

Delta Partners Limited.

Submission in response to CP 52, sections 2 &3.

*Section 4.1*

Question 15: Do you agree with the proposed criteria for the classification of an asset as liquid? In your opinion is the specified time-to-cash period appropriate? Please explain your views.

We agree with the classification. Whether the proposed two-week time-to-cash is appropriate will relate to a particular business. In VC firms, where liabilities mature slowly, it would be considered quite a short period, as anything that could turn into cash in a month would more than suffice for cash flow planning.

Question 16: In your opinion are the categories of liquid assets that are included in rows 1 to 11 of Table 4.1a appropriate for Irish investment firms? Are there any of these categories that you believe should not be included? Are there any additional categories that you believe should be included? Please give reasons for your answers.

As we do not have sight of other firms balance sheets we cannot comment. Certainly for a VC manager, most are irrelevant.

Question 17: Do you believe the categories of Cash Inflow Items and Cash Outflow Items included in Tables 4.1b and 4.1c respectively are appropriate for Irish investment firms? Are there any categories that you believe should be excluded? Are there any further categories that you believe should be included in these tables? Please give reasons for your answers.

As we do not have sight of other firms financial transactions we cannot comment. For a VC manager, most of the lines are irrelevant.

Question 18: Do you agree that the cash flow analysis should be depicted by month? Do you think the projection out to six months is appropriate and achievable? Please explain your views.

Requiring a monthly depiction of cash flows for a VC firm is complete overkill. A VC firms model is long term. Their fee structures are typically contracted for long periods, and calculated quarterly. We are unaware of VC firms that account other than to a quarterly cycle. This report will impose a frequency of accounting cycle not warranted by the business model of VC firms. We do not think that this analysis is required at all for VC firms, but if some reporting is mandated, then it should use quarters as the unit of time.

A six month projection is fine, although the most sensible approach for the VC industry is a one year horizon, based on quarterly time intervals.

Question 19: Do you believe that the proposed submission frequencies and deadlines are appropriate? Please give reasons for your answer.

In our opinion, the report should not be mandated for venture capital firms at all.

The proposed deadline, of the first working day after the 20<sup>th</sup> of the month, is out of line with the COREP report, yet the report requires largely the same data to complete it. If it is required, it should follow the established COREP reporting schedule.

Question 20: Do you have any other suggestions in relation to the proposals outlined in Section 4.1? If so, please provide details.

No.

#### *Section 4.2*

Question 21: Do you have any comments or suggestions in relation to the proposed format and content of the Asset Concentration Report outlined in Table 4.2? Do you consider the proposed format and content appropriate for Irish investment firms? Do you believe that any additional pieces of information should be included on the report? Please outline your views in detail.

The format will not pose any issue for our firm.

Question 22: Do you believe that the proposed submission frequencies and deadlines are appropriate? Please give reasons for your answer.

The proposed deadline, of the first working day after the 20<sup>th</sup> of the month, is out of line with the COREP report, yet the report requires largely the same data to complete it. It should follow the established COREP reporting schedule.

#### *Section 4.3*

Question 23: In your opinion are the categories included in Table 4.3a Error and Breach Notification Template appropriate for error and breach reporting for MiFID firms? Do you believe that any categories should be excluded from the template? Do you believe that there are additional categories that should be included on this template? Please give reasons for your answers.

We have no issue with this table.

Question 24: Do you have any other comments or suggestions in relation to the proposals outlined in Section 4.3? If so, please give details.

No.

#### *Section 4.4*

Question 25: In relation to the following three sections of Table 4.4 ICAAP Report do you have any comments or suggestions in relation to the format or content?

- (i) Governance
- (ii) Methodology and Exposures
- (iii) Risk Mitigation

No.

#### *Section 4.5*

Question 26: Do you have any comments or suggestions regarding the format and content of Table 4.5 Pillar 3 Disclosures Reporting Template? If so, please provide detail.

No.

Question 27: Do you agree with the proposed timeline for submission of the Pillar 3 Disclosures Reporting Template i.e. at the same time as firms submit their audited year-end financial statements?

Yes.

#### *Section 4.6*

Question 28: Do you have any comments or suggestions in relation to the proposals outlined in Section 4.6? If so, please provide detail.

As we have no eligible clients, we have no comments to make, as we will make a zero return.

#### *Section 5*

Question 29: Do you have any suggestions in relation to the proposed implementation timetable or in relation to training or guidelines that would be helpful for firms? If so, please provide detail.

The proposed timetable is ambitious. It makes no allowance, for example, for reduced resource available over summer vacation months.

Question 30: Do you believe that the Central Bank should publish aggregate industry data for Irish investment firms? If so, what are your suggestions in this regard? Please explain your answer.

Without an understanding of exactly what data is referred to above, it is difficult to comment sensibly on this.