

Ireland AWM regulatory update

February to May 2023

Index

The Irish Funds industry in numbers	3
Key changes to Client Asset Regulations as set out in Part 6 of S.I. 10 of 2023	4
Markets in Crypto Assets (MiCA) regulation	7
Consumer Protection Outlook Report 2023	8
The Individual Accountability Framework	11
Get ready for ELTIF 2.0	13
AWM regulatory landscape: February-May 2023	15
AIFMD	15
Capital Markets Union	16
Crypto Assets	17
CSDR	18
Company law	19
Distributed ledger technology	19
ELTIF	20
EMIR	20
ESG	20
Financial reporting	24
Fitness & Probity	25
IFD/IFR	25

Insider regime list	26
MiFID II	26
MMFs	28
Regulatory Service Standards	28
Risk	29
Stock Exchange Listing requirements	30
Supervisory priorities	30
UCITS	31
PwC Ireland AWM regulatory services	32
Our team	34



The Irish Funds industry in numbers

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

€3.7tn

Total domiciled funds in Ireland – December 2022



€2.8tn

Net assets of UCITS in Ireland – December 2022



€841bn

Net assets of AIFs in Ireland – December 2022



€87.7bn

Net sales of Irish domiciled funds in Q4 2022



77%

Percentage of Irish domiciled assets in UCITS Funds – December 2022



8,689

Number of funds domiciled in Ireland – December 2022



67%*

Ireland's share of European ETFs – December 2022



45%*

Ireland's share of European Money Market Funds - December 2022



37%*

Proportion of Irish UCITS AUM in Article 8 and 9 funds - December 2022



Source: EFAMA Quarter 4, 2022 statistical release issued in February, 2023

*PwC estimate



Key changes to Client Asset Regulations as set out in Part 6 of S.I. 10 of 2023

Introduction

The CBI proposed significant enhancements to the client asset regulations in their December 2020 consultation paper 'Consultation on enhancements to the Central Bank Client Asset Requirements, as contained in the Central Bank Investment Firms Regulations' ('CP133').

The updated regulations, contained in Part 6 of S.I. No. 10 of 2023 Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2023 (the 'CAR'), include these proposed changes following the completion of the consultation process and will come into effect for investment firms on 1 July 2023 and for credit institutions on 1 January 2024. The revised CAR will revoke and replace S.I. No. 604 of 2017.

The biggest enhancement to the CAR has been the inclusion of credit institutions. Credit institutions performing in-scope MiFID investment services will now have to safeguard client assets in accordance with Part 6 of CAR, in addition to the existing MiFID safeguarding requirements. Credit institutions are permitted to hold client funds as deposits under their banking licence, however the client financial instruments will have to be segregated and held in third party client asset accounts in accordance with CAR.

To accompany the updated regulations, the CBI has also issued revised guidance for the application of these enhanced client asset regulations. This new guidance is comprehensive and easy to navigate and understand. The increased guidance on specific areas of CAR also demonstrates the emphasis the CBI is placing on certain areas, such as importance of the Client Asset Management Plan ('CAMP'), the Client Asset Applicability Matrix ('CAAM') and the client asset reconciliations and calculations.

Key changes to the Client Asset Regulations

The 'Guidance Note on the Central Bank Client Asset Requirements DRAFT' (the 'revised Guidance') accompanying the CAR provides detailed guidance for documenting the CAMP. In a recent presentation by the CAST team with the Compliance Institute, the CAST team noted that the highest number of Risk Mitigation Programmes ('RMPs') relate to the documentation of the CAMP, specifically in the materiality and insolvency sections.

There is updated regulation and guidance around the use of Title Transfer Contractual Arrangements (TTCAs) which sets out more significant client disclosure and record keeping requirements. Although, assets held under a TTCA do not constitute client assets, the CAR outlines some requirements which Firms utilising TTCAs must adhere to, along with the existing MiFID requirements. Set out below are some of the key changes to the CAR.

