



Banc Ceannais na hÉireann
Central Bank of Ireland

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Regulatory Transactions Service Standards Performance Report: January – June 2015



Contents

Introduction	2
Funds and Fund Service Providers Authorisation	3
Investment Firms Authorisation	5
Regulated Disclosures - Prospectus Approval	6
Retail Intermediaries, Money Lenders, Payment Firms, Bureaux de Change and Debt Management Firms Authorisation.....	7
Insurance / Reinsurance Undertakings Authorisation	9
Credit Institutions Authorisation.....	9
Trust or Company Service Providers	10
Fitness and Probity PCF Service Standards.....	11
Appendix A	12




Introduction

Authorisation of Funds, Regulated Financial Service Providers (FSPs) and the processing of Fitness and Probity Pre-Approval Control Functions (PCF) Individual Questionnaire (“IQ”) applications is an important supervisory gateway and a significant operational activity of the Central Bank of Ireland (the “Bank”). The Bank is committed to providing a clear, open and transparent authorisation process while ensuring a rigorous assessment of the applicable regulatory standards.




This document sets out the Bank’s performance against Service Standards that it has committed to in respect of (i) Authorisation of Funds, (ii) Authorisation of FSPs and (iii) processing of PCF “IQ” applications.

In addition the report also sets out how the Bank has delivered on the commitments made in the Consultation on Authorisation of Regulated Firms, Funds and Intermediaries: Process Improvements and Service Standards (CP67) and Feedback Statement published in 2013.

Funds and Fund Service Providers Authorisation

ID	Standard	Target	Performance
T1	To process UCITS ¹ and RIAIF ² applications.	<ul style="list-style-type: none"> Initial Submission assessed within 20 business days Subsequent Submission assessed within 10 business days 	 (94%)
T2	To process UCITS and RIAIF sub funds (fast track) applications.	<ul style="list-style-type: none"> Initial Submission assessed within 10 business days Subsequent Submission assessed within 5 business days 	 (87%)
T3	To process QIAIF ³ applications	<ul style="list-style-type: none"> Authorisation within 1 business day 	 (100%)

In H1 2015 all Service Standards were met⁴. Guidance on what constitutes a complete application for [UCITS](#), and [AIFs](#)⁵ (RIAIFs and QIAIFs) is available on the Bank's website.

ID	Standard	Target	Performance
T4	To process UCITS Management Company applications	<ul style="list-style-type: none"> Authorisation within 6 months 	 (100%)
T5	To process AIF Management Company applications	<ul style="list-style-type: none"> Approval within 6 months 	 (100%)
T6	To process AIFM ⁶ applications	<ul style="list-style-type: none"> Authorisation within 6 months 	 (100%)
T7	To process Fund Administrator applications	<ul style="list-style-type: none"> Authorisation within 6 months 	No applications received
T8	To process Fund Depository applications	<ul style="list-style-type: none"> Authorisation within 6 months 	No applications received

In H1 2015, all Service Standards were met⁷. Guidance on what constitutes a complete application for a [UCITS Management Company](#), [AIFM](#), [Fund Administrator](#), and [Fund Depository](#) is available on the Bank's website.

¹ UCITS: Undertakings for Collective Investment in Transferable Securities

² RIAIF: Retail Investor Alternative Investment Fund

³ QIAIF: Qualifying Investor Alternative Investment Fund






⁴ The Service Standards reported on in Table 1 differ from those outlined in CP67. Updated service standards will be adopted in conjunction with the automation of the authorisation process.

⁵ AIF: Alternative Investment Fund

⁶ AIFM: Alternative Investment Fund Manager



⁷ The Service Standards reported on in Table 2 differ from those outlined in CP67. Updated service standards will be adopted in conjunction with the automation of the authorisation process.

Guidance on what constitutes a complete application for an AIF Management Company will be published by Q4 2015. This guidance will be similar to the authorisation process currently in place for UCITS Management Companies.

