

Risk, Governance and Accounting Policy Division,
Central Bank of Ireland,
Dublin 2



5th August 2015

Dear Sir/Madam,

Re: Consultation on Corporate Governance Requirements for Investment Firms – Consultation Paper CP94

We refer to Consultation Paper CP94, Consultation on Corporate Governance Requirements for Investment Firms, inviting response to the proposed corporate governance requirements for investment firms. The Board of Harvest Financial Services Limited is in favour of the introduction of corporate governance requirements for investment firms and we welcome the opportunity to respond to the proposed requirements.

By way of background, Harvest Financial Services Limited is authorised as an Investment Firm under Regulation 11 (1) or deemed authorised under Regulation 6 (2) of the European Communities (Markets in Financial Instruments) MiFID Regulations 2007.

In addition to our authorisation under MiFID, we are registered administrators for small self administered pension schemes and a qualifying fund manager (QFM) for approved (minimum) retirement funds (ARF/AMRF) and these activities are subject to regulation by the Pensions Authority and the Revenue Commissioners. We are a privately owned company with three main Irish shareholders who also serve as executive directors on the Board and we qualify as a small sized company as defined under the Companies Act 2014.

Composition of the Board

Section 6.2 of the proposed requirements sets out that a firm shall ensure that the board is comprised of a majority of independent non-executive directors (INEDs).

It is our view that this requirement is disproportionate and onerous for a firm of our size and impact rating (Medium Low Impact) under the Central Bank's PRISM. It is also our view that this requirement should only serve those firms which are of a significant size and carry a High Impact Rating under PRISM.

Audit Committee

Section 20.5 of the proposed requirements sets out that subject to the provision set out in Section 17.1 (which provides that where the board comprises only 3 members, the full board, including the Chairman and the CEO, may act as the audit committee and/or the risk committee), neither the Chairman nor the CEO shall be a member of the audit committee.

Similar to our view above, this proposed requirement is disproportionate for a firm of our size. At present, we have a combined Risk and Audit Committee which is well served by our INED, who is also the Chairman of the Board, along with 2 Executive Directors and the Head of Compliance. Our INED also chairs this committee. Under these proposed requirements, we would have to appoint at least one other INED to serve this role. This is notwithstanding the proposed requirement for the composition of the board to be made up of a majority of INEDs.

Harvest Financial Services Ltd
Block 3
The Oval
Shelbourne Road
Ballsbridge
Dublin 4

T: +353 1 2375500
F: +353 1 2375555
E: info@harvestfinancial.ie
www.harvestfinancial.ie

Registered In Ireland No: 137567
Registered Office: As across.

Directors:
Gerry Devitt (CEO)
Eugene Foley
Terry Devitt
Hugh Raftery
Harley Murphy (Non-Exec Chairman)

Harvest Financial Services Ltd
is regulated by the Central Bank
of Ireland

Risk Committee

Section 21.1 of the proposed requirements sets out that the board establishes a risk committee separate from the audit committee and which has responsibility for oversight and advice to the board on the current risk exposures of the firm and its future risk strategy.

This proposed requirement does not take into account the ability for a firm to apply to the Central Bank for discretion to combine its Risk and Audit committees in accordance with, *inter alia*, Regulation 64(11) of SI 158 of 2014 EU (Capital Requirements) Regulations 2014. Our firm was granted this discretion following an application to the Bank in 2014 and it is our view that the proposed requirements are amended to allow for this discretion to be maintained.

Remuneration Committee

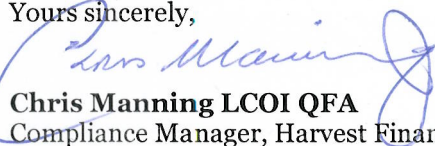
Section 22.2 of the proposed requirements sets out that, where possible, all members of the remuneration committee are INEDs, but in any event the majority of members of the committee are INEDs.

Similar to our view above, this proposed requirement is disproportionate for a firm of our size for the reasons previously stated.

We welcome the opportunity to engage further with the Bank on the review of the proposed requirements and to discuss any details set out in our submission.

I trust that this is in order, however, if you should have any further queries, please do not hesitate to contact me.

Yours sincerely,



Chris Manning LCOI QFA
Compliance Manager, Harvest Financial Services Limited
CManning@harvestfinancial.ie

