



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

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Feedback Statement on CP59 – Proposed changes to the regulatory reporting requirements of Irish authorised collective investment schemes



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Introduction

1. On the 28 May 2012 the Central Bank of Ireland (the “Central Bank”) published Consultation Paper 59 *Proposed changes to the regulatory reporting requirements of Irish authorised collective investment schemes* (“CP59”).
2. CP59 is relevant for all Irish authorised collective investment schemes (“CIS”) authorised by the Central Bank, in addition to participants in the funds industry.
3. CP59 sets out the Central Bank’s proposals for changes to the regulatory reporting requirements for CIS, including
 - (i) the filing of annual and interim financial statements;
 - (ii) the filing of the auditor statutory duty confirmation;
 - (iii) the filing of the FDI report;
 - (iv) the filing of the KIID; and
 - (v) the introduction of two new regulatory returns.
4. The Central Bank invited comments on CP59, and the closing date for comments was 25 June 2012.
5. This paper summarises the responses received to CP59 and outlines our considered decisions. Where responses are from industry bodies, we have taken this into account when making decisions.
6. We received four responses in total to CP59. All individual responses, except those from participants who requested that we keep their feedback confidential, are available on our website at:
<http://www.centralbank.ie/regulation/poldocs/consultation-papers/Pages/closed.aspx?CPNumber=CP59>
7. We have considered the responses received to CP59 and have made some specific changes suggested by industry. In the main, however, the Central Bank will proceed as outlined in the consultation.
8. This paper includes a general section containing points that are not specific to one particular report and also individual sections specific to each report. Each section provides an overview of points raised in the consultation responses along with the Central Bank’s comments and / or decisions. CIS and industry participants should assume that unless expressly stated herein the proposals as described in CP59 will apply.
9. We are planning a release date in Quarter 1 2013 for the electronic submissions of returns detailed in CP59. Please note that this is a challenging timetable and is subject to change. The Central Bank will be in contact with specific dates in the near future.
10. Finally, the Central Bank is grateful to all parties who responded to CP59 and wish to thank you for your time and effort.

General Comments

11. One respondent commented on the potential negative impact that additional reporting requirements would have on the competitiveness of the Irish funds industry, noting that the new reports were excessive and overly burdensome. In addition, the respondent felt that the questionnaires were overly detailed and that industry participants might not feel comfortable completing them. Further, the costs of implementation could outweigh any benefits to industry or investors. Concerns were raised about the liability of service providers if questionnaires were completed incorrectly and subsequent consequences from the Central Bank. The respondent felt that further consultation was necessary.

Central Bank: The Central Bank does not agree that the introduction of additional reporting requirements will impact negatively on the Irish funds industry. Indeed, the Central Bank believes that being in a position to more efficiently monitor fund data will assist in the supervisory function and highlight Ireland's position as an attractive jurisdiction thus serving to encourage new business.

The Central Bank does not accept that the questionnaires are overly detailed. In practice, very few questionnaires will be required to be completed by CIS in their entirety. The Central Bank where possible, will also pre-populate fields which will increase the efficiency of returns.

The Central Bank noted in CP59 that there would be costs regarding the implementation of these proposals and would like to stress again that the long-term benefits, such as that noted in the first paragraph above, will outweigh the costs.

If it transpires that a questionnaire is completed incorrectly, the Central Bank can be contacted to unlock the return in order for an updated return to be uploaded.

The Central Bank considered the request for further consultation but does not see any merit in holding any further consultations in relation to the implementation of online reporting for CIS.

12. Two respondents raised queries in relation to system access and system administrators and sought clarification around the issuance of passwords, sign off on returns, what party has responsibility for the filing of the returns to the Central Bank, and how sub-funds will be recognised.

Central Bank: In accordance with the Central Bank’s Notices the board of directors, manager or general partner as appropriate are responsible for the filing of returns with the Central Bank. In this regard, it is considered prudent that these individuals/entities would receive the initial log-ins and passwords to the Online Reporting System (“ONR System”) for the CIS. It is not a matter for the Central Bank to determine who makes the filing or indeed who the system administrator will be. This decision rests with the board of directors, manager or general partner, as relevant.

