

MLRO Services for Investment Funds - Ireland

Regulatory Obligations

The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and the Criminal Justice (Terrorist Offences) Act 2005 impose requirements on regulated entities to operate controls and procedures designed to prevent money laundering and combat the financing of terrorism ("AML/TF Process"). Irish investment funds are subject to these requirements and have a regulatory obligation to appoint an appropriately experienced and sufficiently senior individual as the Money Laundering Reporting Officer ("Fund MLRO").

Fund MLRO Responsibilities

The Fund MLRO is the individual recognised by the Central Bank of Ireland ("CBI") as responsible for disclosing to the Garda Síochána ("Police") and the Revenue Commissioners any suspicious transactions relating to potential money laundering or terrorist financing in the investment fund. As the investment fund may rely on a fund administrator to perform the AML/TF Process, it is necessary to have appropriate reporting and oversight procedures in place to ensure that suspicious transactions are brought to the attention of the Fund MLRO.

Customer Due Diligence ("CDD") - Investment Funds

Investors submit subscription requests to the fund administrator either directly or via a third party. As a service provider of the investment fund, the fund administrator seeks to ensure that on a risk-based approach, CDD has been performed on investors/third parties and that redemption proceeds are paid in a manner consistent with the terms of the prospectus and legislation. In order to effectively discharge his/her duties, the Fund MLRO must have confidence in the CDD controls and procedures operated by the fund administrator.

Fund MLRO Activities

In providing the MLRO service the Fund MLRO will:

- on appointment and annually thereafter perform a detailed on-site review of the documented risk-based CDD controls and procedures at the fund administrator;
- on appointment (if applicable) and annually thereafter sample check the existence and suitability of CDD documentation and the actual operation of CDD

controls at the fund administrator (including transaction monitoring, assess blocked accounts, report on the redemption process and test the screening process for politically exposed persons (PEPs) including sanctioned individuals/entities);

- upon changes to relevant legislation and money laundering and terrorist financing regulatory guidance, assess the adequacy of the AML/TF Process at the fund administrator to ensure compliance;
- establish procedures to ensure monthly/quarterly reports are received from the fund administrator permitting the Fund MLRO to report suspicious transactions (if appropriate) and monitor the ongoing maintenance of CDD documentation by the fund administrator;
- communicate suspicious transactions to the Garda Síochána and Revenue Commissioners as appropriate and maintain the register of reports;
- provide MLRO reports for each board meeting and attend such meetings in person;
- review all relevant regulation/legislation and brief the board of directors on such developments and the practical implications thereof;
- provide annual AML training addressing the Irish legislative requirements and practical issues.
- establish, and review on an annual basis, policies and procedures at a fund level consistent with legislation and the requirements of the CBI.

Since 2008 KB Associates has recognised the need for professionally qualified staff dedicated exclusively to performing the role of Fund MLRO. Recent events have endorsed that view and the need for dedicated experts is now more important than ever.



Cliff Burke

Clifford has been active in the financial services industry since 2005. He has particular experience in the areas of anti-money laundering/counter terrorist financing and transfer agency. He has been appointed by a number of global asset managers to act as the Money Laundering Reporting Officer (“MLRO”) to Irish investment funds and advise them on anti-money laundering (“AML”) issues. He is responsible for providing guidance and expertise on AML documentation to fund boards, reviewing and testing the AML procedures of fund administrators, providing training to directors and reporting to the directors on AML compliance matters.

Prior to joining KB Associates, Clifford was a senior AML specialist at Société Générale S.A. with responsibility for customer due diligence on investors in UCITS and non-UCITS funds.

Clifford is a member of the Institute of Chartered Accountants in Ireland and holds a Master of Arts in English Literature from NUI Maynooth.

email: clifford.burke@kbassociates.ie



Áine Suttle

Áine has been active in the Anti-Money Laundering compliance area since 2007. She has particular experience in the area of anti-money laundering customer due diligence. As a Consultant she acts as the Money Laundering Reporting Officer (“MLRO”) to Irish investment funds and advises them on anti-money laundering (“AML”) issues. She is responsible for providing guidance and expertise on AML documentation to fund boards, reviewing and testing the AML procedures of fund administrators, providing training to directors and reporting to the directors on AML compliance matters.

Prior to joining KB Associates, she held senior positions with Citi and Bank of America Merrill Lynch with responsibility for customer due diligence across a number of jurisdictions.

Áine holds a Master of Arts in American Literature from University College Dublin, and has completed the Professional Diploma in Compliance (LCOI).

email: aine.suttle@kbassociates.ie



Deirdre O’Callaghan

Deirdre has been active in the financial services industry since 2006. She has particular experience in the areas of anti-money laundering/counter terrorist financing and transfer agency. She has been appointed by a number of global asset managers to act as the Money Laundering Reporting Officer (“MLRO”) to Irish investment funds and advise them on anti-money laundering (“AML”) issues. She is responsible for providing guidance and expertise on AML documentation to fund boards, reviewing and testing the AML procedures of fund administrators, providing training to directors and reporting to the directors on AML compliance matters.

Prior to joining KB Associates, Deirdre was a senior AML specialist with Sumitomo Mitsui Banking Corporation Europe with responsibility for customer due diligence across a number of jurisdictions.

Deirdre holds a Business Studies (Hons) Degree from Dundalk Institute of Technology and has completed a Professional Certificate in Financial Crime Prevention (ACOI).

email: deirdre.ocallaghan@kbassociates.ie