



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

# Regulatory Service Standards Performance Report: January – June 2018

August 2018

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## Introduction

Authorisation of Investment Funds, Financial Service Providers (“FSPs”) and the processing of Fitness and Probity Pre-Approval Controlled Function (“PCF”) Individual Questionnaire (“IQ”) applications is an important supervisory gateway and a significant operational activity of the Central Bank of Ireland (the “Central Bank”). The Central 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 Central Bank’s performance against Service Standards that it has committed to in respect of (a) authorisation of FSPs and Investment Funds, (b) processing of PCF IQ applications and (c) contact management.

There are 45 Service standards in total. 27 of the 29 standards which applied during the period were either met or exceeded.

We welcome any feedback you might have in relation to this publication. Please provide feedback to [onlinereturns@centralbank.ie](mailto:onlinereturns@centralbank.ie).

## Funds and Fund Service Providers Authorisation

Table 1: Service Standards for Funds				
ID	Standard	Target	Performance	Number of Submissions <sup>1</sup>
T1	To process UCITS and RIAIF applications.	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 20 business days</li> <li>90% of subsequent submissions assessed within 10 business days</li> </ul>	100%	144
T2	To process UCITS and RIAIF funds/sub funds (fast track) applications	<ul style="list-style-type: none"> <li>90% of initial submission assessed within 10 business days</li> <li>90% of subsequent submission assessed within 5 business days</li> </ul>	99%	990
T3	To process QIAIF applications	<ul style="list-style-type: none"> <li>100% authorised within 1 business day</li> </ul>	100%	328

In H1 2018, all Service Standards were met – Table 1 refers. Guidance on what constitutes a complete application for [UCITS](#) and [AIFs](#) is available on the Central Bank’s website. Guidance on [how to submit applications](#) through the ORION Portal is also available.

<sup>1</sup> Note that UCITS / RIAIF applications typically involve more than one submission. QIAIFs involve one submission.

Table 2: Service Standards for Fund Service Providers				
ID	Standard	Target	Performance	Number of Applications
T4	To process UCITS Management Company applications	<ul style="list-style-type: none"> <li>90% of authorisations within 6 months</li> </ul>	100%	3
T5	To process AIF Management Company applications	<ul style="list-style-type: none"> <li>90% of approvals within 6 months</li> </ul>	100%	1
T6	To process externally managed AIFM applications	<ul style="list-style-type: none"> <li>90% of authorisations / Registrations within 6 months</li> </ul>	100%	Authorisation 3 Registration 5
T7	To process Fund Administrator applications	<ul style="list-style-type: none"> <li>90% of authorisations within 6 months</li> </ul>	None applicable	0
T8	To process Fund Depository applications	<ul style="list-style-type: none"> <li>90% of authorisations within 6 months</li> </ul>	None applicable	0

In H1 2018, all Service Standards for applications received were met - Table 2 refers. Guidance on what constitutes a complete application for a [UCITS Management Company](#), [AIFM](#), [Fund Administrator](#), and [Fund Depository](#) is available on the Central Bank's website. Guidance on the [AIF Management Company](#) authorisation process is also available.

ID	Standard	Target	Performance	Number of Submissions <sup>2</sup>
T9	To process applications for Self-Managed Investment Companies	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 20 business days</li> <li>90% of subsequent submissions assessed within 10 business days</li> </ul>	85%	13
T10	To process applications for Internally Managed AIFs (Authorised)	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 20 business days</li> <li>90% of subsequent submissions assessed within 10 business days</li> </ul>	None applicable	0
T11	To process applications for Internally Managed AIFs (Registered)	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 5 business days</li> <li>90% of subsequent submissions assessed within 3 business days</li> </ul>	None applicable	0
T12	To assess applications for the clearance of Investment Managers (EU authorised)	<ul style="list-style-type: none"> <li>90% of submissions assessed within 1 business day</li> </ul>	100%	42
T13	To assess applications for the clearance of Investment Managers (Non - EU Authorised)	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 5 business days</li> <li>90% of subsequent submissions assessed within 3 business days</li> </ul>	84%	205

In H1 2018, two of the 29 service standards were not met: i) Target 9, 85% of submissions for self-managed investment funds were assessed within set timelines (target 90%); and ii) Target 13, 84% of submissions for the clearance of Investment Managers (Non - EU Authorised) were assessed within set timelines (target 90%). This is the first time that these service standards have not been met and was due to increases in the number of Investment Manager Submission's processed during the period (205) and in particular a 27% spike in submissions received in Q2 compared to the same period in Q2 2017. This increase in volume impacted both services standards as they are processed by the same team. The

<sup>2</sup> Number of submissions received in relation to all applications. An application will typically have multiple submissions prior to being cleared/authorised.

