

## Central Bank of Ireland CP86 Implementation Questionnaire

The Central Bank of Ireland (the “Central Bank”) has written to all fund management companies (‘ManCos’), self-managed UCITS and internally managed AIFs (‘SMICs’) as part of its thematic review of the implementation of the Fund Management Company Effectiveness requirements and related guidance (CP86).

The correspondence contains a questionnaire to be completed and submitted online by close of business on **Friday 5 July 2019**. The Central Bank’s stated aim of the questionnaire is “.....to identify standards of industry compliance in order to inform our supervisory approach and ensure that the required effectiveness and systems of governance are in place to protect investors’ best interests”.

The questionnaire, broadly speaking, contains more questions of a quantitative nature than of a qualitative nature, with the majority of questions requiring ‘yes/no’ responses or details of the names and time commitments of relevant individuals.

The questionnaire is divided into seven separate sections:

### **1. Governance and Business Model**

These questions focus on the directors and board composition, sub-funds/assets under management and the number of delegate arrangements in place.

### **2. Delegate Oversight**

These questions relate to the frequency of site visits to third party service providers, service level agreements, initial due diligence, ManCo/SMIC policies and procedures, approval of distribution strategies, risk management frameworks and Business Continuity Planning (“BCP”).

### **3. Organisational Effectiveness**

This section focuses on time commitments of the Organisational Effectiveness (“OE”) role, consideration by the board of the ManCo/SMIC of board effectiveness and resourcing in addition to details of any internal audit or compliance reviews of CP86 implementation.

### **4. Directors’ Time Commitments**

This section covers questions on directors’ time commitments (and any increases in the last three years). In addition, it asks if directors also act as Designated Persons for any managerial functions and requests details of letters of appointment relating to such appointments.

### **5. Managerial Functions**

Here the Central Bank asks for the identity and time commitments of the Designated Persons for each of the six managerial functions and information on any support these individuals receive in discharging their roles.

## 6. Operational Issues

This section requests information concerning retention of records and testing of accessibility of such records.

## 7. Procedural Matters

This section queries if the board approves the investment strategy of funds under management and if the ManCo in question manages any non-Irish investment funds. It also queries the number of board meetings held in 2018 and how many were held in Ireland.

If you would like to discuss the Central Bank's questionnaire further, please contact Brian Dunleavy ( 00353 1 901 0394, [brian.dunleavy@kbassociates.ie](mailto:brian.dunleavy@kbassociates.ie) or Frank Connolly (00353 1 667 1987, [frank.connolly@kbassociates.ie](mailto:frank.connolly@kbassociates.ie) ).