Once the log-ins and passwords have been issued, a person of the board of directors, manager or general partners choosing can be assigned as the system administrator. This system administrator is then responsible for issuing and reissuing passwords and not necessarily the individual board member who is in receipt of the initial log-in. As noted in the final paragraph of the Important Notice in CP59, careful consideration should be given if the system administrator function is delegated as the system administrator will have access to all of the CIS filings with the Central Bank. While noting that there may be challenges initially, and possible resourcing issues within firms, the Central Bank ultimately believes that this is the most efficient way of issuing log-ins and passwords.

Once it is determined who will file a particular return, that person/entity will be responsible for the filing of that return on an on-going basis (unless the system administrator changes the responsibility). There will be no sign off required from Authorised Persons in Pre-Approved Controlled Functions or second level approval required from the board of directors, manager or general partner if they elect to delegate this filing to another party.

Upon logging onto the ONR System the responsible entity will see at umbrella/standalone level all CIS for which access has been granted. On selecting the appropriate umbrella CIS, the responsible entity will then be able to see that particular umbrellas’ sub-funds. In turn, and where relevant, they then select which sub-fund they are reporting on. All sub-funds are linked to their respective umbrella CIS on the ONR System.

13. One respondent queried whether there would be a requirement to upload historical data and whether dual reporting would be implemented for the first submission of electronic returns. It was also queried whether financial returns had to be converted into Euro.

Central Bank: The Central Bank is not requiring any historical data to be reported and will also not be implementing dual reporting for the first submission of electronic returns.

The Central Bank requires that financial information is reported in the base currency of the CIS.

14. One respondent queried whether the Central Bank was responsible for updating the ONR System when a new fund is approved or revoked.

Central Bank: The Central Bank will be responsible for updating the ONR System when a new fund/sub-fund is approved or revoked.

15. One respondent queried whether CIS that are authorised but not yet launched, or are terminated but not yet revoked, would have to make on-line filings.

Central Bank: Any CIS that falls within these categories will not have to make on-line filings. For completeness, the Central Bank should be informed of any CIS that falls within these categories and will not be making any on-line filings.

16. One respondent queried whether an incoming Administrator or Trustee would see the previous filings made by the outgoing Administrator or Trustee.

Central Bank: No, on a change in service provider, the incoming party will not be able to see its predecessor's submissions.

CP59 Filing of Annual and Interim Financial Statements

17. One respondent views that the Financial Statements Questionnaire, as set out in Appendix A to CP59, will significantly increase costs and risk and will be anti-competitive for Irish CIS relative to other jurisdictions due to the volume of data being requested. Further, it is not clear what the benefit to providing all this information will be given it is already maintained by the Central Bank or provided to the Central Bank in the financial statements. The respondent considers that the increased costs required to complete this return will be passed on to investors and that if proceeding with the return it should be shortened.

Central Bank: The Central Bank sees no substance in the above response. The Financial Statements Questionnaire includes 26 fields, 18 of which are pre-populated with information the Central Bank holds on its records. The Central Bank is simply requesting confirmation from the CIS that information on file is correct. Notwithstanding the notification provisions set out in the Central Bank's UCITS and Non UCITS Series of Notices, it is the Central Bank's experience that parties to a CIS change, or registered/head office addresses change without prior notice to the Central Bank. The Central Bank does not consider a confirmation on an annual basis of the accuracy of existing information to be an overly burdensome requirement. Of the remaining 8 fields, 7 are yes/no answers which are easily clarified with the appropriate party. The Central Bank does not intend to shorten this questionnaire.

18. One respondent suggested that the term "significant matters" be fully clarified to ensure consistency of approach within industry.

Central Bank: The text in Field 22 requires directors/managers to detail significant events/issues that the directors or manager wish to bring to the attention of Central Bank etc. Accordingly it is a matter for the directors or manager to make the determination of "significance" and not for the Central Bank to opine on.

19. One respondent queried the requirement that the custodian/trustee report be on the letterhead of the custodian/trustee i.e. that it should be sufficient that the custodian/trustee sign the report.

Central Bank: The Central Bank has considered this point and has decided to remove the requirement that the custodian/trustee report should be on the letterhead of the custodian/trustee.

20. One respondent queried whether Field 2 could include provision to add or remove sub-funds not reporting for a period.