Central Bank continues to prioritise assessing and processing applications in line with our published standards and is applying its resources accordingly.

Guidance on what constitutes a complete application for [Self-Managed Investment Companies](#), [Internally Managed AIFs](#), and [Investment Managers](#) is available on the Central Bank's website.

## Investment Firms Authorisation

Table 4: Service Standards for Investment Firms				
ID	Standard	Target	Performance	Number of Applications
T14	To process MiFID Level 1 applications (Small firms with non-complex investment strategies)	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 20 business days</li> <li>90% of responses to first comments assessed within 10 business days</li> <li>90% of final submissions assessed within 10 business days</li> </ul>	None applicable	0
T15	To process MiFID Level 2 applications (Larger firms or those with complex investment strategies)	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 40 business days</li> <li>90% of responses to first comments assessed within 10 business days</li> <li>90% of responses to second comments assessed within 20 business days</li> <li>90% of final submissions assessed within 10 business days</li> </ul>	100%	4

In H1 2018, all Service Standards for applications received were met- Table 4 refers. Guidance on what constitutes a complete application for an [Investment Firm](#) is available on the Central Bank's website. The Service Standards (T14 and T15) only apply if firms respond to the Central Bank's request for additional information within 10 working days.

## Regulated Disclosures - Prospectus Approval

Table 5: Service Standards for Prospectus Approval				
ID	Standard	Target	Performance	Number of Applications
T16	Debt Prospectuses	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 10 business days</li> <li>90% of subsequent submissions assessed within 10 business days</li> <li>90% of financial supplements approved on same day</li> <li>90% of initial submissions for Recognised Prospectus Advisor (RPA) assessed within 3 business days</li> <li>90% of subsequent submissions for RPA assessed within 2 business days</li> </ul>	99%	1,871
T17	Closed – ended Funds Prospectuses	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 10 business days</li> <li>90% of subsequent submissions assessed within 10 business days</li> <li>90% of initial submissions for RPA assessed within 5 business days</li> <li>90% of subsequent submissions for RPA assessed within 2 business days</li> </ul>	100%	7
T18	Equity Prospectuses	<ul style="list-style-type: none"> <li>90% of initial submissions assessed within 10 business days / 20 business days for Initial Public Offerings (IPOs)</li> <li>90% of subsequent submissions assessed within 10 business days / 20 business days for IPOs</li> <li>90% of initial submissions for RPA assessed within 10 business days / 20 business days for IPOs</li> <li>90% of subsequent submissions for RPA assessed within 10 business days / 20 business days for IPOs</li> </ul>	98%	42

In H1 2018, all Service Standards were met – Table 5 refers. Guidance in relation to the submission of [Prospectuses](#) is provided on the Central Bank’s website. The targets set out in Table 5 above derive from Article 13 of the Prospectus Directive. In certain instances, as set out in the Prospectus Directive, the Central Bank may extend these time limits.

## Retail Intermediaries, Moneylenders, Retail Credit Firms, Home Reversion Firms, Payment Firms and Bureaux de Change Authorisation

The 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 Central Bank is minded to refuse an application. The time taken by an applicant to address matters raised by the Central Bank during the authorisation process is excluded from the Service Standards. Applications that remain dormant with no positive engagement from an applicant are returned.

<b>Table 6: Service Standards for Retail Intermediaries (Investment Intermediaries, Insurance Intermediaries, Mortgage Intermediaries and Mortgage Credit Intermediaries) and Debt Management Firms</b>				
<b>ID</b>	<b>Standard</b>	<b>Target</b>	<b>Performance</b>	<b>Number of Applications</b>
T19	To acknowledge receipt of application	<ul style="list-style-type: none"> <li>95% within 3 business days of receipt of application</li> </ul>	99%	70
T20	To complete key information check	<ul style="list-style-type: none"> <li>95% within 10 business days of receipt of application</li> </ul>	100%	55
T21	To complete the assessment phase and notify applicant of outcome <sup>3</sup>	<ul style="list-style-type: none"> <li>90% within 90 business days of commencement of assessment phase</li> </ul>	100%	50
T22	To complete the notification of decision phase and notify applicant of outcome	<ul style="list-style-type: none"> <li>90% within 10 business days of receipt of satisfactory response to issues set out in notification of outcome of assessment phase</li> </ul>	100%	24

In H1 2018, all Service Standards were met – Table 6 refers. Guidance on completing an application for [Retail Intermediaries](#) and [Debt Management](#) Firms is available on the Central Bank’s website.

<sup>3</sup> In the event of further and/or subsequent information being sought, this 90-day timeframe is paused until such information is received by the Central Bank from the applicant.