Enhancements to the CAMP (Reg 62)

- The Client Asset Applicability Matrix (CAAM) is now required under the regulation to be included within the CAMP (previously only included in the guidance). The revised guidance includes a sample CAAM.
- The revised guidance requires a clear 'road map' for insolvency practitioners to be documented within the CAMP. This road map should align with other company documents such as a BRRD or ICAAP. The CBI highlighted that an insufficiently detailed insolvency section is often a pitfall for investment firms and is an area where the CBI has historically issued a number of RMPs.
- While the Board of the Investment Firm are ultimately responsible for the safeguarding of client assets and approving the CAMP upon a material change or at least on an annual basis.

The CBI stated in a recent presentation with the Compliance Institute that some Boards may choose to delegate certain review tasks to sub-committees of the Board.

Changes applicable to Credit Institutions - Notifications to Clients (Reg 62)

In advance of providing services or performing activities for clients, credit institutions must disclose in writing:

- whether the client's money will be held as a deposit in accordance with the Capital Requirements Directive or whether it will be held as client funds in accordance with the CAR regulations and MiFID.
- any circumstances which may require the credit institution to cease holding the client's money as deposits and instead hold the client's money as client funds or vice versa.

Use of Client Financial Instruments (Reg 66)

- Maintain a copy of all material to evidence that the Firm obtained prior written express consent to enter into arrangements for securities financing transactions or to use client financial instruments for their own account or the account of any other person or client of the firm.
- Maintain a copy of this consent for the life of the client relationship and for 6 years after the termination of the investment agreement.

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



Key changes to Client Asset Regulations as set out in Part 6 of S.I. 10 of 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Use of TTCAs (Reg 67)

- Must be subject to a written agreement which specifies the terms of the agreement for transfer of ownership of client assets, any terms under which the ownership of the asset might transfer back to the client, terms of termination of the agreement and maintain a copy of this agreement for the life of the client relationship and for 6 years after the termination of the investment agreement.

Termination of TTCAs (Reg 68)

- Written records of all correspondence with the client relating to the termination of TTCAs must be maintained.

Prime Brokerage Statements (Reg 69)

- Requirement to provide prime brokerage statements to clients on a daily basis in a durable medium. This can be via an online portal once it meets the requirements to be deemed a durable medium.

Prime brokerage client asset annex (Reg 70)

- Every prime brokerage agreement must contain information detailing the key provisions of the agreement relating to the use of client assets by the firm to be known as the client asset annex.

Regulation changes

We have set out across the key changes to Regulations 57 and 58 of CAR which relate to the changes in the frequency of the client financial instrument reconciliations (dematerialised and physical) and the new requirement to perform a client financial instrument calculation.

The revised Guidance prepared by the CBI also includes enhanced documentation requirements in the CAMP relating to reconciliations and calculations.

Firms are required to document the rationale for the frequency of the reconciliations and calculations, to document what systems and teams are involved, the breaks management and escalation processes and other key controls in place over these key client asset processes. In addition, Firms must outline their oversight of third party service providers if the performance of the reconciliations/calculations has been outsourced/offshored.

Reconciliations

- A monthly reconciliation of client financial instruments (not deposited with a third party) must be performed with the party responsible for maintaining the record of legal entitlement - within 10 days of the month end date.
- A count of physical client financial instruments must now be completed, and reconciled to the balance of physical client financial instruments held as recorded by the investment firm on at least a monthly basis.
- The balance of physical financial instruments held on behalf of eligible counterparty clients can be counted and reconciled on at least a bi-annual basis, provided that the below conditions are met:
 - such physical client financial instruments are held physically separate from physical client financial instruments held on behalf of other client types; and
 - the investment firm has obtained prior express written consent from the eligible counterparty client for the frequency of this reconciliation.

Calculations

- A new requirement within the updated regulations is the performance of a Client Financial Instruments Calculation on at least a monthly basis.

