



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Discussion Paper

An approach to macroprudential policy for investment funds

Feedback from members of public

July 2024

Question 1: Do you agree with the above assessment of the potential channels through which investment funds can generate systemic risk?

- Respondent 1: Yes
- Respondent 2: Yes
- Respondent 3: Yes and this has been demonstrated in markets.

Question 2: Do you agree with the assessment in this Discussion Paper that it is primarily the collective actions of investment funds that can generate systemic risks?

- Respondent 1: No
- Respondent 2: Yes
- Respondent 3: Yes and I perceive greater risk given developments in Asset Management Industry.

Question 3: Do you agree that the current regulatory framework for funds - which has primarily been designed at a global level from an investor protection perspective - has not been sufficient to reduce the propensity of certain fund cohorts to amplify shocks?

- Respondent 1: No
- Respondent 2: Yes
- Respondent 3: No strong view.

Question 4: Do you agree with the key proposed objectives and principles of macroprudential policy for funds as set out in this Discussion Paper? Are there additional principles, which need to be considered?

Respondent 1: Yes

Respondent 2: Yes

Respondent 3: I believe there are and hopefully I have clearly outlined this in the completed note which I am sending in answer to DP.

Question 5: Do you agree with the analysis and the issues highlighted pertaining to the design of potential specific macroprudential tools for the funds sector? Are there are additional potential tools that could be explored?

Respondent 1: Yes

Respondent 2: Yes

Respondent 3: Often how we use the tools is as important as design.

Question 6: Do you agree that tools could target the interconnectedness of funds as well as/instead of their vulnerabilities?

Respondent 1: Yes

Respondent 2: Yes

Respondent 3: No strong view

Question 7: Do you agree with the governance and data considerations highlighted in this Discussion Paper when operationalising macroprudential policy for funds?

Respondent 1: Yes

Respondent 2: Yes

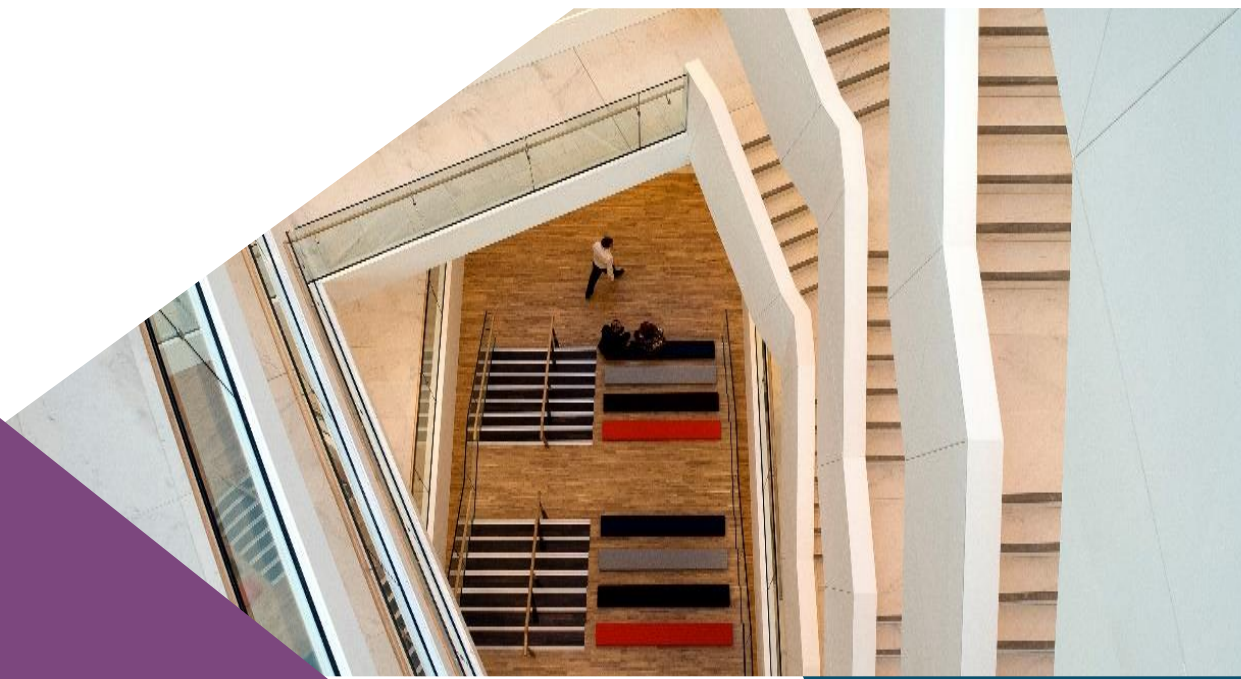
Respondent 3: N/A

Question 8: Beyond governance and data considerations, are there additional issues that need to be considered when operationalising macroprudential policy for funds?

Respondent 1: No

Respondent 2: Yes

Respondent 3: Yes, This is the core part of my submission. I think we may underestimate the possible future consequences of the surge in M&A at asset management levels and retail investment company platform consolidation.



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