Central Bank: The information captured in Field 2 will identify the umbrella/standalone CIS to which the financial statements relate. The majority of financial statements filed, with the exception of some unit trusts or common contractual funds, are consolidated financial statements for the umbrella. As noted in CP59 unit trusts or common contractual funds that wish to file at sub-fund level, additional sub-funds can be filed ad hoc after contacting the Central Bank once the first sub-fund financial statements have been submitted. Field 6 will allow the responder to inform the Central Bank whether all sub-funds of the CIS are included in the return.

21. One respondent queried how sub-fund terminations would be addressed in Field 4.

Central Bank: To address this point, the field has been amended to request clarification on whether the financial statements are umbrella/standalone termination accounts or whether they include any sub-fund terminations.

22. One respondent queried whether different sub-fund reporting periods could be listed in Field 5.

Central Bank: As noted in response No. 20, and further in CP59, for those unit trusts and common contractual funds that report at sub-fund level, the first sub-fund should report via the ONR System and for subsequent sub-fund filings the Central Bank should be contacted to permit ad-hoc sub-fund financial statement filings. The Financial Statements Questionnaire will only be required to be completed once.

23. One respondent queried the wording of Field 22 and in particular, how comments would be appended and validated to the questionnaire.

Central Bank: Field 22 is a yes/no answer only. If a yes answer is supplied, you will be prompted to provide a reference (e.g. page number or note number) to where the significant issue(s) or note(s) is/are located in the audited financial statements. Accordingly, the Central Bank is not requesting any commentary to be provided.

24. Three respondents queried Field 25 and whether the information was required at umbrella level and queried the appropriateness of these figures at umbrella level as opposed to sub-fund level. In addition, it was asked whether consolidated figures could be provided at sub-fund level.

Central Bank: Field 25 has been amended to clarify that this information is required at standalone/sub-fund level and not at umbrella level. Accordingly, if reporting for sub-funds, this field will be recurring to permit figures to be provided for each sub-fund of the umbrella.

25. One respondent queried the need for Field 26 stating that completing this field is a duplication of effort of information that is already provided in the Financial Statements.

Central Bank: Field 26 is a yes/no answer field. The Central Bank is not requesting that commentary be appended to the questionnaire. This field is simply there to trigger further investigation by the Central Bank if a “yes” answer is provided.

CP59 Filing of Annual Financial Derivative Instrument (“FDI”) Report – Authorised UCITS Funds Only

26. One respondent considers that the completion of the FDI report questionnaire for each UCITS sub-fund to be overly burdensome for CIS.

Central Bank: This information is required to be calculated for each UCITS sub-fund which utilises FDI and should be already available to the risk/investment manager. Accordingly, the Central Bank does not believe this is an overly burdensome questionnaire to complete.

27. One respondent considers that the information required for the FDI report will involve significant time and costs in providing such information.

Central Bank: The requested information is relevant and required for each UCITS sub-fund which utilises FDI. While there are 25 fields in this questionnaire the first 5 fields are pre-populated and of the remainder, depending how field 7 is answered, not all questions will apply. Accordingly, the Central Bank believes the questionnaire is succinct and germane to the matters at hand.

The Central Bank would also like to point out that this information should already be available to the risk/investment manager and should therefore not involve significant time and costs to complete.

28. One respondent believes that the questions asked in the FDI report questionnaire are already provided in the FDI report itself and does not see any merit in repeating the information into the questionnaire. Respondent further considers that the level of information required exceeds that required by Guidance Note 3/03 (*correspondence erroneously referred to Guidance Note 4/07*) and is excessive and burdensome. Clarification was sought on the disclosure requirements applicable to “*any other risk measures*” employed. The respondent considers that administration firms and legal advisers may not be comfortable or in a position to complete the questionnaire.

Central Bank: The requested information is relevant and germane for each UCITS sub-fund which utilises FDI. Since the information should already be available to the risk/investment manager, it should not prove difficult to provide this to the Central Bank.

Leverage disclosure has become more significant with the advent of UCITS IV and the leverage questions seek to provide greater transparency in relation to the operation of UCITS.

UCITS have developed and evolved over the last number of years and further disclosure and reporting is required in line with these developments.

