



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Discussion Paper

An approach to macroprudential policy for investment funds

Feedback from the Association of Real
Estate Funds (AREF)

July 2024

Question 1: Do you agree with the above assessment of the potential channels through which investment funds can generate systemic risk?

No response.

Question 2: Do you agree with the assessment in this Discussion Paper that it is primarily the collective actions of investment funds that can generate systemic risks?

No response.

Question 3: Do you agree that the current regulatory framework for funds - which has primarily been designed at a global level from an investor protection perspective - has not been sufficient to reduce the propensity of certain fund cohorts to amplify shocks?

No response.

Question 4: Do you agree with the key proposed objectives and principles of macroprudential policy for funds as set out in this Discussion Paper? Are there additional principles, which need to be considered?

No response.

Question 5: Do you agree with the analysis and the issues highlighted pertaining to the design of potential specific macroprudential tools for the funds sector? Are there are additional potential tools that could be explored?

No response.

Question 6: Do you agree that tools could target the interconnectedness of funds as well as/instead of their vulnerabilities?

No response.

Question 7: Do you agree with the governance and data considerations highlighted in this Discussion Paper when operationalising macroprudential policy for funds?

No response.

Question 8: Beyond governance and data considerations, are there additional issues that need to be considered when operationalising macroprudential policy for funds?

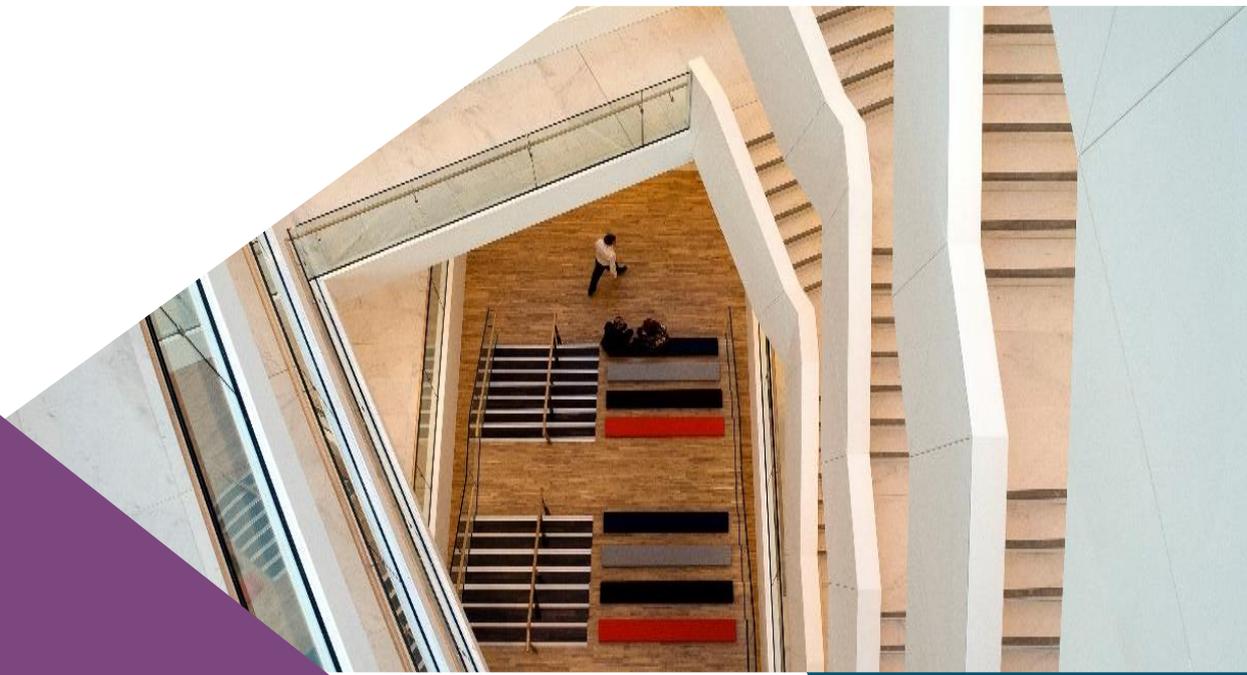
The Association of Real Estate Funds (AREF) represents the UK real estate funds industry and has over 50 member funds with a collective net asset value of more than £50 billion under management on behalf of their investors. The Association is committed to promoting transparency in performance measurement and fund reporting through the AREF Code of Practice, the MSCI/AREF UK Quarterly Property Funds Index and the AREF Property Fund Vision Handbook.

AREF, INREV and CREFC Europe together considered the content of the Discussion Paper: An approach to macroprudential policy for investment funds (“Discussion Paper”) from the point of view of our members within the real estate fund and finance sectors. INREV have taken into consideration the views of all the associations within their own response and AREF would like to confirm it supports INREV’s response.

We would particularly like the CBI to clearly clarify how real estate funds would fit into a macroprudential framework for the investment sector and if there would be any changes to the conclusions from CP145.

We agree with INREV, that CBI should ensure any liquidity management policies in Ireland are aligned with any new measures, in relation to liquidity management, introduced in the EU under the review of AIFMD.

We raised concerns with FSB and IOSCO regarding incorrect assumptions, in respect of real estate, in their consultations relating to liquidity management published over the summer in 2023. Details of our concerns are summarised within INREV's response to the Discussion Paper. We would ask CBI to take care when considering FSB's and IOSCO's conclusions in relation to liquidity management for real estate funds.



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