



STATUTORY INSTRUMENTS.

S.I. No. 307 of 2016

CENTRAL BANK (SUPERVISION AND ENFORCEMENT) ACT 2013
(SECTION 48(1))(UNDERTAKINGS FOR COLLECTIVE INVESTMENT
IN TRANSFERABLE SECURITIES) (AMENDMENT) REGULATIONS
2016

CENTRAL BANK (SUPERVISION AND ENFORCEMENT) ACT 2013
(SECTION 48(1))(UNDERTAKINGS FOR COLLECTIVE INVESTMENT
IN TRANSFERABLE SECURITIES) (AMENDMENT) REGULATIONS
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In exercise of the powers conferred on the Central Bank of Ireland (the “Bank”) by section 48 of the Central Bank (Supervision and Enforcement) Act 2013 (the “Act”), the Bank, having consulted with the Minister for Finance and the Minister for Enterprise, Jobs and Innovation in accordance with section 49(1) of the Act, hereby makes the following regulations:

1. These Regulations may be cited as the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016.

2. The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1))(Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015) are amended as follows:

- (a) in Regulation 2(1), delete ““minimum capital requirement report” means a report prepared in accordance with Regulation 95;”;
- (b) in Regulation 9(12), substitute “if 25 per cent of the correlation observations are above 0.8,” for “if 75 per cent of the correlation observations are above 0.8,”;
- (c) in Regulation 78—
 - (i) in subparagraph (a) of paragraph (2), insert “of the” after “launch”, and
 - (ii) in subparagraph (b) of paragraph (2), substitute “the first annual audited report shall be prepared within 18 months of the incorporation or establishment of that UCITS and shall be published and submitted to the Bank within 4 months.” for “the first annual report shall be submitted to the Bank within 18 months of the incorporation or establishment of that UCITS and shall be published within 4 months.”
- (d) in Regulation 95(4), substitute “in paragraphs (2) and (3)(a)(i)” for “in paragraphs (2) and (3)”;
- (e) by the insertion of the following after Regulation 95:

Notice of the making of this Statutory Instrument was published in “Iris Oifigiúil” of 14th June, 2016.

“Remuneration policies

95A. A management company shall ensure that its remuneration policies and practices as required in Regulation 24A of the UCITS Regulations are consistent with the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (Ref: ESMA/2016/411).”.

- (f) in Regulation 105(d), substitute “Regulation 100(1) — (7);” for “Regulation 100 (1) — (6);”;
- (g) in Regulation 111—
- (i) delete paragraph (2), and
 - (ii) in subparagraph (a) of paragraph (3), substitute “calculate its minimum capital requirement as defined in Schedule 9;” for “calculate its minimum capital requirement in accordance with Schedule 9;”;
- (h) in Regulation 113(4), substitute “in paragraphs (2) and (3)(a)(i)” for “in paragraphs (2) and (3);”;
- (i) in Regulation 114—
- (i) delete subparagraph (c) of paragraph (1), and
 - (ii) in subparagraph (b) of paragraph (1), substitute “Regulation 34 of the UCITS Regulations.” for “Regulation 34 of the UCITS Regulations;”.
- (j) in Regulation 124—
- (i) in paragraph (3), substitute “with Regulation 97(1)(a)” for “with Regulation 97(1)(c)”, and
 - (ii) in paragraph (3), substitute “by 30 June 2017, or such later date that the Bank may specify in writing in Iris Oifigiúil.” for “by 30 June 2016.”.
- (k) in Schedule 4, paragraph 1(c), substitute:
- $$\frac{(\text{VaR UCITS} - \text{VaR Reference Portfolio}) \times 100}{\text{VaR Reference Portfolio}} \leq 100\%$$
- for
- $$\frac{(\text{VaR UCITS} - \text{VaR Reference Portfolio}) \times 100}{\text{VaR Reference Portfolio}} \leq 100\%$$
- (l) in Schedule 5, paragraph 2, substitute “Unlisted securities and securities” for “Unlisted Securities and Securities”;

(m) in Schedule 7—

- (i) delete paragraph 6(e),
- (ii) insert the following after paragraph 6:

“6A. A UCITS shall disclose the method used to calculate global exposure. Where a UCITS uses a relative VaR approach, information on the reference portfolio must be provided.”, and

- (iii) in paragraph 7, delete “relative” and “on the reference portfolio”.

(n) in Schedule 9—

- (i) in paragraph 1, delete “‘expenditure requirement’ means one quarter of a depositary’s total expenditure as set out in the most recent annual audited accounts;”,
- (ii) in paragraph 1, substitute “‘minimum capital requirement’ means the capital requirement set out in Regulation 35(4) of the UCITS Regulations.” for “‘minimum capital requirement’ means the higher of the initial capital requirement and the expenditure requirement;”,
- (iii) in paragraph 1, delete “‘total expenditure’ means all expenditure incurred by a firm.”, and
- (iv) delete paragraph 2.

Signed for and on behalf of the CENTRAL BANK OF IRELAND
8 June 2016.

CYRIL ROUX,
Deputy Governor (Financial Regulation).

EXPLANATORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation.)

The purpose of these Regulations is to amend the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferrable Securities) Regulations 2015.

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