



Banc Ceannais na hÉireann  
Central Bank of Ireland

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# Regulatory Service Standards Performance Report: July – December 2015



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## Introduction

Authorisation of Funds, Financial Service Providers (“FSPs”) and the processing of Fitness and Probity Pre-Approval Controlled Functions (“PCF”) Individual Questionnaire (“IQ”) applications is an important supervisory gateway and a significant operational activity of the Central Bank of Ireland (the “Bank”). The 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 Bank’s performance against Service Standards that it has committed to in respect of (a) Authorisation of FSPs and Funds, and (b) processing of PCF IQ applications. The Service Standards were met or exceeded in 39 of the 40 targets set.

A number of improvements have been made to the format of the report:




- For each of the Service Standards, the number of submissions or applications that met the Standard is included;
- Links to the guidance on the Bank’s website are provided on how to submit an application for authorisation for the various entity types; and
- Information is included on applications that have (a) been withdrawn by the applicant or (b) become dormant through lack of engagement from the applicant.

Appendix A contains a glossary of terms used in the report.

## Funds and Fund Service Providers Authorisation

Table 1: Service Standards for Funds				
ID <sup>1</sup>	Standard	Target	Performance	Number of Submissions <sup>2</sup>
T1	To process UCITS and RIAIF applications.	<ul style="list-style-type: none"> <li>Initial submission assessed within 20 business days</li> <li>Subsequent submission assessed within 10 business days</li> </ul>	 (95%)	347
T2	To process UCITS and RIAIF funds/sub funds (fast track) applications	<ul style="list-style-type: none"> <li>Initial submission assessed within 10 business days</li> <li>Subsequent submission assessed within 5 business days</li> </ul>	 (91%)	599
T3	To process QIAIF applications	<ul style="list-style-type: none"> <li>100% authorised within 1 business day</li> </ul>	 (100%)	191

In H2 2015 all Service Standards were met – Table 1 refers. Guidance on what constitutes a complete application for [UCITS](#), and [AIFs](#) (RIAIFs and QIAIFs) is available on the Bank's website.

Table 2: Service Standards for Fund Service Providers				
ID	Standard	Target	Performance	Number of Applications <sup>3</sup>
T4	To process UCITS Management Company applications	<ul style="list-style-type: none"> <li>Authorisation within 6 months</li> </ul>	 (100%)	6
T5	To process AIF Management Company applications	<ul style="list-style-type: none"> <li>Approval within 6 months</li> </ul>	 (100%)	1
T6	To process externally managed AIFM applications	<ul style="list-style-type: none"> <li>Authorisation / Registration within 6 months</li> </ul>	 (100%)	Authorisation 10 Registration 6
T7	To process Fund Administrator applications	<ul style="list-style-type: none"> <li>Authorisation within 6 months</li> </ul>	None applicable	0
T8	To process Fund Depository applications	<ul style="list-style-type: none"> <li>Authorisation within 6 months</li> </ul>	None applicable	0

<sup>1</sup> For Targets T1, T2, and T4 to T18, the Service Standard has been met if performance is 90% or above.

<sup>2</sup> Number of submissions that were processed in accordance with the target. Note that UCITS / RIAIF applications typically involve more than 1 submission. QIAIFs involve 1 submission.

<sup>3</sup> Number of applications that were processed in accordance with the target.



In H2 2015, all Service Standards 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 Bank's website. Guidance on the [AIF Management Company](#) authorisation process is also available.

<b>Table 3: Service Standards for Self-Managed Investment Companies, Internally Managed AIFs, Investment Managers and Promoters</b>				
<b>ID</b>	<b>Standard</b>	<b>Target</b>	<b>Performance</b>	<b>Number of Submissions</b>
T9	To process applications for the authorisation of Self-Managed Investment Companies	<ul style="list-style-type: none"> <li>Initial submission assessed within 20 business days</li> <li>Subsequent submission assessed within 10 business days</li> </ul>	 (100%)	63
T10	To process applications for the authorisation of Internally Managed AIFs	<ul style="list-style-type: none"> <li>Initial submission assessed within 20 business days</li> <li>Subsequent submission assessed within 10 business days</li> </ul>	 (100%)	5
T11	To process applications for the registration of Internally Managed AIFs	<ul style="list-style-type: none"> <li>Initial submission assessed within 5 business days</li> <li>Subsequent submission assessed within 3 business days</li> </ul>	 (100%)	1
T12	To assess applications for the authorisation of Investment Managers (EU authorised)	<ul style="list-style-type: none"> <li>Submission assessed within 1 business day</li> </ul>	 (100%)	30
T13	To assess applications for the authorisation of Investment Managers (Non – EU Authorised) and Promoters <sup>4</sup>	<ul style="list-style-type: none"> <li>Initial submission assessed within 5 business days</li> <li>Subsequent submission assessed within 3 business days</li> </ul>	 (98%)	150

In H2 2015, all Service Standards were met – Table 3 refers. Guidance on what constitutes a complete application for [Self-Managed Investment Companies](#), [Internally Managed AIFs](#), and [Investment Managers](#) is available on the Bank's website.