Table 3: Service Standards for Self-Managed Investment Companies, Internally Managed AIFs, Investment Managers and Promoters			
ID	Standard	Target	Performance
T9	Authorisation of Self-Managed Investment Companies	<ul style="list-style-type: none"> Initial submission assessed within 20 business days Subsequent submission assessed within 10 business days 	 (100%)
T10	Internally Managed AIFs (Authorised)	<ul style="list-style-type: none"> Initial submission assessed within 20 business days Subsequent submission assessed within 10 business days 	 (98%)
T11	Internally Managed AIFs (Registered)	<ul style="list-style-type: none"> Initial submission assessed within 5 business days Subsequent submission assessed within 3 business days 	 (100%)
T12	Assessment of Investment Managers (EU authorised)	<ul style="list-style-type: none"> Submission assessed within 1 business day 	 (90%)
T13	Assessment of Investment Managers (Non – EU Authorised) and Promoters	<ul style="list-style-type: none"> Initial submission assessed within 5 business days Subsequent submission assessed within 3 business days 	 (90%)

In H1 2015, all Service Standards were met. Guidance on what constitutes a complete application for [Self-Managed Investment Companies](#), [Internally Managed AIFs](#), [Investment Managers](#) and [Promoters](#) is available on the Bank’s website.

Investment Firms Authorisation

ID	Standard	Target	Performance
T14	To process MiFID ⁸ Level 1 applications (Small firms with non-complex investment strategies)	<ul style="list-style-type: none"> Initial submission assessed within 20 business days Firm must respond within 10 business days of receiving first comments Response to first comments assessed within 10 business days Final submission assessed with 10 business days Firm must respond within 10 business days of receiving final comments 	 (100%)
T15	To process MiFID Level 2 applications (Larger firms or those with complex investment strategies)	<ul style="list-style-type: none"> Initial submission assessed within 40 business days Response to first comments assessed within 10 business days Response to second comments assessed within 20 business days Final submission assessed with 10 business days Firm must respond within 10 business days of receiving final comments 	 (100%)




In H1 2015, all Service Standards were met. [Guidance](#) on what constitutes a complete application for an Investment Firm is available on the Bank's website. The Service Standards reported on in Table 4 are different to those outlined in the CP67 - Table 5 refers. Following consultation with the stakeholders in Q4 2013 and again in Q2 2015, the Bank decided that Service Standards reported on in Table 4 are more appropriate.

ID ⁹	Standard	Target
A1.1	To process complete applications	<ul style="list-style-type: none"> 100% within 6 months of becoming complete
A1.2	To process complete applications	<ul style="list-style-type: none"> 75% within 3 months of becoming complete
A1.4	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt

⁸ MiFID: Markets in Financial Instruments Directive

⁹ ID references in Table 5 relate to those in CP67

Regulated Disclosures - Prospectus Approval

Table 6: Service Standards for Prospectus Approval			
ID	Standard	Target	Performance
T16	Debt Prospectuses	<ul style="list-style-type: none"> Initial Submission assessed within 10 business days Subsequent submission assessed within 10 business days Financial Supplement approved on same day Initial Submission for Recognised Prospectus Advisor (RPA) assessed within 3 business days Subsequent Submission for RPA assessed within 2 business days 	 (100%)
T17	Closed – ended Funds Prospectuses	<ul style="list-style-type: none"> Initial Submission assessed within 10 business days Subsequent submission assessed within 10 business days Initial Submission for RPA assessed within 5 business days Subsequent Submission for RPA assessed within 2 business days 	 (100%)
T18	Equity Prospectuses	<ul style="list-style-type: none"> Initial Submission assessed within 10 business days / 20 business days for IPOs¹⁰ Subsequent submission assessed within 10 business days / 20 business days for IPOs Initial Submission for RPA assessed within 10 business days / 20 business days for IPOs Subsequent Submission for RPA assessed within 10 business days / 20 business days for IPOs 	 (100%)

In H1 2015, all Service Standards were met¹¹. [Guidance](#) in relation to the submission of prospectuses under the Prospectus Regulations is provided on the Bank's website. The targets set out in Table 6 above derive from Article 13 of the Prospectus Directive. In certain instances as set out in the Prospectus Directive, these time limits may be extended by the Bank. RPA relates to listing agents/sponsors that have agreed to certain conditions with the Bank with regard to the submission, review and approval of prospectuses. There is an obligation in the RPA Agreement that the RPA must ensure in as far as possible that the first draft of the prospectus should be submitted in a form that is likely to require a minimum amount of redrafting.



