could these be mitigated?

Response:
The movement of capital to non-Irish domiciled fund structures. – In light of the existence of the passporting regime in the EEA, prospective investors might be inclined to choose a European fund regime that does not limit the amount of leverage for this fund type. If Luxembourg was chosen as the domicile for a fund structure, then there would be no limit on leverage. This would allow a higher level of LTV to be put in place without supervision by the CBI.

The movement of capital to unregulated fund structures - as highlighted above, the requirement for an increased amount of equity to make investments will reduce flexibility and impact return. It is inevitable that the proposed leverage changes would result in a flight of capital from the regulated funds industry to unregulated fund structures.

- A detrimental impact on the delivery of residential housing units - Institutional investment and foreign capital is, as noted by the Central Bank of Ireland in 2019, positive for financial stability as it increases liquidity and causes any potential losses to be shared more widely. However, in addition to this institutional investment, non-domestic capital is also essential for the delivery of CRE and multi-family developments. As highlighted above, an adjustment to capital structure will limit investor return in the regulated fund industry or cause significant uncertainty – both are items which will contribute

to a reduction in investor appetite and may result in a redeployment of investment elsewhere. It should be noted that approximately 20% (by AUM) of our managed Property Funds are classified as development, which includes sites that are either at the pre-development and underdevelopment stages. The development projects include mainly residential use with the remaining projects providing office, student accommodation, and hotel use. Across all the Property Funds under our management, the pipeline includes 9,500 residential units in various stages of planning and development completion. Investors are uncomfortable with uncertainty, and in the context of increased recent regulation (stamp increase, rent caps, planning delays, and proposed changes to planning policy) international investors may withdraw from the Irish market, therefore reducing the much-needed supply of commercial and residential stock.

- The potential forced sale of property in the market – We note the CP has proposed a transitional timeframe of 3 years for existing Property Funds to comply with new LTV limits. However., we do not believe this would prevent the risk of a forced sale of property in response to the rule change. As noted above, current lending agreements governing LTV limits for Property Funds are already in existence and the majority would be put into automatic breach by the potential future breach of a regulatory limit. Property Funds with existing loans in place, and with modelling that had been predicated on existing LTV limits, will be forced to significantly deleverage to avoid a breach of the loan agreement. As noted in the point above regarding investor returns, this will necessitate either an injection of equity from the shareholders or the sale of assets.

- Uncertain regulatory landscape – especially for certain fund types – It is our experience that a stable regulatory landscape is an essential component in the selection of a fund domicile. If investors feel that a specific investment vehicle or fund type is subject to a variable regulatory model, they will be less inclined to invest in that vehicle. As noted above, this will lead to a movement of capital to unregulated or non-Irish domiciled funds.

- Potential departure from the market of overseas alternative real estate lenders, thus reducing competition in the real estate lending market. The lack of competition in the domestic banking sector, which has been further impacted by the announcement of Ulster Bank and KBC's departure from the Irish market, is a cause for concern. The resultant funding gap has been filled to some extent by foreign banks and alternative lenders, which reduces the dependence on systemically important banks/credit institutions for the provision of credit into the domestic economy. In our experience, the pillar banks typically lend up to 65% LTV, whereas alternative lenders can have an appetite to lend up 80% LTV. In doing so they occupy a riskier segment of the market where there is less competition, thus justifying the requisite superior interest margins required to attain their target investor returns. Such lenders would not be able to obtain their target interest rate yields on 50% LTV lending, and therefore, there is a risk that many of these alternative lenders could depart from the Irish market and deploy their lending in other jurisdictions.

Equally it is not uncommon for alternative lenders to provide higher absolute levels of credit to a single issuer than the pillar banks may be willing/able to underwrite. The departure of alternative lenders could therefore restrict the development of large infrastructure projects that may be too large for the remaining lenders in the Irish market to underwrite.

- A reduction in Investor Returns – Where a Property Fund is invested in a project that is compelled to reduce its LTV, investors will be called upon to inject further equity to bridge the increased gap between the debt and the project cost. This will disadvantage investors as the returns will be less than when the project was originally presented to them. This IRR drag is particularly acute for development funds as these have intensive initial capital requirements, and a longer period before realization of capital return. To give a practical example, a Property Fund is negotiating a significant debt facility of â, 400m to undertake a substantial redevelopment project providing PRS and office use. The LTC on the project is c.80% and the projected development timeframe is 4-5 years.

