

ifia

IRISH FUNDS
INDUSTRY
ASSOCIATION



Regulatory Priorities for the Investment Funds Industry

Gary Palmer
Chief Executive
Irish Funds Industry Association

Investment Funds Industry: Regulatory Priorities



- **Product: The fund**
- **Provider: All parties to the fund**
- **For the Investment Funds Industry both the Product and the Providers are subject to regulation (both European and Domestic regulation)**

Regulatory Environment

- **A key consideration in choosing a fund domicile**
 - **Speed to market and product opportunities**
 - **Very competitive global industry**
- **Certainty and efficiency in the authorisation process**
- **Facilitative and flexible product structures**

Regulatory Environment

- **EU Dominated**
 - **UCITS IV**
 - **AIFM Directive**
 - **CESR**
- **But Domestic determined...**

UCITS

- **80% of the Assets of Irish Funds are in UCITS structures**
- **UCITS IV - to be implemented in EU Member States by 1 July 2011**
 - **Management Company Passport**
 - **Key Information Document**
 - **Streamlined cross-border notification procedure for UCITS**
 - **Framework for UCITS mergers**
 - **Framework for UCITS master-feeder**
 - **Strengthening of supervisory co-operation mechanisms between national regulators.**
- **Level 2 – implementing measures – possibly by Summer 2010**

UCITS – Priorities for the Industry in Ireland



- **Appropriate implementation of the UCITS IV Level 2 measures, particularly in relation to management company requirements and delegation of functions**

- **New tax measures, enhancing tax treatment of**
 - **UCITS**

 - **Irish UCITS IV management companies**

- **Appropriate extension of strategies within the UCITS structure**

AIFM Directive

- **Published at the end of April 2009; significant uncertainty about where it is going; due to be completed by July 2010**
- **Investment Managers – Watching:**
 - **Regulatory Requirements**
 - **Management of non-EU funds?**
 - **Distribution of non-EU funds?**
- **Industry Companies – Watching:**
 - **Impact on managers**
 - **Requirements for Industry Companies**

AIFM Directive – Priorities for the Industry in Ireland



- **Depositary liability (Art 17)**
- **Valuer liability (Art 16)**
- **Management/Distribution of Non-EU Funds**
- **Scope of the Directive**

Other Priorities for the Industry in Ireland



- **Product:**
 - **Competitiveness**
 - **Removal of the requirement to appoint a Prime Broker as sub-custodian in a QIF structure**
- **Operations /Management:**
 - **Minimum Activities**
 - **3rd Anti-Money Laundering Directive**
 - **Codification of Corporate Governance Principles**
- **Other:**
 - **Redomiciliation of funds into Ireland – Companies (Miscellaneous Provisions) Bill 2009**