Where relevant, the UCITS may provide information on any other risk measures utilised. It is the UCITS responsibility to decide what information should be provided in this regard.

The filing of the FDI report and its questionnaire does not have to be made by the administration or legal firm but instead can be assigned to the risk manager/investment manager or some other entity the UCITS CIS deems appropriate. Accordingly, the Central Bank does not believe that the FDI Report filing requirements warrant re-consideration.

29. One respondent sought confirmation that the FDI Report would continue to be filed by the investment manager.

Central Bank: In accordance with the Central Bank's Notices the board of directors or manager as appropriate are responsible for the filing of returns with the Central Bank. The Central Bank is therefore not in a position to provide this confirmation.

30. One respondent sought clarification on Field 10 and the reference to "*any other breaches*".

Central Bank: The reference to "any other breaches" in Field 10 relates to other FDI breaches. The questionnaire has been amended to reflect this.

CP59 Filing of Annual Sub-Fund Profile Return

31. One respondent believes that the completion of the Sub-Fund Profile Questionnaire may involve a significant time and cost burden for investment managers to complete, especially if they have a high number of returns to submit. The respondent also believes that these costs could be passed on to investors.

Central Bank: As noted in CP59, the Central Bank does not envisage many changes to this return on a year-by-year basis. In subsequent years to the initial submission, the information provided in the previous year will appear. Updated information is only required where changes have occurred since the previous filing. Accordingly this is primarily a one off exercise. Furthermore, the information requested is readily available to the CIS so should not be burdensome to complete.

32. One respondent sought clarification on how, as stated in CP59, the information gathered in the Sub-Fund Profile Questionnaire could form the basis for Central Bank engagement with CIS in the future and how the questionnaire would assist the Central Bank in its regulatory oversight of the Irish funds industry. The respondent believes that the anticipated costs could be excessive considering the stated purpose of the questionnaire and would therefore have difficulty justifying its introduction.

Central Bank: The Central Bank will use the information gathered under the questionnaire to enhance its engagement with CIS from a supervisory perspective. To date the information gathered on CIS has not been in a structured format i.e. it is currently received via various sources such as prospectuses and annual financial statements etc. it is proposed to standardise the receipt of information submitted to the Central Bank. This proposed method will enable the Central Bank to efficiently and methodically supervise the Irish funds industry. For example, comparisons across CIS to determine trends will feed into thematic inspections.

As noted above the Central Bank does not believe the requested information to be excessive or burdensome, nor will lead to high costs to CIS and their service providers to complete.

33. Two respondents queried the annual filing deadline of 30 June for the Sub-Fund Profile Questionnaire and sought further clarification around the point in time the information should be taken at and when exactly the questionnaire should be uploaded via the ONR System.

Central Bank: The Central Bank requires this information to be reported as of the position at 31 December each year. The CIS then has up until the following 30 June to submit the return to the Central Bank.

Accordingly, the questionnaire can be filed with the Central Bank via the ONR System on the first day after the reporting date of 31 December and CIS have 6 months to submit the return before it is deemed late. The CIS has discretion to file this questionnaire at any time over this six month period.

34. One respondent does not see merit in requesting an entity to complete the Sub-Fund Profile Questionnaire given that the Central Bank is already in possession of this information as set out in the prospectus of the CIS. In addition, the respondent considers that some of the information requested is in excess of that required to be disclosed in the investment policy of a CIS. It is considered that there will be significant time and costs for investment managers in providing this information.

Central Bank: As noted above, the proposed method will standardise the receipt of information received and therefore enable the Central Bank to efficiently and methodically assess the Irish funds industry in a more meaningful manner.

35. It was queried whether the extra category “Other” could be included in Field 10 and in other subsequent fields to allow for more flexibility in responses.

Central Bank: The Central Bank has considered the request for this additional field within the return and has decided that this field is not necessary. The options provided are sufficiently broad to cover all strategies.

36. One respondent queried whether fields will become inoperable when they are not applicable i.e. once Field 9 is completed.

Central Bank: Yes, the relevant fields that are not applicable will be closed and will not be capable of population depending on response to Field 9.