- The revised guidance offers significant assistance with the format of the Client Financial Instrument Calculation, the calculation of the client financial instrument requirement, the client financial instrument resource and any adjustments required.
- The Firm will have 5 days to resolve any shortfall/excess from the Client Financial Instrument Calculation before it needs to deposit or withdraw the financial instrument / cash / or combination of both to or from a third party client asset account.
- Firms must maintain a record of the actions taken to address a shortfall/excess which should include:
 - Description of shortfall/excess of client financial instruments
 - Description of the money/financial instruments or combination thereof used to address the shortfall/excess.
- Firms must update their records when the shortfall or excess has been addressed.



Key changes to Client Asset Regulations as set out in Part 6 of S.I. 10 of 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

The CBI issued a draft 'Addendum to the Guidance Note on the Central Bank Client Asset Requirements' in February 2023 to address the Transfer of Business. This addendum is limited to a material transfer of client assets to or from another entity. The addendum includes guidance to Firms as to how they can determine whether a transfer is 'material'.

Client Disclosure (Reg 59)

- Under the revised CAR, the Terms of business must now include its arrangements relating to transfer of business

Addendum Chapter 5: Client Disclosure and Consent

- The addendum sets out items that an investment firm should consider including in their terms of business in relation to its arrangements for a transfer of business including, for example, a commitment to notify clients in writing of any potential transfer of business and including a description of the information to be provided to the client terms of business.
- The Addendum provides guidance where client consent to a transfer of client assets is provided for (and is not provided for) in terms of business/contractual arrangements with clients.

Addendum Chapter 9: Material Transfers of Client Assets

- An investment firm should notify the CBI three months in advance of any material transfer of business of client assets to another entity and from another entity, comply with client consent considerations, notify clients of any changes to the clients' existing products and services/ revised terms of business and comply with residual balance CAR regulations.

- The addendum lists both quantitative and qualitative considerations for notifying the CBI including the monetary value/percentage of client assets that are involved in the transfer of business, the number/percentage of clients impacted by the transfer of business and their client categorisation/jurisdiction, and whether the level of client asset protection may be impacted.

Notification to Clients Post Transfer

An investment firm effecting a material transfer of client assets from another entity, should send a communication to all impacted clients with the following information;

- Details of any changes to the clients' existing products and services
- The revised terms of business and the CAKID
- Any other relevant information

Read the full legislation [here](#).



For further information please contact [Liam O'Mahony](#) and [Suzanne Hayes](#).



Markets in Crypto Assets (MiCA) regulation

The Markets in Crypto Assets (MiCA) regulation was approved on 20 April 2023, meaning it is likely that the regulation will apply from June 2024. MiCA looks to broaden the regulatory framework for crypto-assets in the European Union (EU) by regulating the issuance of crypto-assets, the introduction of licensing requirements for Crypto-Asset Service Providers (CASPs) and giving powers to competent authorities. This is a significant step in regulating the crypto-asset industry, especially since this Regulation is the first of its kind globally. MiCA will open up the feasibility of the use of crypto-assets in the European funds industry.

Scope

MiCA deals with three different types of crypto-assets:

- **Utility tokens** - a type of crypto-asset which is intended to provide digital access to a good or service, available on Digital Ledger Technology (DLT), and is only accepted by the issuer or that token.
- **Asset-Referenced Tokens (ARTs)** - a type of crypto-asset that purports to maintain a stable value by referring to the value of several fiat currencies that are legal tender, one or several commodities or one or several crypto-assets, or a combination of such assets.
- **Electronic money (E-money) tokens** - a type of crypto-asset the main purpose of which is to be used as a means of exchange and that purports to maintain a stable value by referring to the value of a fiat currency that is legal tender.

The issuers of crypto-assets and CASP firms will also fall in-scope of several requirements under MiCA.

Issuers of Crypto-Assets

A number of requirements have been introduced that aim to increase the transparency of in-scope crypto-assets and the associated risks. These requirements will vary depending on if a utility token, ART or E-money token is being issued.

In order to issue a utility token or an ART, the legal entity issuing the token must be established in the EU; however, E-money token issuers must either be EU credit institutions or E-money institutions (with some exceptions).