¹⁰ IPO: Initial Public Offering

¹¹ These Service Standards did not form part of CP67

Retail Intermediaries, Money Lenders, Payment Firms, Bureaux de Change and Debt Management Firms Authorisation



The Authorisation Service Standards set out do not apply to applications (a) where another regulatory authority has to be contacted, (b) which are subject to interview, (c) where significant legal issues arise, (d) where significant fitness and probity issues arise, (e) where the business model of an applicant is complex or novel in nature, (f) where significant changes to the business model, the applicant's shareholder structure or other key aspects of an application arise during the review process, or where the application becomes dormant, and (g) where the Bank is minded to refuse an application. The time taken by an applicant to address matters raised by the Bank during the authorisation process is excluded from the Authorisation Service Standards. Applications that remain dormant with no positive engagement from an applicant will be returned.

Retail Intermediaries

Table 7: Service Standards for Retail Intermediaries ¹²			
ID	Standard	Target	Performance
T19	To process complete applications	<ul style="list-style-type: none"> 90% within 3 months of becoming complete 	 (97%)
T20	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	 (100%)

In H1 2015, all Service Standards were met. Guidance on completing an application for Retail Intermediaries will be published in Q4 2015.


Money Lenders

Table 8: Service Standards for Money Lenders			
ID	Standard	Target	Performance
T21	To process complete applications	<ul style="list-style-type: none"> 90% within 3 months of becoming complete 	No applications received
T22	To process complete renewals	<ul style="list-style-type: none"> 100% prior to expiry of existing licence 	 (100%)
T23	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	 (100%)

¹² Retail Intermediaries include Investment, Insurance and Mortgage Intermediaries.


In H1 2015, all Service Standards were met. [Guidance](#) on completing an application is available on the Bank’s website. For 2015, the Bank raised the Service Standards from the Service Standards which applied in 2014¹³. T21 was raised to 90 per cent within 3 months of becoming complete for all applications (from 75 per cent within 3 months and 100% within 6 months). This enhances the Service Standards the Bank has committed to and aligns the Service Standards for Money Lenders with the Service Standards for Retail Intermediaries. T22 was amended to 100 per cent prior to the expiry of the existing licence (from 90% within 2 months of becoming complete at peak times and 1 month at all other times). This amendment aligns the Bank’s approach to the legislative requirement that licences must be issued on a 12 month basis.

Payment Firms¹⁴ and Bureaux de Change

Table 9: Service Standards for Payment Firms and Bureaux de Change			
ID	Standard	Target	Performance
T24	To process complete applications	<ul style="list-style-type: none"> 100% within 6 months of becoming complete 	No applications were authorised
T25	To process complete applications	<ul style="list-style-type: none"> 75% within 3 months of becoming complete 	No applications were authorised
T26	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	 (100%)

In H1 2015, all service standards were met. Guidance on completing an application for [Payment Institutions](#), [Electronic Money Institutions](#) and [Bureaux de Change](#) is available on the Bank’s website. Guidance on completing an application for Money Transmission Businesses will be published in Q4 2015.

Debt Management Firms




Table 10: Service Standards for Debt Management Firms			
ID	Standard	Target	Performance
T27	To process complete applications	<ul style="list-style-type: none"> 90% within 3 months of becoming complete 	No applications were authorised
T28	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	 (100%)

In H1 2015, all Service Standards were met. [Guidance](#) on completing an application is available on the Bank’s website for Debt Management Firms.

¹³ As set out in the Bank’s Annual Performance Statement (Financial Regulation) 2014-2015.

¹⁴ Payment Firms include Payment Institutions, Electronic Money Institutions and Money Transmission Businesses.

Insurance / Reinsurance Undertakings Authorisation

Table 11: Service Standards for Insurance / Reinsurance Undertakings			
ID	Standard	Target	Performance
T29	To process complete applications	<ul style="list-style-type: none"> 100% within 6 months of becoming complete 	 (100%)
T30	To process complete applications	<ul style="list-style-type: none"> 75% within 3 months of becoming complete 	 (86%)
T31	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	 (100%)

In H1 2015, all Service Standards were met. [Guidance](#) on what constitutes a complete application for Insurance Undertakings is available on the Bank's website.

