Wealth Options Trustees Limited

Small Self Administered Pension Schemes
Pension Scheme Trusteeship
Unit Trust Services
Trustee Training

Exempt Unit Trust Consultation – CP 68
Markets Policy Division
Central Bank of Ireland
Block D, Iveagh Court
Harcourt Road
Dublin 2

11th October 2013

Re: Consultation Paper CP 68

Dear Sir/Madam,

Wealth Options Trustees Ltd. would like to make a submission in response to CP 68.

Question for consideration: Do you believe that our brief summary on the organisation of EUTs as set out above is correct?

The pension activities of pension providers is outside the scope of the AIFMD. Traditionally, the EUT is a method of ownership by one member pension arrangements where the investment discretion is retained by the individuals. The EUT is mainly used for practical and administrative reasons. Pooled investments through EUTs, are usually inaccessible and unavailable to the public, which is why they are outside the scope of the Unit Trust Act 1990.

The majority EUTs are established under the terms of an umbrella Trust Deed. This approach is adopted for ease of administration. The Series Trusts are typically worded as separate undertakings with entirely different and unrelated objectives, managers and administrators.

Is an EUT an AIF?

EUTs typically used by pension providers are separate undertakings, involving different and unrelated parties, entirely segregated in terms of their objectives, assets and liabilities.

We do not believe that all EUTs bear the features of an investment fund and therefore should be outside of AIFMD requirements.

If an EUT is not an investment fund, which we believe is the case, it falls outside the scope of the AIFMD.

Question: Do you agree that an EUT is subject to the UT Act?

EUTs are not considered excluded from the Unit Trust Act because they are limited to pension fund investors. They are considered excluded because not generally available to the public – in the same manner that a co-ownership between a group of colleagues is not available to the public.

Directors: P. Dunne FIIPM MIPA, B. Flynn, E. McCloskey

Wealth Options Trustees Limited is approved by the Revenue as a Pensioneer Trustee and is registered in Ireland No: 390116

Elm House
Millennium Park
Naas
Co. Kildare

Tel: 045 88 22 81
Fax: 045 88 22 86
Email: info@wealthoptions.ie
Web: www.wealthoptions.ie

Question: Is there any reason why the Central Bank would not apply the same regulatory regime to EUTs, which are AIFs as to any other AIFs?

- EUT Trustees may be forced to dispose of assets as they cannot satisfy the more stringent rules which will apply.

- Costs will increase to the Pension Investors due to increased compliance costs on foot of the regulations proposed.

- The deadline proposed of July 2015 is not achievable and may lead to substantial loss to investors as providers try to sell assets to become compliant.

Yours sincerely

Paul Dunne
Managing Director

Elm House
Millennium Park
Naas
Co. Kildare

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Fax: 045 88 22 86
Email: info@wealthoptions.ie
Web: www.wealthoptions.ie