Table 7: Service Standards for Moneylenders, Retail Credit Firms and Home Reversion Firms				
ID	Standard	Target	Performance	Number of Applications
T23	To complete acknowledgement of receipt of application	<ul style="list-style-type: none"> <li>95% within 3 business days of receipt of application</li> </ul>	100%	2
T24	To complete key information check	<ul style="list-style-type: none"> <li>95% within 10 business days of receipt of application</li> </ul>	100%	2
T25	To complete the assessment phase and notify applicant of outcome <sup>4</sup>	<ul style="list-style-type: none"> <li>90% within 90 business days of commencement of assessment phase</li> </ul>	None applicable	0
T26	To complete the notification of decision phase and notify applicant of outcome	<ul style="list-style-type: none"> <li>90% within 10 business days of receipt of satisfactory response to issues set out in notification of outcome of assessment phase</li> </ul>	None applicable	0
T27	To process complete renewals of moneylender licences	<ul style="list-style-type: none"> <li>100% prior to expiry of existing licence</li> </ul>	100%	8

In H1 2018, all Service Standards for applications received were met – Table 7 refers. Guidance on completing an application for [Moneylenders](#), [Retail Credit Firms](#) and [Home Reversion Firms](#) is available on the Central Bank’s website.

<sup>4</sup> In the event of further and/or subsequent information being sought, this 90-day timeframe is paused until such information is received by the Central Bank from the applicant.

<b>Table 8: Service Standards for Payment Firms (Payment Institutions, Electronic Money Institutions, Small Electronic Money Institutions and Money Transmission Businesses) and Bureaux de Change</b>				
<b>ID</b>	<b>Standard</b>	<b>Target</b>	<b>Performance</b>	<b>Number of Applications</b>
T28	To complete acknowledgement of receipt of application	<ul style="list-style-type: none"> <li>95% within 3 business days of receipt of application</li> </ul>	100%	7
T29	To complete key information check	<ul style="list-style-type: none"> <li>95% within 10 business days of receipt of application</li> </ul>	100%	6
T30	To complete the assessment phase and notify applicant of outcome <sup>5</sup>	<ul style="list-style-type: none"> <li>90% within 90 business days of commencement of assessment phase</li> </ul>	None applicable	0
T31	To complete the notification of decision phase and notify applicant of outcome	<ul style="list-style-type: none"> <li>90% within 10 business days of receipt of satisfactory response to issues set out in notification of outcome of assessment phase</li> </ul>	None applicable	0

In H1 2018, all Service Standards for applications received were met – Table 8 refers. Guidance on completing an application for Payment Firms ([Payment Institutions](#), [Electronic Money Institutions](#), [Small Electronic Money Institutions](#), [Money Transmission Businesses](#)), and [Bureaux de Change](#) is available on the Central Bank’s website.

<sup>5</sup> In the event of further and/or subsequent information being sought, this 90-day timeframe is paused until such information is received by the Central Bank from the applicant.

## Insurance / Reinsurance Undertakings Authorisation

Table 9: Service Standards for Insurance / Reinsurance Undertakings				
ID	Standard	Target	Performance	Number of Applications
T32	To process complete applications	<ul style="list-style-type: none"> <li>100% within 6 months of becoming complete</li> </ul>	None applicable	0
T33	To process complete applications	<ul style="list-style-type: none"> <li>75% within 3 months of becoming complete</li> </ul>	None applicable	0
T34	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	100%	10

In H1 2018, all Service Standards for applications received were met – Table 9 refers. Guidance on what constitutes a complete application for [Insurance/ Reinsurance Undertakings](#) is available on the Central Bank’s website.

## Credit Institutions Authorisation

ID	Standard	Target	Performance	Number of Applications
T35	To process complete applications	<ul style="list-style-type: none"> <li>100% within 6 months of becoming complete</li> </ul>	None applicable	0
T36	To process complete applications	<ul style="list-style-type: none"> <li>75% within 3 months of becoming complete</li> </ul>	None applicable	0
T37	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	None applicable	0

In H1 2018, Service Standards did not apply as no applications were received. Guidance on what constitutes a complete application for [Credit Institutions](#) is available on the Central Bank's website.

## Trust or Company Service Providers

ID	Standard	Target	Performance	Number of Applications
T38	To process complete applications	<ul style="list-style-type: none"> <li>90% within 3 months of becoming complete</li> </ul>	100%	2
T39	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	None Applicable	0

In H1 2018, all Service Standards for applications received were met – Table 11 refers. Guidance on what constitutes a complete application for [Trust or Company Service Providers](#) is available on the Central Bank’s website.

## **Applications for Authorisation – Withdrawn / Dormant**

Across all sectors, in H1 2018:

- 55 applications / submissions were withdrawn by the applicant; and
- 25 applications / submissions were deemed dormant during the period from January to June 2018, as there had not been any engagement from the applicant.