The requirement for a white paper has been introduced requiring all crypto-asset issuers to publish a white paper for each crypto-asset they issue, with some exceptions to this requirement. The contents of the white paper will depend on the crypto-asset. It should contain at a minimum information regarding the issuer, the technology it uses, the risks associated with the crypto-asset and the possibility of losses.

CASP Requirements

MiCA contains a set of common provisions that apply to all CASPs. It is expected that the current native players in the funds industry will already be satisfying the common provisions. In addition to the common provisions there are a number of specific provisions that vary based on the services offered. These specific provisions will demand significant changes in the operating policies of firms looking to provide crypto-asset related services. To further enhance the stability of CASPs, with the aim of protecting investors, CASPs must also meet minimum capital requirements which vary depending on the services offered.

The introduction of the common and specific provisions, in addition to the minimum capital requirements, have established a governance framework for CASPs that did not exist in the past. These requirements will reduce the risks associated with CASPs, which will give the funds industry greater confidence to deal with CASPs and crypto-assets.

Funds Industry Impact

Financial institutions such as investment firms and management companies that are interested in providing services in relation to crypto-assets, will not have to obtain additional authorisation from the National Competent Authority (NCA), as long as the NCA are notified at least 40 days prior to the provision of such services. Allowing them easy access to providing crypto-asset related services.

It is likely that due to the increased transparency requirements and mechanisms introduced to reduce the risks associated with crypto-assets, will make crypto-assets a more feasible investing option for funds. The whitepaper requirement for example will create a more transparent view as to the risks attached to a crypto-asset, its operating profile, the technology it uses and how associated risks are managed. Giving investment firms and management companies a more transparent view of a crypto-asset, will help them decide if the asset is suitable for their clients.

In order to be able to operate in the crypto-asset markets in accordance with MiCA and to actually have the ability to provide any related services, significant investment may be required. The money may be required throughout various areas of the firm such as technology that gives firms the ability to work with crypto-assets, the implementation of policies and procedures to ensure the appropriate safeguards are in place for managing the assets and that the applicable provisions of MiCA are satisfied.

Since MiCA is the first text of its kind, it may lead to a new opportunity for the European funds industry, as it may become the leading jurisdiction for crypto-assets since there is now a framework in place that aims to protect investors from the risks associated with crypto-assets. Taking the pilot regime and the e-money directive into consideration, the EU is slowly formulating a robust framework for crypto-assets with the aim of making them a safer investment for all. Is this the beginning of Europe's push to become a leader in the crypto-asset market?

Read the full regulation [here](#).



For further information please contact [Ken Owens](#) and [Catherine Chambers](#).



- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



Consumer Protection Outlook Report 2023

In its most recent Consumer Protection Outlook Report, the Central Bank of Ireland (CBI) has set out five **key drivers of consumer risk** for consumers of financial services in Ireland.

These key risk drivers are:

1. Poor business practices and weak business processes
2. Ineffective disclosures to consumers
3. The changing operating landscape
4. Technology-driven risks to consumer protection
5. The impact of shifting business models

The Risk Outlook

The assessment the CBI has made this year, has shown that the key cross-sectoral risks and themes that are associated with those risks have stayed essentially the same. Even though they have remained unchanged, the surrounding environment that drives those risks has experienced significant changes. Examples of such includes increased interest rates, the growing cost of living and continuing developments in digital financial services. The next part of this article details the risk outlook and how the environmental changes and further developments may affect consumers in the year ahead.

1. The risk of the changing operational landscape

The continued war in Ukraine, energy driven inflation as a result of the war, post pandemic recovery and rising interest rates due to growing inflation, have had an impact on both consumers and firms. As a result, a [Dear CEO](#) letter was issued by the CBI in November 2022.

The letter seeks out the expectations for firms on how to treat consumers during a time of economic uncertainty, and the increased economic challenges. Moreover, it underlines the responsibility of firms to ensure that consumers' interests are central to the firm's decision making processes.

