

Northern Trust International Fund
Administration Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
Ireland
Tel +353 (0) 1 542 2000
Fax +353 (0) 1 542 2920
Internet: northeritrust.com



Northern Trust

Markets Policy Division
Central Bank of Ireland
Block D
Iveagh Court
Harcourt Road
Dublin 2

19 January 2016

Re: Consultation on Central Bank Investment Firm Regulations 2015 - Consultation Paper CP 97

Dear Sir or Madam,

Northern Trust International Fund Administration Services (Ireland) Limited (“NTIFASIL”) welcomes the opportunity to respond on the Central Bank’s Consultation Paper “*Consultation on Central Bank Investment Firm Regulations 2015*” (“CP 97”). We would like to make the following comments to matters raised therein.

1. Final NAV Release by Outsourcing Service Providers

Paragraph 40 of the proposed Central Bank Investment Firm Regulations (“the Regulations”) states that an Outsourcing Service Provider (“OSP”) may release the Final NAV provided a number of conditions are met. These conditions are more extensive than those required under Annex II of the Central Bank of Ireland (“CBI”) AIF Rulebook.

We acknowledge that the primary purpose of these changes is to set out clearly the limited circumstances in which a Fund Administrator may outsource the check and release of Final NAV calculations and to specify the conditions Fund Administrators must comply with.

Where the CBI has approved an arrangement for an OSP to release the Final NAV prior to the publication of CP97, we request that these existing approvals remain in force and a waiver is granted.

We do not believe it should be necessary to impose further conditions to existing arrangements where the Final NAV release by an OSP has operated successfully over a number of years. To do so would create unnecessary disruption, cost and inconvenience to the parties involved with little or no benefit in terms of a reduction in operational risk.

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2. Preliminary NAV release by Outsourced Service Providers

We welcomed the publication of the CBI Outsourcing Application Template (“the template”) in 2015 as it provided Fund Administrators with guidance on the matters to be documented when requesting approval for new outsourced activities.

However, in our view it is important that any potential ambiguity between the Regulations and the template in respect of Preliminary NAV release is avoided.

Within the template, there is a specific section to be completed where a Preliminary NAV will be released by an OSP. It therefore follows that Preliminary NAV release by the OSP must be approved by the CBI. However, neither Annex II of the AIF Rulebook nor the Regulations make reference to CBI approval being required for Preliminary NAV release by the OSP.

We suggest that the requirements of the Regulations and the template are aligned to ensure consistency and clear understanding on the outsourcing approval process.

Furthermore, we recommend that the template be made more prescriptive and/or guidance issued on what information should be provided in completing the template. This would further assist Fund Administrators in addressing the CBI’s expectations and requirements from the outset of an application and might help provide the CBI with more detailed information at the outset rather than having to follow-up with subsequent requests.

3. Annual Outsourcing Return

Paragraph 50 of the proposed Regulations outlines the information to be submitted by Fund Administrators on an annual basis to the CBI. We request that guidance be issued to assist Fund Administrators in their new reporting obligations, including clear descriptions on the specific information to be included in the return and confirmation of the person(s) responsible for submission.

We hope the CBI finds these comments helpful and we would be glad to discuss the points raised in this response further.

Yours Faithfully,

Anthony Cooney
Chief Executive Officer