Based on the proposed 50% LTV, investors would be required to inject further equity of 170m to complete this project. Furthermore, to comply with the proposed regulation, the loan would have to be refinanced and as such, the Property Fund would incur significant refinancing costs to include lenders' arrangement fees, prepayment fee, and transaction fees, which in this instance could total approximately â‚¬5m-8m of additional costs. This would not only disadvantage investors with additional fees and uncertainty, but the revised capital structure would also reduce the levered IRR by c. 10%. This dramatically changes the investors' projected returns and may impact the deployment of capital in the sector. It should be further noted that the reduced investor return may result in higher exit pricing requirements, with Irish CRE potentially losing competitive advantage for investors.

- Another important consideration is that the original lender may not be interested in refinancing at a lower leverage limit, which may also impact their returns. If this rule is adopted, then in the above example, mid-way through a live development project, the Property Fund may struggle to get a lender to take on the project and to bear the additional costs incurred to refinance.

If there are any significant operational difficulties envisaged by AIFMs in complying with leverage limits imposed via Article 25, please provide brief details, including any possible solutions if appropriate.

Response:

The change of leverage limits would in our view change the risk profile of an existing Property Fund and decreased returns can be expected. As this would be viewed as a material change, investor approval will be required and an opportunity to redeem should therefore be offered to investors. If the intention is to reduce the permitted limits on a staggered basis, a Property Fund would need to get investor approval at each stage of reduction or set out the proposed staggered reductions in limits at the outset. This requirement to offer redemption opportunities could have the same effect that is discussed in the CP regarding ‘first mover’ advantage. The disposal of liquid assets could further change the risk profile of a Property Fund creating a circular effect of having to further offer redemptions. Disposing of illiquid assets may lead

to Property Funds being wound up entirely, which could cause loss to individual investors. These investors would personally be at a loss for the benefit of the proposed macro-prudential gains. Exempting existing Property Funds from any proposed limits would be an appropriate solution to these problems.

As noted above the forced reduction of contractual LTV limits may lead to the requirement to repay existing debt to 3rd party lenders. Some of these early repayments will incur a penalty depending on the financing agreement. Some alternative debt providers may not be willing to originate new lending, or refinancing, at the lower LTVs as their profit margin may be reduced below their required levels. As noted above, this could potentially reduce the number of participants in the market. Operationally, this would cause the Property Fund to potentially divest mid-cycle to repay debt in full or to move to another lender, on less favorable terms than were originally part of the investment profile marketed to investors. These Property Funds will be at a loss for the benefit of the proposed macro-prudential gains.

Subject, to confirmation on how leverage limits would be imposed via Article 25, we would query whether Property Funds with mixed strategies (e.g., property and private equity) would be managed effectively and fairly with one limit. Assuming such a Property Fund meets the proposed 50% threshold of property exposure, its leverage limit will presumably be capped at 50%. This will impact on the amount of leverage that could be employed on the private equity portion of the portfolio, and a movement in the value of the private equity portion of the portfolio could allow a higher leverage level to be used on the real estate portion. If possible, under Article 25, asset/strategy specific limits should be used.

"If there are any significant operational difficulties envisaged by AIFMs in complying with the draft guidance (Annex 1 of CP 145), please provide brief details, including any possible solutions if appropriate.

Response:
We have no general objections to the draft guidance but would suggest that for open ended funds with limited liquidity, more responsibility is placed within the directors' discretion to reject redemptions where liquidity is an issue. We would expect the inclusion of this discretion in all Property Funds' governing documents. Fund directors and AIFMs have a responsibility to ensure that investors are not unfairly treated, and this includes not allowing some investors to redeem where it would unfairly prejudice continuing investors, by disposing of liquid or higher quality assets, leaving the fund with assets that may be deemed less liquid or lower quality. The fund Directors and AIFM also have a responsibility to ensure that the risk profile of a fund is not changed, without due recourse to shareholders and the fund's documentation, and that this is considered when assessing any redemption requests in a limited liquidity fund.

Prescribing appropriate liquidity terms for a Property Fund at launch may be difficult for one which intends to invest in a wide range of asset types and regions. For example, a Property Fund that intends to invest in office blocks (both in Dublin city centre or regional), retail (in urban and regional) and residential (urban and regional) will have a variety of asset liquidity profiles that will be difficult to merge into one appropriate measure. Similarly, appropriate liquidity terms for Property Funds which engage in development strategies will be difficult to determine. As development assets are completed, they become more liquid and Property Funds which engage in multiple development projects will have a dynamic liquidity profile. Again, putting more faith in Property Fund directors' discretion to reject redemptions, where liquidity is an issue, would be an appropriate approach in our view.

Additional data in support of any of your responses to the previous questions.

Response:

If you have any further thoughts or considerations on the proposals outlined in Consultation Paper 145, please share them below.

N/A

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