



Securities

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Emily Shea
Investment Service Providers Supervision
Central Bank of Ireland
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Dear Ms Shea

TD Global Finance: CP52 Responses

Further to the Central Bank of Ireland's (CBOI) March 24, 2011 issue of Consultation Paper 52: Proposed changes to regulatory reporting requirements for Irish investment firms (CP52).

We have set out below our responses to the questions presented by the CBOI in CP52 for Sections 2&3 for the May 6, 2011 deadline. We intend to submit our responses to the remaining questions in Sections 4&5 by May 27, 2011 as set out in CP52.

We welcome the CP and understand and appreciate the need for providing consistency in regulatory returns and information from firms. We hope that our comments are useful in setting out our observations of the new requirements.

Please let me know if you have any comments or questions

Yours sincerely

Jonathan Escott

Member of TD Bank Financial Group.

Registered in Ireland. Registration No: 253303.

Directors: K. Ahern, J. Crawford (UK), J. Coombs (Canada),

J. Escott (UK), M. Ledford (Canada), R. Liotta (Canada).

TD Global Finance is regulated by the Financial Regulator in Ireland.

RESPONSES TO SECTION 2 & 3 OF CP52

Question 1: Do you agree with our view that the implementation of the FINREP framework will not pose a significant issue for firms reporting in Irish GAAP? Please explain your answer.

The implementation of the FINREP framework under IFRS should not cause any significant issues to TD Global Finance given the similarities between IFRS and Irish GAAP. However, the large number of additional returns that the new reporting requires will create a significant administration and processing burden. Whilst we are currently working through the requirements we estimate that the additional reporting will add approximately 20-30 hours of work to the quarterly production process for data collation and review.

Question 2: Irish GAAP gives the option of whether or not to adopt FRS 25 (IAS 32) *Financial instruments: Disclosure and presentation* and FRS 26 (IAS 39) *Financial instruments: Recognition and measurement* to certain unlisted companies. Do you believe that this will pose any difficulty for firms reporting in Irish GAAP with respect to the implementation of the FINREP framework? Please explain your answer.

TD Global Finance, as an unlisted firm, has chosen not to adopt the additional disclosures required by FRS 25 and FRS 26. As mentioned in question 1, the new reporting will create an additional production burden for reporting firms. We believe that this additional work will be largely an administrative one for TD Global Finance associated with the length of time it will take to establish new tables and new data mapping. However it is possible that reporting firms may encounter additional challenges in gathering the required data.

Question 3: Upon reviewing the format and content of the non-core tables that we have selected for implementation, do you agree that the selected tables are appropriate for Irish investment firms? Are there any tables that you believe are not appropriate? Are there any other tables from the FINREP suite that you believe should be included? A detailed response here would be appreciated.

With regards to the individual FINREP tables we believe that tables 1&2 can be completed using our current reporting framework, subject to the response to question 2.

With reference to the other tables in the FINREP suite and the CBOI's question with regard to including any other returns, we reviewed the returns and do not believe that any of the other FINREP tables should be included. In particular we considered the tables related to derivatives and other liabilities (tables 4 & 10A) and concluded that the completion of these returns would require further reporting infrastructure to achieve the granularity required and we do not believe this would add additional information beyond what will already be provided.

*We would also note that FINREP Table 5B, *Financial assets held for trading*, appears to make reference to disclosure of "cumulative change in the fair values attributable to change in the credit risk", referencing IFRS7.9 (c). We note that IFRS 7.9 applies to Financial Assets designated at fair value through profit and loss however Table 5B appears to make reference to the need for this disclosure for Financial Assets held for trading. We would appreciate any information or clarification on Table 5B and the*

need for the credit risk disclosure for Financial Assets held for trading in ensuring consistency with IFRS7.9.

Question 4: Do you believe that the proposed 20% criterion for the variance analysis on FINREP core tables is appropriate? Please detail your views.

We understand and appreciate the need for a variance analysis but would suggest that a broad 20% variance criterion could result in the need for changes in small balances to be explained.

We would request that the CBOI consider the possibility of focusing the variance analysis on material movements by perhaps asking for variance analysis for movements >20% where the balance is greater than a pre specified amount (perhaps by reference to a percentage of own funds or total assets). This would ensure that only material variances are required for explanation.

