



STATE STREET.

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Ms. Siobán Homan
Deputy Head of Funds Authorisation and Supervision Division
Central Bank of Ireland
Iveagh Court
Block D
Harcourt Road
Dublin 2

June 25, 2012

Dear Ms. Homan

Re: CP 59 – Proposed change to the regulatory reporting requirements of Irish authorised collective investment schemes

We refer to the consultation paper ('CP' referred to above. We welcome the Central Bank of Ireland ('Central Bank') giving the opportunity to State Street to consult in this new process. Overall we welcome the advancement in systems to allow electronic filing of the necessary Fund reports which will allow for a more timely and efficient process, however we have some concerns which we have addressed through the Irish Funds Industry Association submission, from an industry perspective.

Additionally, we have reviewed the consultation paper and have endeavoured to answer the three questions posed in the paper in a constructive manner by highlighting where we see that there is some repetition or where some points need some clarification within the various returns, specifically from a State Street point of view.

We also considered the administration of the Funds' log-on identification numbers (IDs) and passwords separately and the impact this will have on the Funds and their delegates in managing the process. We believe there will be significant challenges for Funds and their delegates to manage the process of issuing passwords to the various parties responsible for the filings. Our comments and questions in relation to this are based on our experiences in completing various returns for the management companies using the ONR.

This and some other points are addressed further under 'General comments' in Section 1 below and the three questions posed in the consultation paper are addressed in Section 2.



STATE STREET.

Section 1

General comments

1) System access

We understand from CP59 that the Central Bank will issue a log-on identification number (ID) to the Fund. A representative of the Fund will then decide which individuals will be making the returns. Some returns such as the annual and semi-annual financial statements and the accompanying questionnaire will more than likely be completed by the fund administrator; other returns such as the FDI report, KIID and sub-fund questionnaire may be completed by different representatives of the investment manager. The password administrator of the Fund will be required to issue and reissue passwords as time as required. It is unclear from CP59 whether a director of the Fund will be the only party authorised to submit the forms once they are completed. We believe this process is unduly burdensome on a board of directors and for a Fund to administer. Typically the owner of a system is responsible for the issue and reissue of passwords and IDs for their system. We ask that the Central Bank consider a more efficient way of administering passwords and IDs to the many users and approvers.

The following are some areas which we believe require clarification

- a) Will a second level approval be required to submit all filings to the Central Bank? Related to this is that the Central Bank states that the board of directors are responsible for filing the annual and semi-annual financial statements, in practice there will be an expectation that the Fund Administrator will submit the financial statements. Our view is that the Fund Administrator or other delegate should have approval for submitting the financial statements as they are already approved by the board of directors as evidenced by their signatures on the financial statements or in an approved board minute.
- b) Some filings are done at umbrella level, other filings are at sub-fund level, how will the Fund IDs distinguish between the two and link the two?

2) Reporting of NAV errors

- a) According to CP59 the Trustee is responsible for reporting NAV errors, we believe it would be more appropriate that this is completed by the Administrator in the first instance with sign off by the Trustee. In place of Box 11 on Appendix B – Compliance Form, we recommend that there is a ‘check the box’ sign-off by the Trustee indicating their satisfaction that the error has been resolved to its satisfaction and that no shareholders have been disadvantaged by the error.
- b) If there is a change in Administrator or Trustee can you clarify whether the new Administrator and Custodian will have sight of any errors by the previous administrator on the ONR? In our view it is more appropriate for the client to agree the process of sharing such information between the incumbent Administrator and Custodian and the new Administrator and Custodian.



STATE STREET.

- c) CP59 states that material errors should be reported promptly. Can the Central Bank specify what is considered material and what is defined by 'promptly'?
- 3) For terminated funds, how will such funds' financial statements be submitted to the Central Bank?
- 4) Will the Central Bank be responsible for updating the ONR when a new fund launches or when a fund is de-authorised?
- 5) Can the Central Bank confirm that the Compliance Forms are related only to the monitoring carried out by the Trustee under its responsibilities as set out in the UCITS and Non-UCITS Notices?



STATE STREET.

Section 2

Below are our responses to your specific questions

Question 1 – Do you have any suggestions in relation to the proposed implementation date or in relation to training or guidelines that would be helpful for firms? If so, please provide details.

Response: We recommend that the Central Bank provide training in the same way it was provided for the on-line reporting for Management Companies. This could be completed using a web-ex or in a conference centre. This would also allow the industry to raise questions.

Question 2 – Do you have any comments or require clarification on any specific question that appears under a Return Questionnaire, as outlined in Appendix A? If so, please provide details.

Response:

Sub-Fund Questionnaire:

- a) The questionnaire is required to be completed by June 30th of each year, question 5 of the return requires the user to input 'Return for period ending'. We are unclear of the purpose of this question, for example if a Fund's year end is December 31 and the return is completed on June 30th is the sub-fund questionnaire required to reflect the position of December 31 or is it required to disclose the position of the fund at the time the questionnaire is completed?
- b) In all questions from 10 to the end of the questionnaire there should be an 'Other' category to allow some flexibility to the user in answering the questions.

KIID Questionnaire:

- a) KIIDs are generally prepared at a class level and each class will have a SRRI which can differ from class to class. CP59 states that a questionnaire need only be completed for a single share class within the sub-fund. It is not clear how this will work in practice and it would need to be clarified on the questionnaire itself. Based on the current format a user would be expected to complete the questionnaire for each sub-fund. Also guidance is required in relation to which Fund's SRRI should be inserted on the questionnaire.
- b) The on-line KIID filing will be completed once a year, and any intra year updates will be submitted in the existing manner (e-mail and attachment). How will the Central Bank plan to integrate the on-line filing and manually filed KIIDs to ensure it has the most up-to-date KIID?
- c) Please clarify how the confirmation letter which is prepared at umbrella level will be linked to individual KIIDs.
- d) We recommend that the KIID questionnaire include a reference for the CBI code.



STATE STREET.

While the Central Bank did not request comment on the Return Questionnaires in Appendix B we would like to highlight some repetition in the Compliance form.

Q2 Description of error/breach	Q5 Detailed reason for breach/error
Q4 Duration of error/breach (time period)- date the issue occurred, the date it was detected and date it was rectified- if not rectified state so.	Q7 How and by whom and when was the error/breach discovered
Q8 Total number of shareholders/unitholders affected? Provide detail of subscriptions/ redemptions impacted by error/breach.	Q10 Provide a copy of the calculation of compensation, if applicable

For convenience we suggest that there be a spare field included on the form to allow for an internal reference number to be inserted on the Compliance form.

Question 3 – Do you have any suggestions in relation to streamlining/automating the completion of some of the returns e.g. the use of an XML file? If so, please provide details.

Response: KIIDs are generally prepared at a class level and SRRIs are calculated at class level which can differ from class to class. Some fund structures may have as many as one hundred KIIDs, so it would be preferable if there is a bulk upload facility to allow all KIIDs to be uploaded once.

We suggest that where possible as much static information as possible be pre-populated by the Central Bank for sub-funds of umbrellas, we also recommend that when completing the annual sub-fund profile that there be an option to replicate the responses across the relevant sub-funds.

We hope you will find our comments helpful and we will be willing to discuss any of the points above in more detail at your request.

Yours sincerely

PP 
Head of Compliance

Sinead O'Keeffe
Vice President
Head of Financial Reporting