CP59 Filing of Regulatory Report – As Required

37. One respondent stated that CP59 does not refer to the ability of the CIS or its manager to report on regulatory matters/compliance. While noting CP59 refers on page 7 to Trustees being responsible for notifying the Central Bank of breaches, the respondent sought clarification on whether the CIS was permitted to provide similar notifications. Further, the language in this section does not refer to the reporting of errors.

Central Bank: The filing of the regulatory report as referenced on page 7 should be read in conjunction with pages 14-15 of CP59. Page 15 states that “*The regulatory report can also be used by the Fund to report significant matters to the Central Bank*”. Accordingly, a facility will be available for CIS to report on any regulatory matters they wish.

Notwithstanding this, the Central Bank’s UCITS and Non UCITS Series of Notices place the responsibility on the trustee to promptly notify the Central Bank of any material breach of CIS legislation, conditions imposed by the Central Bank or the provisions of the prospectus of a CIS.

38. Two respondents sought guidance and definitions around what constitutes a material breach, material error, significant matter, advertent breach and NAV/dealing suspension.

Central Bank: As noted in CP59 it is the responsibility of the Trustee to determine materiality. While the Central Bank has not defined materiality, all advertent and inadvertent material breaches and errors are expected to be notified promptly to the Central Bank.

Explanatory text on what constitutes an error is contained in CP59.

A significant matter is an issue which is not classified in events 1, or 2, on p14 of CP59, but is an issue which the Trustee/CIS wish to report to the Central Bank. The Central Bank considers that the Trustee/CIS should exercise discretion in determining what it considers a significant matter.

The constitutional documents and prospectus for all authorised CIS detail the circumstances where the board/management company suspend dealings or net asset value calculation. As previously noted in CP59, the CIS or its delegate is responsible for reporting suspensions to the Central Bank.

39. One respondent requested qualitative and/or quantitative definitions of the four reports the Trustee is responsible for filing. For example, when an advertent breach (subject to quarterly reporting – see response no. 42) escalates to a material breach (subject to prompt reporting). Further, whether material breaches may encompass inadvertent breaches. It is stated that without these definitions there is a danger of inconsistency in regulatory standards and uncertainty in the market place.

Central Bank: The Central Bank will not provide definitions and guidance for escalation. If considered necessary, these matters can be discussed separately at the IFIA Trustee committee meetings.

40. One respondent believes there is scope for overlap between a material error and a significant matter and that it would be difficult for Trustees to distinguish the events given they both have to report these promptly. The respondent also sought a definition of “*impact*” in relation to a material error as referenced on p14 of CP59.

Central Bank: A significant matter is an issue which is not classified in events 1, or 2, on p14 of CP59, but is an issue which the Trustee wishes to report to the Central Bank. The Central Bank considers that the Trustee should exercise discretion in determining what it considers a significant matter.

41. One respondent considers that not all errors over 50 basis points would fall into the material category. Only those errors that affect the functional capability, as stated in CP59 explanatory text with regard to errors, should be reported.

Central Bank: It is a matter for the Trustee to determine what it considers material. The Central Bank has issued no guidance in this regard. However, the Trustee must be in a position to defend its justification of material if challenged.

42. One respondent sought clarification on whether the quarterly filing of advertent breaches included pricing errors over 50 basis points.

Central Bank: The Central Bank is no longer requiring the filing of a quarterly advertent breach log. However, as noted in response no. 38 above, the Central Bank expects to be notified promptly of all advertent and inadvertent material breaches and errors.

43. Two respondents interpreted promptly to mean reporting without delay once the issue has been fully reviewed and appropriate remedial action agreed. A definition of “*promptly*” was requested in this regard to ensure consistent reporting.

Central Bank: The Central Bank agrees that promptly can be interpreted as reporting without delay. However, it is difficult to see how reporting following full review and implementation of remedial action satisfies the requirement for prompt reporting.

It is expected that the Trustee promptly notifies the Central Bank via the ONR System of a material breach/error without delay e.g. a brief synopsis of the issue in letter format via a .pdf document upload. This submission will be designated as an initial notification of the issue by the Central Bank.

Once the issue has been thoroughly reviewed and action agreed, the Central Bank’s compliance form would then be completed and submitted via the ONR System. This submission will be designated as a comprehensive notification of the issue by the Central Bank.

