



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

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Re: Brexit Contingency Planning for Investment Funds

Dear Sir/Madam,

As you will be aware on 29 March 2017, the United Kingdom (the “UK”) notified the European Council of the UK’s intention to leave the European Union (the “EU”). The Article 50 exit date of 29 March 2019 is less than 18 months away, within which time the manner of and execution of the withdrawal is to be completed.

In this context, ESMA has recently published three separate opinions dealing with MiFID investment firms, investment fund managers and self-managed funds and secondary markets trading venues.

The Board of each Self-Managed Investment Fund ¹and all externally appointed Management Companies are responsible for ensuring that each investment fund has assessed and is appropriately prepared for the impact of Brexit. This should include an analysis of the extent to which Brexit will affect fund investors, day-to-day fund operations and delivery of investment strategies. Based on this analysis, Boards should develop contingency plans for all Brexit scenarios and associated risks including communication with investors where appropriate. Contingency plans for each potential outcome including key dates for decisions and actions should be discussed and documented at Board Meetings.

In particular, consideration should be given to the extent to which each investment fund:

- Passports or Markets bilaterally into the UK
- Has ongoing obligations to UK investors
- Has significant sterling currency exposure
- Appoints third party service providers in the UK including distributors
- Appoints asset managers located in the UK
- Will be required to update documentation including prospectus, supplements, agreements etc.

¹ Self-Managed Investment Fund includes UCITS SMICs and Internally Managed AIFs



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Investment funds and their managers should consider the contents of this letter when planning for the impact of the UK's withdrawal from the EU in order to fulfil their obligations to their investors.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Patricia Dunne'.

Patricia Dunne
Head of Division
Securities and Markets Supervision