2. The risk of continuing financial innovation coupled with a wide variety of information sources

The rapid expansion of innovation in the financial services sector has led to increased access to a more diverse range of available information that is both regulated and unregulated. This has elevated the ineffective disclosure key risk driver. The regulated firms will need to be attentive with the clarity of their advice and communication. This would ensure their advice and communication is clear and acts as a pillar of support to customers making well-informed decisions.

Another issue for the ineffective disclosure risk is unregulated products and products that are innovative, yet on the verge of the regulatory perimeter. The issue regarding ineffective risk is more particular to the use of social media as a medium of communication for financial advice and commentary and when it acts as a platform to promote such products. An example includes the significant risks present in areas such as crypto. Such areas are not regulated, therefore it is necessary for financial firms to underline the significant risk present and the chance of consumers losing all of their investments. In support of this, the CBI has published [Explainer - What are cryptocurrencies like bitcoin?](#)

3. Technology driven risks

The technology-driven risk remains relevant today. Frauds and scams continue to be issues and are key concerns, meanwhile there is a presence of increased risks relating to financial exclusion, as customers are being active in looking to change the financial arrangements they are involved with.

4. Shifting Business Models and Poor Business Practices

Regarding the shifting business models and poor business practices risk, a risk present is that those firms do not have their pre-existing product suites up to date while dealing with more pressing issues in the economy and the financial services market. This is relevant as products that have been previously satisfactory for the sale to customers are not any longer suitable in the current climate.

Furthermore, there are two recognisable issues concerning the poor business practices and weak business processes risk.

1. The problematic or unfair practices and strategies pursued by the firms. An example of this would be the recently banned the strategy of price walking in the insurance industry, which could potentially have a negative outcome for certain customers,
2. When there is consumer detriment because of ineffective or inadequate internal controls and processes.

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



Consumer Protection Outlook Report 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Poor business practices and weak business processes

CBI expects firms to:

- Put in place robust product governance and oversight arrangements covering the design, sale and delivery of the product.
- Monitor products over time to ensure the product is performing as intended and remains suitable for the target market.
- Design and bring products to market in a responsible way with features, charges and risks that meet the needs of the individual consumers identified for the product.
- When errors or operational incidents occur, ensure that consumers are treated fairly and put back in the position they would have been in had the error or incident not occurred.
- Comply with the legislative requirements to assess the suitability of their products and services to each individual consumer.
- Ensure proper resources are deployed to deliver a high quality service.
- Be clear on the reasons why a product or service is being offered to a consumer and why it is suitable for that consumer.
- Place the best interests of consumers at the heart of their commercial decisions and how they provide services to consumers.

Technology-driven risks to consumer protection

CBI expects firms to:

- Have well-defined and comprehensive information technology and cybersecurity risk management frameworks, supported by sufficient resources to achieve resilience and protect the interests of consumers.
- Have effective measures to mitigate the risk of fraud and scams, and be proactive in identifying and dealing with cases of fraud or scams including engaging effectively with consumers affected.
- Demonstrate that they have appropriate oversight of any delegated or outsourced arrangements and can provide evidence that the risks associated with outsourcing and delegation have been appropriately considered and are being managed effectively.

Ineffective disclosures to consumers

CBI expects firms to:

- Provide clear information in a timely manner to consumers, disclosing the key information upfront (i.e. risks and benefits, fees and costs).
- Disclose exclusions to financial products in an effective manner at the outset to support consumers in making good decisions.
- Support consumers in making fully informed decisions by ensuring that information is provided in a way that it can be easily understood.
- Ensure disclosure is as clear on digital media as with more traditional communications channels.
- Ensure that statements of suitability and other disclosures provided to consumers are fully compliant with legislative requirements.
- Avoid greenwashing by producing disclosure documents that are clear, not misleading and fully compliant with the most recent legislative disclosure requirements.