44. One respondent queried whether the reports which are required to be filed promptly in relation to events 1-3 would be required to be included in the quarterly return.

Central Bank: As noted in response no.42 above, the Central Bank is no longer requiring the filing of a quarterly advertent breach log.

45. One respondent sought clarification on whether breaches of investment objectives were captured under the scope of breaches reporting.

Central Bank: The Central Bank's Notices require notification of breaches of, inter alia prospectus provisions. Breaches of investment objectives are captured within the parameters of CP59.

46. One respondent considers that the Administrator is best placed to report NAV errors and that the Trustee should confirm their sign-off of the resolving of the issue via a check-box on the Compliance Form as attached in Appendix B to CP59.

Central Bank: In accordance with the provisions of the UCITS and Non UCITS series of Notices, the Central Bank requires the Trustee to promptly report material breaches and errors, which include pricing errors, via the ONR System as proposed by CP59.

The Compliance Form will not be amended in this regard.

47. One respondent queried whether the reporting of breaches and errors would be via an auto-upload facility or manually inputting details into a spreadsheet.

Central Bank: Please refer to response no. 43 above. Multiple attachments may be uploaded if necessary.

48. One respondent sought clarification that the Trustee's duty is discharged by it reporting on events 1-4 and that the CIS will have a similar responsibility.

Central Bank: Yes, this is correct. The CIS and other parties may wish to exercise their own discretion to also report on these matters if they wish.

49. Two respondents raised concerns around the fact that by the CIS not having access to the reports the Trustee files with the Central Bank any subsequent contact made by the Central Bank to the CIS would be a breach of this confidentiality in that the information disclosed to the CIS could have only come from the Trustee.

Central Bank: The Central Bank has a regulatory/statutory duty to investigate matters of concern with the appropriate entities be they the CIS or its service providers. The Central Bank does not rely on the Trustee as its only source to keep abreast of matters of concern e.g. other regulators, investor complaints, auditor reports, media reports, whistle-blowers etc. may bring matters to the Central Bank's attention. It therefore does not always follow that any contact the Central Bank may make on receipt of information received will have come from the Trustee.

Compliance Form:

50. One respondent queried whether the Compliance Form, as attached in Appendix B to CP59, related to the monitoring as carried out by the Trustee under its responsibilities as set out in the Notices.

Central Bank: The Compliance Form can be used by both CIS and Trustees to report errors and breaches. If a CIS wishes to have its administrator or investment manager provide explanations or commentary to the Central Bank on a particular matter this need not be done solely via completion of the Compliance Form. The ONR System will accept ad hoc filings of .pdf documents.

51. One respondent highlighted some repetition of questions within the Compliance Form.

Central Bank: Any inconsistencies will be removed once the Compliance Form is available on our website on the introduction of the ONR System for CIS.

52. One respondent suggested revised text with regards to Fields 11, 15 and 16 of the Compliance Form.

Central Bank: The Central Bank taken these suggestions on board and will amend the form as follows:

Field 11 from Trustee “consent” to Trustee “review/assessment/feedback of/on”; and

Field 16 from “investigation” to “notification”.

As the CIS or its delegate can also complete the Compliance Form Field 15 will remain. If the Trustee is completing the form and is not privy to this information then the form should be completed as such.

CP59 Filing of Key Investor Information Document (“KIID”) - Authorised UCITS Funds Only

53. One respondent sees no merit in including the synthetic risk reward indicator (“SRRI”) in the KIID questionnaire given it is information already included in the KIID document which is required to be filed with the Central Bank. Further, in the event of multiple share classes and sub-funds being submitted in one filing, the completion of multiple questionnaires is considered to be a significant administration burden and increases the risk of the incorrect SRRI being extracted into the questionnaire.

Central Bank: The electronic filing of the SRRI will allow the Central Bank to more efficiently monitor a UCITS CIS risk profile.

As noted in CP59, if multiple share class KIID’s are being filed, only one questionnaire needs to be completed per sub-fund. If multiple sub-fund KIID’s are being filed the only question to be completed is around the SRRI, the remaining questions are pre-populated. Accordingly, the Central Bank does not believe this will create a significant administrative burden.