In addition, it would be appreciated if some guidance on the level of detail expected for variance explanations could be provided.

Question 5: Do you have any other general comments on the FINREP proposals outlined in Section 2.1? If so, please provide detail

We understand that guidance on the completion of the FINREP returns is provided through the EBA. We believe it would be useful if the CBOI could provide some guidance on the specific issues that may arise for firms located in Ireland.

For instance

- How does the CBOI intend to inform firms which non-core tables will be required and what will the timelines be for this notification (CP52 – paragraph 23)?*
- For the June 30 reporting submissions delivery will only the core tables (1 and 2) be required until such time as the CBOI provides a request to firms for additional non-core tables?*
- How does the CBOI expect to see firms reporting foreign exchange movement on shareholders equity reflected in table 22 for those firms with non Euro functional currency?*

The implementation timeline question is addressed in question 29 (for response by May 27) but we would like to comment in this first consultation phase on the implementation timeline. The relatively short timeframe presents firms with a significant challenge in establishing the infrastructure and data collection processes for the new return. We would be interested to understand the rationale for the timeline and we would request that consideration be given to extending the implementation date so that there is sufficient time to review the final requirements following the consultation process.

Question 6: What is your opinion in relation to the categories included in each of the following sections on Table 2.2? Do you believe that any of the categories should be excluded? Do you believe that there are any additional categories that should be included? Please give reasons for your answers. - Section (A) Expenses - Section (B) Other Assets - Section (C) Other Liabilities - Section (D) Other Reserves

We believe that the tables can be completed and agree with the CBOI's conclusion that these will add to the information provided in the FINREP tables.

However, we would be interested to know if the CBOI has considered if any of the FINREP requirements and the requirements in 2.2 could be merged to avoid possible duplication of data and ensuring that the information is provided as efficiently as possible. For instance could the disclosure in FINREP table 10B be included in 2.2C and so eliminate the need for submitting a separate 10B return.

Question 7: Do you have any other general comments on the proposals outlined in Section 2.2? If so, please provide detail

We have no additional comments.

Question 8: For each of the four sections (A) to (D) of Table 2.3 *Stockbrokers Revenue Analysis* could you please provide comment on the suitability of the categories that are included and the information that is requested. Please include any additional suggestions.

This return is not applicable to our business, TD Global Finance is not an Irish stock exchange member.

Question 9: In your opinion, are there any other categories of Irish investment firms that should complete this return? Please explain your answer.

No comment.

Question 10: Do you have any comments or suggestions in relation to Table 3.1 *Weekly Stockbroker Report*? Suggestions may relate to the format, content and frequency of submission. Please explain any suggestions in detail.

This return is not applicable to our business, TD Global Finance is not an Irish stock exchange member.

Question 11: Do you have any comments or suggestions in relation to Table 3.2 *Monthly Metrics Report*? Suggestions may relate to the format, content and frequency of submission. Please explain any suggestions in detail.

It would be useful to receive further guidance on what is defined as a material issue and whether or not the focus is on financial data or issues of a non-financial nature. A definition of materiality (in relation to size of balance sheet or a notional amount) would ensure that time and explanations are appropriately focused on significant items only.

In relation to the Financial Data section of the table, would it be possible to define whether the net profit/loss figure required is for the year to date or for the period under review (quarter or month)?

Question 12: Do you have any comments or suggestions in relation to Table 3.3 *Quarterly Client Funds Report*? Suggestions may relate to the format, content and the revised frequency of submission. Please explain any suggestions in detail.

We have no further comment or suggestions.

Question 13: Do you have any suggestions in relation to Table 3.4 *Capital Adequacy Statement*? Suggestions may relate to the format, content and the frequency of submission. Please explain any suggestions in detail.

We understand that this return is not applicable to our business as TD Global Finance is subject to the CRD.

Question 14: Do you have any comments or suggestions in relation to Table 3.5 *Quarter-end Assets under Management and Fee Income Submission*? Suggestions may relate to the format, content and the revised frequency of submission. Please explain any suggestions in detail.

We have no further comment or suggestions.