CBI's expectations of regulated firms to address the Key Drivers of Consumer Risk

The changing operational landscape

CBI expects firms to:

- Actively identify and address risks to consumers that may potentially emerge from changes in the landscape within which the firm and/or its consumers are operating.
- Engage with financial innovation from the perspective of consumers' needs and best interests.
- Have sufficient operational resilience to manage change without creating risks to consumers.
- Clearly delineate for the consumer between regulated and unregulated products, especially where they are offered within the same digital environment. This is especially important in the case of unregulated products carrying special risks such as virtual assets.

Consumer Protection Outlook Report 2023

The impact of shifting business models

CBI expects firms to:

- Proactively assess the risks and consumer impact a commercial decision may pose to new and existing customers, and develop comprehensive action plans to mitigate these risks whilst ensuring that customers understand what changes mean for them.
- Have the customer service capacity and structures in place to meet expected service levels to provide a timely and customer-focused service through all channels.
- Consider the impact of their decisions on vulnerable customers and provide the assistance necessary. This should include specific and effective processes and communication plans to support vulnerable customers.
- Only design and bring to market products with features, charges, and risks that meet the needs of consumers identified for the product.

Read the full report [here](#).



For further information please contact [Ken Owens](#) and [Catherine Chambers](#).



- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



The Individual Accountability Framework

The Individual Accountability Framework (the "IAF" or the "framework") looks to clarify the roles and responsibilities of Controlled Functions (CFs), Pre-Approved Functions (PCFs) and Directors, and makes them accountable for their actions when negligence and malpractice are evident.

The four main elements that make up the IAF:

1. SEAR;
2. The Conduct Standards;
3. The Business Standards and;
4. Enhancement to the current Fitness & Probity (F&P Regime).

The framework sets out the Central Bank of Ireland's (CBI) minimum expectations for those occupying CF, PCF and director roles, in addition to what responsibilities certain firm types need to allocate to individuals.

Senior Executive Accountability Regime (SEAR)

SEAR will apply to investment firms which underwrite on a firm commitment basis and/or deal on their own account and/or are permitted to hold client assets. This will also include third-country branches.

However, for firms with low PRISM ratings and incoming third-country branches a reduced number of prescribed responsibilities are applicable.

SEAR is split into three different parts:

1. Responsibility Allocation
2. Statement of Responsibilities and;
3. Responsibility Mapping

The responsibilities under SEAR are broken into two subsections: inherent responsibilities and prescribed responsibilities. Inherent responsibilities are responsibilities that are automatically assigned to a given PCF role. The prescribed responsibilities are a list of responsibilities that all need to be allocated to those holding PCF roles. The CBI has not set out which CFs the prescribed responsibilities are to be assigned to and therefore the allocation of prescribed responsibilities to PCFs may vary from firm to firm.

For in-scope MiFID Investment Firms, they will have to allocate 29 general responsibilities, which apply to all in-scope firms and an additional 25 responsibilities specific to MiFID Investment Firms. Where a firm fits into the incoming third-country branch category, they will have to allocate 13 additional responsibilities.

The statement of responsibilities sets out the inherent, prescribed and any other responsibilities assigned to each PCF role. This clarifies to internal and external parties who is accountable for certain aspects of the firm's operations.

The responsibilities map describes each of the firm's activities, business areas, management functions and any matters that the board is responsible for. An organisation chart must also be created highlighting each PCF holder and their respective responsibilities and a description of their reporting lines.

When responsibilities are being allocated and mapped amongst individuals, it is important that this is done in an accurate manner and that function supersedes job title. This will ensure that each responsibility is allocated to those who truly have the responsibility of performing the function therefore making them accountable.

Conduct Standards

The conduct standards will consist of a set of basic and easily understandable behaviour traits that will apply to CFs within a firm. The common standards are values that should be embedded into every aspect of a CF's and PCF's role. The standards are generally accepted standards, the CFs and PCFs are already expected to have incorporated into their roles. The conduct standards will act as guidance for firms and individuals as to how they should behave. PCFs and CF1s must also comply with four additional conduct standards which cover the PCF or CF1's responsibilities as a senior executive.

