

Independent Trustee Company Limited's Response to CP 52- Proposed changes to regulatory reporting requirements for Irish Investment Firm

4.1 Liquidity Return

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.

We believe monthly projections for months 1 to 3 and three monthly for months 4-6 are reasonable. We would like to state however that the projections in months 4-6 are going to deviate largely from the actual cash flows. Whilst it is not clear from the consultation paper whether the Central Bank intends to appraise the forecasting performance of investment firms, we submit that such an exercise may result in a futile circus of reconciling variances.

Given the fact that the purpose of the Liquidity Return is stated as being to allow the Central Bank to "monitor available resources of liquidity, to identify funding gaps and to determine if liquidity pressures are emerging" we question the usefulness & relevance of having to report actual cash flows for the previous three months. If it is not the intention of the Central Bank to appraise forecasting performance then we believe that this exercise is redundant. If it is the Bank's intention then we believe only the aggregate of the actual for the preceding three months should be reported.

4.3 Error and Breach Reporting

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 there are additional categories that should be included on this template? Please give reasons for your answers.

We are happy that the categories are appropriate but we would appreciate further guidance on what the Central Bank deems to be material when it refers to a breach in internal procedures.

4.5 CRD Pillar 3 Disclosures Reporting

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.

We welcome the introduction of a template.

We would like to take this opportunity to suggest that the current market disclosures made by firms should also be standardised into a template. There appears to be wide variation in how firms are disclosing this information and we do not believe this is serving the best interests of the public.

4.6 ICCL report

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

There are complexities in determining the number of clients with the current system due to the fact that in certain cases clients are only included in the year of the initial investments and at maturity stage and not in the interim. For us to achieve greater accuracy on this matter we would require

much greater clarity to be provided. Whilst we are confident that we fall within the range that we currently report to ICCL under this methodology, we cannot narrow it down to the accuracy level that will now be required.

Our efforts in determining the investment levels of eligible clients for the new funding calculation methodology will be hampered by the fact that such investments are frequently illiquid and not subject to regular valuations.

Overall our assessment would be that the new rules would lead to a much higher level of work without necessarily delivering any corresponding benefit.