Credit Institutions Authorisation

Table 12: Service Standards for Credit Institutions			
ID	Standard	Target	Performance
T32	To process complete applications	<ul style="list-style-type: none"> 100% within 6 months of becoming complete 	-
T33	To process complete applications	<ul style="list-style-type: none"> 75% within 3 months of becoming complete 	-
T34	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	-





In H1 2015, there were no applications received. [Guidance](#) on what constitutes a complete application for Credit Institutions is available on the Bank's website.

Trust or Company Service Providers

It is proposed to introduce Service Standards and provide guidance on a complete application for [Trust or Company Service Providers](#) with effect from 1 October 2015. The Service Standards that will apply are set out in Table 13.

Table 13: Service Standards for Trust or Company Service Providers			
ID	Standard	Target	Standards Commence
P1	To process complete applications	<ul style="list-style-type: none"> 90% within 3 months of becoming complete 	Q4 2015
P2	To return incomplete applications	<ul style="list-style-type: none"> 100% within 2 weeks of receipt 	Q4 2015

Fitness and Probity PCF Service Standards

Table 14: Fitness and Probity Standards			
ID	Standard	Target	Performance
T35	Provide a response to submitting entity where an IQ is incomplete.	<ul style="list-style-type: none"> 85% of cases within 5 business days 	 (90%)
T36	Process IQ application for Qualifying Investor Fund (QIF)/ Qualifying Investor Alternative Investment Funds (QIAIF).	<ul style="list-style-type: none"> 85% of applications within 5 business days 	 (95%)
T37	Process IQ application for individual previously approved by Central Bank of Ireland or European Economic Area (EEA) Financial Services Regulator.	<ul style="list-style-type: none"> 85% of applications within 12 business days 	 (95%)
T38	Process "standard" IQ Application – i.e. non QIF/QIAIF and/or individual not previously approved.	<ul style="list-style-type: none"> 85% of applications within 15 business days 	 (96%)

In H1 2015, all Service Standards were met. [Guidance](#) on what constitutes a complete Fitness and Probity application is available on the Bank's website.

These turnaround times do not apply to applications (a) where another regulator has to be contacted, (b) which are subject to interview, (c) form part of an authorisation, (d) form part of an acquiring transaction or (e) are in respect of qualifying shareholders.

In the context of incomplete PCF IQs which were returned during the period under review, Appendix A sets out the main reasons why PCF IQs continue to be returned as incomplete.

Appendix A

Reasons why an IQ application may be returned as incomplete¹⁵.

Section of IQ	Reason
3	Omitting 'Other relevant experience' or details of roles and responsibilities from question 3.1 demonstrating the applicants experience in a particular sector and/or to a particular function. For example credit union experience gained on a voluntary basis or details of specific duties held to demonstrate experience or knowledge.
4	Incomplete supporting documentation demonstrating compliance with the Minimum Competency Code, such as evidence of qualifications, grandfathering status, new entrant status, and proof of continuing professional development.
5	Lack of supporting documentation in respect of a matter disclosed in Reputation and Character section 5.
6	For Passporting persons ¹⁶ : Lack of documentation to demonstrate that the person is entitled under the laws of an EEA / EU member state to perform the equivalent to the PCF function.
6 and 9	Applicant providing incomplete list of directorships/senior positions and/or inaccurate/inappropriate number of days dedicated to the position in sections 6 and 9.
11 and 12	IQ completed by and / or submitted by a person whose name does not match the name of the applicant or the name of the proposer and / or The proposer is not an approved person within the entity with the authority to submit the IQ.

¹⁵ Please note that applications have also been returned as incomplete outside of the specified turnaround time as a result of persons not communicating appropriately with the Fitness & Probity (F&P) team in relation to queries raised. In each case, the F&P team has advised of the possibility of rejection and has offered persons an opportunity to engage within a specified timeframe. Where no engagement or inadequate engagement has occurred, the application will be rejected.

¹⁶ Persons performing a PCF in another EEA / EU member state, who are proposed to perform a similar PCF role within the same industry sector in Ireland.

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