## Fitness and Probity PCF Service Standards

Table 12: Fitness and Probity Service Standards				
ID	Standard	Target	Performance	Number of Applications
T40	Provide a response to submitting entity where an IQ is incomplete <sup>6</sup> .	<ul style="list-style-type: none"> <li>85% of cases within 5 business days</li> </ul>	99%	87
T41	Process IQ application for Qualifying Investor Fund (QIF)/ Qualifying Investor Alternative Investment Funds (QIAIF).	<ul style="list-style-type: none"> <li>85% of applications within 5 business days</li> </ul>	98%	231
T42	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"> <li>85% of applications within 12 business days</li> </ul>	92%	294
T43	Process "standard" IQ Application – i.e. non QIF/QIAIF and/or individual not previously approved.	<ul style="list-style-type: none"> <li>85% of applications within 15 business days</li> </ul>	91%	417

In H1 2018, all Service Standards were met – Table 12 refers. Guidance on what constitutes a complete [Fitness and Probity](#) application is available on the Central Bank's website.

The Service Standards for the authorisation process take precedence where an entity submits both an entity authorisation application and a PCF application under the Fitness & Probity regime<sup>7</sup>. In H1 2018, there were 388 such PCF applications processed.

Furthermore, the F&P Service Standards do not apply (a) where information is sought from external sources, e.g. other regulators, previous employers etc. (b) where the applicant is interviewed or (c) that form part of an acquiring transaction. In H1 2018, there were 403 such PCF applications processed.

<sup>6</sup> Appendix B sets out the main reasons why PCF IQs continue to be returned as incomplete.

<sup>7</sup> With the exception of QIF/QIAIF applications which are subject to Service Standards as set out in the above Table at T41.

## Contact Management Service Standards

ID	Standard	Target	Performance	Number of Cases
T44	To answer telephone calls to the Central Bank's Helpline <sup>8</sup>	<ul style="list-style-type: none"> <li>80% answered within 20 seconds</li> </ul>	93%	7,455
T45	To respond to 'call back requests' made to the Central Bank's Helpline	<ul style="list-style-type: none"> <li>90% of 'call backs' made within 1 business day</li> </ul>	None applicable	0

In H1 2018, all Service Standards for which there was activity were met – Table 13 refers.

<sup>8</sup> This helpline refers to calls made to the Public Contact Unit and other calls made in relation to Fitness and Probity, On-line Returns, Retail Intermediaries Firm Authorisations and the Central Credit Register (Calls in relation to the Central Credit Register include the period of January 2018 to March 2018 only).

## Appendix A – Glossary

AIF	An alternative investment fund as defined in Regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (SI No. 257 of 2013)
AIFM	An alternative investment fund manager as defined in Regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (SI No. 257 of 2013)
Central Bank	Central Bank of Ireland
FSP	Financial Service Provider
IPO	Initial Public Offering
IQ	Individual Questionnaire
MiFID	Markets in Financial Instruments Directive
Payment Firms	Payment Institutions, Electronic Money Institutions, Small Electronic Money Institutions and Money Transmission Businesses
ORION	‘Online Regulatory InformatiON’ –an online Portal through which authorisation applications in respect of certain funds and fund service providers are submitted to the Central Bank in electronic format.
PCF	Pre-Approval Controlled Function
QIAIF	An alternative investment fund authorised by the Central Bank which may be marketed to investors who meet the criteria set out in the Qualifying Investor AIF chapter of the Central Bank’s AIF Rulebook
RIAIF	An alternative investment fund authorised by the Central Bank which may be marketed to retail investors
Retail Intermediaries	Investment Intermediaries, Insurance Intermediaries, Mortgage Intermediaries and Mortgage Credit Intermediaries
RPA	Recognised Prospectus Advisor - listing agents/sponsors that have agreed to certain conditions with the Central 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.
UCITS	Undertakings for Collective Investment in Transferable Securities authorised under the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011

## Appendix B – Why IQ applications may be returned as incomplete

Section of IQ	Reason <sup>9</sup>
3	Omitting 'Other relevant experience' or details of roles and responsibilities from question 3.1 demonstrating the applicant's 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 2017, 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 <sup>10</sup> : 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 & 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 & 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.

<sup>9</sup> Please note that applications have also been returned as incomplete outside of the specified turnaround time as a result of persons not engaging with the Fitness & Probity team in relation to queries raised. In each case, the Central Bank has advised the applicant of the possibility of the application being returned and has offered an opportunity to engage within a specified timeframe. Where no engagement or inadequate engagement has occurred, the application is returned.

<sup>10</sup> 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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