

UCITS Consultation
Markets Policy Division
Central Bank of Ireland
Block D
Iveagh Court
Harcourt Road
Dublin 2
Ireland

28 March 2014

Dear Sir/Madam,

This paper responds to the Consultation on publication of UCITS Rulebook CP 77 issued by the Central Bank of Ireland (the “**Consultation Paper**”).

This response is jointly from GO ETF Management Limited and ETF Securities (UK) Limited, the latter being a wholly owned subsidiary regulated by the Financial Conduct Authority of the United Kingdom.

The response will be focused on the Question 1:

“The Central Bank has previously placed significant reliance on the Promoter to underpin the formal regulatory regime by ensuring that only sizable entities with relevant experience could establish UCITS in Ireland, entities who could support UCITS in difficulty. To this end, the Central Bank has had a promoter approval process. We eliminated the promoter approval process for Irish authorised AIFs and placed reliance instead on the alternative investment fund manager (“AIFM”), taking into account the obligations on AIFM which the AIFMD imposes on them. In conjunction with this, we also elaborated in more detail the obligations of directors when an AIF gets into difficulties. We are proposing to take similar approach for UCITS where we propose to also eliminate the promoter approval process. We will instead place reliance on the regulatory regime for UCITS management companies and will also elaborate the obligations of directors when a UCITS gets into difficulties. Do you agree with this approach?”

If the Central Bank has any questions in relation to this response, please contact Legal and Compliance teams at legalcompliance@etfsecurities.com

Response to the Question 1:

We agree with the proposal of the Central Bank to eliminate the promoter approval process for UCITS funds. We briefly summarize below the main reasons:

- 1) Without the Promoter there will be more flexibility on naming conventions for UCITS funds. As the asset management industry sees more collaboration between funds, this flexibility is aligned with the needs of the market;***
- 2) The Promoter role is often confused by investors with the distributor role; whereas, in reality, it provides no specific defined services required under the UCITS rules;***
- 3) As the Directors have always been the ultimate responsible of the financial stability of the Fund, we think that it is appropriate – as the Central Bank proposes - to put more reliance on their obligations and responsibilities in situations where a UCITS fund gets into difficulties instead of having a Promoter (which could lead to an overlapping in terms of obligations).***

Yours faithfully

ETF Securities (UK) Limited