54. One respondent sought clarification on which SRRI was to be inserted for multiple share class KIID filings given the questionnaire is required to be completed only once for multiple share class submissions.

Central Bank: The KIID questionnaire has been amended to request the “*maximum Synthetic Risk Reward Indicator applicable to the Sub-Fund*”. Therefore, regardless of which share class the KIID questionnaire is being completed for, the highest SRRI applicable to the Sub-Fund as a whole should be inserted into Field 5.

55. One respondent sought clarification on how KIID’s filed via the ONR System, to meet the annual update requirement, would be integrated with those that continue to be filed manually intra-year due to amendments to documentation.

Central Bank: The ONR System KIID return is to meet the requirement of Guidance Note 1/11: “*A UCITS is required to update its KIID on an annual basis within 35 business days of each calendar year*”. Intra-year updates will continue to be filed manually. The Central Bank will have access to the most up to date KIID whether filed through the ONR System or manually.

56. One respondent sought clarification on how the confirmation letter prepared at umbrella level would be linked to individual KIID’s.

Central Bank: The Central Bank will accept a single confirmation letter to be prepared at umbrella level to cover all of the umbrellas' individual sub-fund KIID's. The ONR System is designed, however, to validate that there is two documents attached, i.e. the KIID and the confirmation letter, in order to accept the filing as complete. Accordingly, if for example, five sub-fund KIID's are being filed, the same confirmation letter at umbrella level will need to be separately uploaded five times with the five different KIID's for the ONR System to accept the submission.

57. One respondent recommended that the KIID questionnaire include a reference to the Central Bank's CIS code.

Central Bank: As indicated in Fields 1 and 3 of the KIID questionnaire, the Central Bank CIS codes will be pre-populated into the questionnaire based on user selections.

58. One respondent recommended a bulk upload facility to allow multiple share-class KIID's to be uploaded at one time.

Central Bank: The ONR System is designed to permit bulk uploads of attachments so there will be no issue with numerous share class KIID's being uploaded at the one time per sub-fund.

For clarification it should be noted, that while a single questionnaire is required to be completed for the filing of multiple share classes, thereby permitting a bulk upload, this is not the case for multiple sub-funds i.e. a questionnaire needs be completed for each sub-fund. Therefore bulk uploading of sub-fund KIID's is not permitted.

CP59 Industry Feedback 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.

59. One respondent believes that operationally it would be beneficial to gain a better understanding of the management of system access and password control to assist in planning resources effectively.

Central Bank: As noted in more detail below, the Central Bank will provide training in relation to the operation of the ONR System and in relation to how passwords and log-ins will work in practice.

60. One respondent sought clarification on the timing of implementation and recommended the first filing of financial statements be the interim financial statements in 2013.

Central Bank: The Central Bank is working towards having the ONR System ready for CIS by March 2013. The Central Bank expects that the annual financial statements for 31 December 2012, due to be filed with the Central Bank by 30 April 2013, will be filed via the ONR System.

61. One respondent believes sufficient time should be given to ensure all parties can avail of training. It was recommended that similar training, as was previously provided by the Central Bank when investment firms moved to on-line reporting, should be given.

Central Bank: The ONR System is currently under development to facilitate CIS. Once the ONR System has been adapted and tested the Central Bank will provide training to industry participants.

Similar training to that provided to investment firms and administrators will be provided in a conference centre. The Central Bank is investigating producing a training video to cater for persons located outside Dublin.

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.

Central Bank: Any clarifications sought are responded to above.

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

62. One respondent provided that this issue should be addressed when it has been determined that the proposals are to proceed.

Central Bank: As noted above, these proposals will proceed and it is intended that these will be implemented to accommodate the 31 December 2012 annual financial statements filing due to be submitted to the Central Bank by 30 April 2013.

63. One respondent recommended that when completing the Annual Sub-Fund Profile Return that there should be an option to replicate the responses across the relevant sub-funds.

Central Bank: The Central Bank has considered this request and is not in favour of providing this facility as it expects each field response to be considered for veracity before completion as opposed to bulk replication of responses. Accordingly this facility will not be available on the ONR System. Where the Central Bank can pre-populate a field, it will do so, thus increasing the overall efficiency of an individual return.

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