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Consultation Paper CP77 – Publication of a UCITS Rulebook

Dear Sirs

We welcome the publication of Consultation Paper CP77 ("**CP77**") and the opportunity for all interested parties to put forward their comments and views.

We are privy to and fully support the submission which has been prepared by the Irish Funds Industry Association ("**IFIA**") in response to CP77 and agree with the comments raised therein. For the purposes of Maples' submission in response to CP77, we have raised some additional comments that are specific to our clients.

We have indicated the relevant heading and numbering used within the draft rulebook when addressing an issue raised in CP77.

Chapter 1 – Product Requirements, Part I General Rules, UCITS Restrictions

1. ii Eligible Assets – General Comment

We note that there does not appear to be any reference to Structured Financial Instruments as defined under paragraph 1.1.2 of the current UCITS Notice 9 in the draft rulebook. We would suggest that the wording of 1.1.2 be included in the eligible asset section of the rulebook for the avoidance of any doubt in regard to use instruments eligibility.

2. v Financial Derivative Instruments, Calculation of Global Exposure

Paragraph 8 of this section of the rulebook sets out the requirements in respect of the calculation of position exposure for UCITS. Paragraph 8 requires UCITS to consider financial derivative instruments and instruments that embed financial instruments when calculating its issuer concentration. While this is not a new requirement, the guidance on what constitutes a security or money market instrument embedding a financial derivative instrument as per paragraph 14 of the current UCITS Notice 10 does not appear to have been retained in the rulebook. Please can you clarify if the criteria for what constitutes an embedded financial derivative instrument has changed. If the criteria have not changed we would suggest including the criteria currently set out in paragraph 14 of UCITS 10 the rulebook to prevent any ambiguity in terms of interpretation.

3. v Financial Derivative Instruments, Calculation of Global Exposure

We note the deletion of wording set out in paragraph 22 of UCITS Notice 10 in respect of the requirement for leveraged index tracking funds to calculate their global exposure using the commitment approach or relative VaR. Please can you clarify if the requirement for leveraged

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index tracking funds to use the commitment approach or relative VaR for the calculation of global exposure no longer applies and if leveraged index tracking funds are now permitted to use other methodologies to calculate their global exposure (provided that such calculation methodology is line with the other methodologies permitted by the UCITS rules).

Chapter 1 – Part I General Rules, Prospectus and Key Information documentation requirements

1. xii – Share Classes

We would suggest that reference be made to the fact that financial derivative instruments at share class level are permitted in this section for the avoidance of doubt. We would also suggest that the requirements in respect to the utilisation of financial derivative instruments at share class level as detailed in Policy Update 1/2010 –Multiple Share Classes within a single collective investment scheme be inserted in this section.

Chapter 1 – Part III, Cross Boarder Notification of UCITS

1. General

A significant amount of the information contained in UCITS 15 on the Cross-border notification of UCITS and much of the Policy Document of December 2011 entitled UCITS authorised in another Member State intending to market units in Ireland is not contained in the Rulebook. Please can you clarify if the Central Bank intends to reflect the omitted information and relevant UCITS Notification Letter in another form of UCITS guidance.

2. Section i

This section does not contain any information regarding the process for making such applications to the Central Bank. We would suggest that details of the process be included.

Section 1 is also silent regarding the Central Bank's requirements for (1) prospectuses for marketing in other jurisdictions as per the letter to industry of 2 April 2004; and (2) "Country Supplements" as defined in Section 11 of the Central Bank's Application Forms. We would suggest that these requirements be inserted into this section.

3. Section ii

While Paragraph 1 reflects the requirement for a facilities agent to provide a written confirmation to the Central Bank, it does not however specify as UCITS 15 does, that such agent must be in Ireland or what the obligations of that agent are. We would suggest this detail be included in this section. No detail is contained in the section regarding the process for making such applications to the Central Bank, in our view this information should be contained within the rulebook. Requirements for reporting or transmission of information to the Central Bank and the procedure for lodging updated versions of required documents with the Central Bank are not set out in the rulebook; we would suggest that these be included in the rulebook.

Should the Central Bank have any queries in relation to the above or wishes to discuss any aspect further, please just let us know.

Yours faithfully



Maples and Calder