<sup>4</sup> The promoter approval regime has been discontinued with effect from 1 October 2015.

## 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>Initial submission assessed within 20 business days</li> <li>Firm must respond within 10 business days of receiving first comments</li> <li>Response to first comments assessed within 10 business days</li> <li>Final submission assessed with 10 business days</li> <li>Firm must respond within 10 business days of receiving final comments</li> </ul>	 (100%)	2
T15	To process MiFID Level 2 applications (Larger firms or those with complex investment strategies)	<ul style="list-style-type: none"> <li>Initial submission assessed within 40 business days</li> <li>Response to first comments assessed within 10 business days</li> <li>Response to second comments assessed within 20 business days</li> <li>Final submission assessed with 10 business days</li> <li>Firm must respond within 10 business days of receiving final comments</li> </ul>	 (100%)	2

In H2 2015, all Service Standards were met – Table 4 refers. Guidance on what constitutes a complete application for an [Investment Firm](#) is available on the Bank's website.


## Regulated Disclosures - Prospectus Approval

Table 5: Service Standards for Prospectus Approval				
ID	Standard	Target	Performance	Number of Submissions
T16	Debt Prospectuses	<ul style="list-style-type: none"> <li>Initial submission assessed within 10 business days</li> <li>Subsequent submission assessed within 10 business days</li> <li>Financial Supplement approved on same day</li> <li>Initial submission for Recognised Prospectus Advisor (RPA) assessed within 3 business days</li> <li>Subsequent submission for RPA assessed within 2 business days</li> </ul>	 (100%)	2,414
T17	Closed – ended Funds Prospectuses	<ul style="list-style-type: none"> <li>Initial submission assessed within 10 business days</li> <li>Subsequent submission assessed within 10 business days</li> <li>Initial submission for RPA assessed within 5 business days</li> <li>Subsequent submission for RPA assessed within 2 business days</li> </ul>	 (100%)	29
T18	Equity Prospectuses	<ul style="list-style-type: none"> <li>Initial submission assessed within 10 business days / 20 business days for IPOs</li> <li>Subsequent submission assessed within 10 business days / 20 business days for IPOs</li> <li>Initial submission for RPA assessed within 10 business days / 20 business days for IPOs</li> <li>Subsequent submission for RPA assessed within 10 business days / 20 business days for IPOs</li> </ul>	 (100%)	70

In H2 2015, all Service Standards were met – Table 5 refers. Guidance in relation to the submission of [Prospectuses](#) under the Prospectus Regulations is provided on the 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, these time limits may be extended by the Bank.


## Retail Intermediaries, Money Lenders, Payment Firms, Bureaux de Change and Debt Management Firms 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 Bank is minded to refuse an application. The time taken by an applicant to address matters raised by the Bank during the authorisation process is excluded from the Service Standards. Applications that remain dormant with no positive engagement from an applicant are returned.




ID	Standard	Target	Performance	Number of Applications
T19	To process complete applications	<ul style="list-style-type: none"> <li>90% within 3 months of becoming complete</li> </ul>	 (75%)	119
T20	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	None applicable	0

In H2 2015, the Service Standard achieved was 75% rather than the 90% the Bank aimed for – Table 6 refers. The figures for H2 2015 include cases where the time taken to process the application was affected by the Bank's introduction of a new vetting process for Sole Traders and Companies Limited by Shares with only one Director, as well as cases impacted by staff shortages and turnover.




Table 7: Service Standards for Money Lenders				
ID	Standard	Target	Performance	Number of Applications
T21	To process complete applications	<ul style="list-style-type: none"> <li>90% within 3 months of becoming complete</li> </ul>	None applicable	0
T22	To process complete renewals	<ul style="list-style-type: none"> <li>100% prior to expiry of existing licence</li> </ul>	 (100%)	33
T23	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	None applicable	0

In H2 2015, all Service Standards were met – Table 7 refers. Guidance on completing an application for [Money Lenders](#) is available on the Bank’s website.




Table 8: Service Standards for Payment Firms and Bureaux de Change				
ID	Standard	Target	Performance	Number of Applications
T24	To process complete applications	<ul style="list-style-type: none"> <li>100% within 6 months of becoming complete</li> </ul>	 (100%)	1
T25	To process complete applications	<ul style="list-style-type: none"> <li>75% within 3 months of becoming complete</li> </ul>	 (100%)	1
T26	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	 (100%)	1

In H2 2015, all service standards were met – Table 8 refers. Guidance on completing an application for Payment Firms ([Payment Institutions](#), [Electronic Money Institutions](#) [Money Transmission Businesses](#)), and [Bureaux de Change](#) is available on the Bank’s website.

