

The Front Page: January 2017 Q&A

Question: What are the transitional arrangements for compliance with the Fund Management Guidance which followed the conclusion of CP86?

Answer: The transitional arrangements for compliance with the Fund Management Guidance were outlined the Central Bank AIFMD Q&A and Central Bank UCITS Q&A and can be summarised as follows;

- Only new authorised entities are subject to the authorisation process which requires the rationale for the board composition to be documented in the programme of operations/business plan. However, the Central Bank is of the view that it is good practice for the director performing the Organisational Effectiveness role for each entity (new or existing) to document the rationale for the board composition as part of developing this role and to include this in the programme of operations/business plan when it is next updated.
- Except in rare cases where unique and unusual circumstances apply, an organisational effectiveness review should, at a minimum, be conducted on an annual basis.
- Existing entities can make changes to their organisational structure during the transitional period but only changes which bring them closer to compliance with the final CP86 rules and guidance.
- The transitional arrangements (if any) for (i) the managerial functions; (ii) new requirements in relation to an effective supervision requirement and the retrievability of records; and (iii) adherence to the fund management company guidance chapters 1-6 can be summarised as follows;

Provision	Transition date		
	Authorised before 1 November 2015	Authorised between 1 November 2015 and 30 June 2017 (inclusive)	Authorised after 30 June 2017
Managerial Functions	1 July 2018	Applicable from date of authorisation	Applicable from date of authorisation
Performance of the organisation effectiveness role	1 July 2018	Applicable from date of authorisation	Applicable from date of authorisation
Effective supervision requirement	1 July 2018	1 July 2018	The Central Bank will only authorise entities that are organised in a way that complies with these provisions.
Retrievability of records	1 July 2018	1 July 2018	
Guidance: Part 1 Delegate Oversight	4 November 2015 ¹	Applicable from date of authorisation	Applicable from date of authorisation
Guidance: Part II Organisational Effectiveness	Applicable from the date that a fund management company has appointed a person to the Organisational Effectiveness role.		
Guidance: Part III Director' Time Commitments	4 November 2015	Applicable from date of authorisation.	Applicable from date of authorisation.
Guidance: Part IV Managerial Functions	1 July 2018	1 July 2018	Applicable from date of authorisation.
Guidance: Part V Operational Issues	Retrievability of records: 1 July 2018 Dedicated email address: 30 June 2017	Retrievability of records: 1 July 2018 Dedicated email address: 30 June 2017	Retrievability of records: Applicable from date of authorisation. Dedicated email address: Applicable from date of authorisation.
Guidance: Part VI Procedural matters	This guidance is a reflection of the existing fund management company guidance and is already applicable consequently, no transitional arrangements apply.		

¹This is the date that the final guidance on Delegate Oversight, Organisational Effectiveness and Directors' Time Commitments was published.

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