

MEMO# 32401

April 21, 2020

COVID 19 - Central Bank of Ireland's Measures for Asset Managers

[32401]

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TO: Chief Compliance Officer Committee
Chief Risk Officer Committee
International Compliance Advisory Committee
International Internal Audit Advisory Committee
Technology Committee RE: COVID 19 - Central Bank of Ireland's Measures for Asset Managers

Recognising the challenges facing firms and market participants during this COVID 19 health crisis, the Central Bank of Ireland (CBI) announced several measures to help asset managers. These measures are briefly summarized below.[\[1\]](#)

Regulatory Requirements Applicable to Investment Firms and Fund Service Providers

Flexibility in Regulatory Returns Remittance Dates

In light of the pandemic, for those firms that need it, the CBI is being flexible in the remittance dates for certain regulatory returns due from investment firms, fund service providers, and investment funds. The list of returns to which this relief applies is available on the CBI's web site.[\[2\]](#)

Flexibility in Client Asset and Investor Money Requirements Assurance Reports

The CBI is also providing flexibility in the submission of those assurance reports relating to the safeguarding of client assets or investor money. In particular, for those reports falling due from April to July 2020, the CBI is permitting a two-month extension from the original due date provided the report cannot be timely filed due to COVID-19 related issues. To rely on this extension, the investment firm or fund service provider should notify their usual contact on the Client Asset Specialist Team (CAST) or contact the CAST mailbox (CAST@centralbank.ie) in a timely manner, explaining the rationale for relying on the extension and, and to the extent possible, the estimated submission date.

Remittance Dates for Financial Statements of Investment Funds

Similarly, while the CBI expects authorised investment funds to file financial statements with the CBI within usual time frames, it is being flexible if an authorised investment fund is not in a position to meet these deadlines (For details on the extensions for different return types, see Table B[3]).

Funds taking advantage of this flexibility, including the fund's management company or AIFM must both: (1) promptly notify the CBI and, as soon as possible, inform investors of the delay, the reasons for it, and, to the extent possible, the estimated publication date; and (2) submit the relevant regulatory return within the extended timeframe.

Risk Mitigation Programmes (RMPs) for Investment Firms and Fund Service Providers

If a firm will have difficulties complying with RMP submission dates, the CBI recommends that it engage directly with the firm's usual supervisors. Such supervisors will assess, on a case-by-case basis, whether the postponement of such measures may be consistent with the CBI's COVID 19 measures.

Updates to CBI's Regulatory Policy Frameworks

To ensure that firms can navigate the current market dynamics, the CBI plans to delay updates to its domestic regulatory policy frameworks relating to investment firms, fund service providers, and investment funds.

It also plans to delay the publication of its feedback statement arising from Consultation Paper 130 (CP 130), Treatment, Correction and Redress of Errors in Investment Funds.

Application of ESMA Announcements

The CBI confirmed that it will apply the measures outlined in announcements from ESMA in March and April 2020. These measures are as follows:

- ESMA's statement that it expects National Competent Authorities (NCAs) not to prioritise their supervisory actions towards entities subject to securities financing transactions reporting obligations. This has been delayed from 13 April until 13 July 2020.
- The statement that, in circumstances where firms are unable to record voice communications, ESMA expects them to consider alternative steps to mitigate the risks related to the lack of recording until recording is resumed.
- The statement that it expects NCAs not to prioritise their supervisory actions in relation to the new tick-size regime for systematic internalisers. This has been delayed until 26 June 2020.
- The statement encouraging NCAs to apply a risk-based approach in the exercise of supervisory powers in their day-to-day enforcement of applicable legislation relating to the deadline in the Transparency Directive on publishing financial reports. Importantly, the requirements under the Market Abuse Regulation still apply and issuers are expected to exercise their best efforts to prepare their financial reports and publish them within the legislative deadline.

If issuers reasonably anticipate that publication of their financial reports will be delayed beyond the deadline set out in the Transparency Directive (2004/109/EC)

Regulations 2007, the CBI expects issuers to (1) inform it by email to regulateddisclosures@centralbank.ie and (2) disclose, in accordance with the ESMA statement, to the market that publication will be delayed, the reasons for such delay and, to the extent possible, the estimated publication date.

The CBI's flexibility only applies to those issuers that are unable to meet the deadline for publishing a financial report due to disruptions arising from COVID-19 related issues. Such issuers must comply with the conditions and deadlines set out in the ESMA statement.

- The statement that execution venues and firms unable to publish execution reports due pursuant to RTS 27 and RTS 28 by 31 March and 30 April 2020, respectively. They should publish them as soon as reasonably practicable after that date and no later than the next publication deadline for each of them which is 30 June 2020.
- The statement that the first quarterly reports by money market fund managers under the Money Market Funds Regulation that were due to NCAs are now postponed to September 2020.
- The statement that ESMA expects NCAs to act in accordance with national rules set out in their Member States and, when possible during this specific period, not to prioritise supervisory actions in respect of the upcoming deadlines set out in the UCITS Directive, the AIFMD, the EuSEF Regulation, and the EuVECA Regulation.

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endnotes

[1] For a detailed list of measures, see <https://www.centralbank.ie/regulation/industry-market-sectors/covid19-flexibility-measures/other>.

[2] See <https://www.centralbank.ie/regulation/industry-market-sectors/covid19-flexibility-measures/other>.

[3] See <https://www.centralbank.ie/regulation/industry-market-sectors/covid19-flexibility-measures/other>.