Table 9: Service Standards for Debt Management Firms				
ID	Standard	Target	Performance	Number of Applications
T27	To process complete applications	<ul style="list-style-type: none"> <li>90% within 3 months of becoming complete</li> </ul>	 (100%)	1
T28	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	None applicable	0



In H2 2015, all Service Standards were met – Table 9 refers. Guidance on completing an application for a [Debt Management Firm](#) is available on the Bank’s website.

## Insurance / Reinsurance Undertakings Authorisation

Table 10: Service Standards for Insurance / Reinsurance Undertakings				
ID	Standard	Target	Performance	Number of Applications
T29	To process complete applications	<ul style="list-style-type: none"> <li>100% within 6 months of becoming complete</li> </ul>	 (100%)	1
T30	To process complete applications	<ul style="list-style-type: none"> <li>75% within 3 months of becoming complete</li> </ul>	 (100%)	1
T31	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	 (100%)	1



In H2 2015, all Service Standards were met – Table 10 refers. Guidance on what constitutes a complete application for [Insurance Undertakings](#) is available on the Bank's website.

## Credit Institutions Authorisation

Table 11: Service Standards for Credit Institutions				
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>	 (100%)	1
T33	To process complete applications	<ul style="list-style-type: none"> <li>75% within 3 months of becoming complete</li> </ul>	 (100%)	1
T34	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	None applicable	0

In H2 2015, all Service Standards were met – Table 11 refers. Guidance on what constitutes a complete application for [Credit Institutions](#) is available on the Bank's website.

## Trust or Company Service Providers

ID	Standard	Target	Performance	Number of Applications
T35	To process complete applications	<ul style="list-style-type: none"> <li>90% within 3 months of becoming complete</li> </ul>	 (100%)	4
T36	To return incomplete applications	<ul style="list-style-type: none"> <li>100% within 2 weeks of receipt</li> </ul>	 (100%)	1





With effect from 1 October 2015, Service Standards were introduced for Trust or Company Service Providers. All Service Standards were met – Table 11 refers. Guidance on what constitutes a complete application for [Trust or Company Service Providers](#) is available on the Bank's website. In H2 2015, all Service Standards were met.

### Other information relating to applications for authorisation

Across all sectors, in H2 2015:

- 22 applications / submissions were withdrawn by the applicant; and
- 21 applications / submissions were deemed dormant as there had not been any engagement from the applicant in the previous 6 months.

## Fitness and Probity PCF Service Standards

ID	Standard	Target	Performance	Number of Applications
T37	Provide a response to submitting entity where an IQ is incomplete.	<ul style="list-style-type: none"> <li>85% of cases within 5 business days</li> </ul>	 (86%)	73
T38	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>	 (94%)	271
T39	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>	 (93%)	207
T40	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>	 (94%)	501

In H2 2015, all Service Standards were met. Guidance on what constitutes a complete [Fitness and Probity](#) application is available on the Bank's website.

The Service Standards for the authorisation process takes precedence, where a FSP submits both an entity application and a PCF application under the fitness and probity regime. In H2 2015, there were 652 such PCF applications processed. The Service Standards do not apply to applications (a) where another regulator has to be contacted, (b) where the PCF is interviewed, (c) that form part of an acquiring transaction or (d) in respect of qualifying shareholders. In H2 2015 there were 331 such PCF applications processed.

In the context of incomplete PCF IQs which were returned during the period under review, Appendix B sets out the main reasons why PCF IQs continue to be returned as incomplete.

## 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)
Bank	Central Bank of Ireland
FSP	Financial Service Providers
IPO	Initial Public Offering
IQ	Individual Questionnaire
MiFID	Markets in Financial Instruments Directive
Payment Firms	Payment Institutions, Electronic Money Institutions and Money Transmission Businesses
PCF	Pre-Approval Controlled Functions
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, Insurance and Mortgage Intermediaries
RPA	Recognised Prospectus Advisor - listing agents/sponsors that have agreed to certain conditions with the 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

Reasons why an IQ application may be returned as incomplete<sup>5</sup>.

Section of IQ	Reason
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 2011, 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>6</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 and 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 and 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>5</sup> Please note that applications have also been returned as incomplete outside of the specified turnaround time as a result of persons not communicating appropriately with the Fitness & Probity (F&P) team in relation to queries raised. In each case, the Bank has advised of the possibility of the application being returned and has offered persons an opportunity to engage within a specified timeframe. Where no engagement or inadequate engagement has occurred, the application is returned.

<sup>6</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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