

Capita Financial Administrators (Ireland) Limited

Governance, Accounting and Auditing Policy Division
Policy and Risk Directorate
Central Bank of Ireland
PO Box 559
College Green
Dublin 2

20 May 2011

To whom it may concern,

RE: Comments in relation to Consultation Paper 51 (Fit and Proper Regime)

Capita Financial Administrators (Ireland) Limited welcome the publication of Consultation Paper 51 (CP 51), The Fit and Proper Regime in Part 3 of the Central Bank Reform Act 2010, and the opportunity to introduce a new and appropriate fit and proper regime to the funds industry in Ireland.

We have the following comments:

- 1) Similar to the corporate governance regimes which have been introduced for banks and insurers (with similar regimes to be introduced for other sectors of the financial services industry in the future), we feel that the fit and proper regime should be introduced on a risk based approach, given that the funds industry has posed less risk, compared to the banking and insurance sectors.
- 2) In relation to section 4 on page 42, can “Head of Business Development” be added as a PCF?
- 3) In relation to section 5 on page 45, can “Head of Operations” be added as a PCF? There are cases where the Head of Transfer Agency and the Head of Accounting report into the Head of Operations.
- 4) Can further clarity be provided in relation to what constitutes a Controlled Function? CP 51 states that call centre staff may be captured by the definition of a CF by virtue of the fact they fall within the statutory description of “giving of assistance”. Potentially this could apply to all Transfer Agency staff including those that are carrying out purely administrative functions. We suggest that call centre staff should only be controlled functions where they provide advice or exercise any discretion, so staff who have contact with clients but merely carry out a clients instruction and exercise no discretion would not be CF’s. Further, we request non statutory guidance to firms on what the CBI consider to be appropriate levels or types of due diligence which firms should carry out prior to appointing staff?
- 5) Finally we request guidance as to the responsibilities of persons who are PCF or CF where the regulated firm outsources to another firm. Clearly the ultimate

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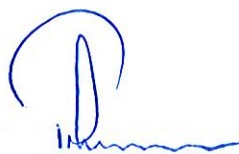
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responsibility for the proper management of the risks associated with outsourcing or the outsourced activities lies with the senior management of the firm that is outsourcing. However, based on these proposals the firm to whom the functions are outsourced will require PCF's and CF's for those roles outsourced to it. We would appreciate the CBI's view on the obligations of each of the parties in these circumstances.

Yours sincerely,



Alan Tilson
Compliance Officer



Paul Nunan
Managing Director