CF1s which are those who can exert significant influence on the firm's affairs are the only CF roles included in the scope of the additional conduct standards. This is to prevent those in shadow roles with significant influence over the firm's operations, from falling out of scope of the framework.

Business Standards

The CBI has been provided with regulation making powers to prescribe standards for Regulated Financial Services Providers (RFSPs) to ensure firms operate in consideration of the best interest of customers and the integrity of the market, acting honestly, fairly and professionally, and acting with due skill, care and diligence. These business standards are yet to be released but the CBI has said they will be developed in conjunction with their review of the Consumer Protection Code.

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



The Individual Accountability Framework

The Fitness & Probity (F&P) Regime

The IAF had introduced a number of changes to the F&P regime. The changes require RFSPs to proactively certify that individuals carrying out CF roles are fit and proper. This will require annual certification with the F&P standards as part of the existing PCF annual return. It is the responsibility of the firm to ensure that those in CF positions meet these requirements and to document the certification of the individual.

Benefits of the IAF

The IAF may look like a burdensome task for both individuals and firms but it will also benefit them. Individuals will have a clearer understanding of what standards of conduct are expected of them and what responsibilities they must manage thereby reducing the likelihood of internal disagreements as to who holds certain responsibilities.

Firms will benefit, as it will be clearer as to what individuals should be held accountable for failure, where there is evidence of negligence or malpractice on the part of the CF or PCF. This element of the framework looks to reduce the possibility of such scenarios from occurring, thus improving the risk management of firms.

Costs of the IAF

There will be both financial and time costs associated with implementing the IAF's requirements. Firms will be faced with the financial costs of implementing the framework such as the provision of training, the mapping of responsibilities, updating the statement of responsibilities and the renewal assessment of individuals F&P capabilities. Those in PCF or CF roles will then have to spend time making themselves aware of their obligations under the framework and attending training.

The Central Bank expects that the ongoing costs associated with the IAF, once the framework has been integrated into a firm's policies and procedures, will be minimal, as minor updates will only be expected moving forward.

Firms not In-scope of SEAR

There have been some discussions amongst firms not currently in-scope of SEAR regarding the benefits associated with voluntarily compiling the statements of responsibility and the responsibility maps as set out in SEAR. These firms have foreseen that at some point in the future they will fall in-scope of SEAR so it would be worthwhile taking an early adoption approach. They also believe that they will benefit from this element of SEAR because the responsibility allocation and mapping will clearly set out each individual CF's responsibilities within the firm.

Designated Persons and the IAF

The Common Conduct Standards and Additional Conduct Standards will apply to all Designated Persons (DPs), as each DP holds a PCF role. DPs should therefore take the appropriate action to ensure that they are aware of their obligations under the Conduct Standards. DPs in some investment firms will also be faced with the additional task of satisfying the requirements of SEAR.

Conclusion

It should be stressed that this framework predominantly aims at holding individuals personally accountable for their actions. Therefore, it is their responsibility to ensure that they comply with the applicable elements of the framework, it is not the responsibility of their compliance division, etc. That being said, assistance and training provided to individuals to aid them with their compliance with the framework is required by the IAF.

When training is provided, the individual in the relevant PCF role allocated the responsibility of embedding the Conduct Standards throughout the firm should oversee the training, in addition to the Board.

The IAF will require significant focus from CFs, PCFs, directors and firms themselves during the initial implementation period. However, once the heavy lift required for the initial implementation is done, firms will still need to allocate a reduced level of time and resources to ensure their ongoing compliance with the IAF's requirements.

The IAF will result in more well defined responsibilities and their allocation, in addition to providing guidance to both individuals and firms as to how they should act. The framework aims to aid firms and individuals rather than creating a burden for them. Training sessions and assistance from external parties will be key in reducing the initial tasks associated with the framework.

How can PwC help?

PwC has been assisting firms in their preparations for the IAF through the development of implementation plans, statements of responsibilities, responsibility maps and reasonable steps frameworks. We can also offer GAP analysis procedures to help identify if your implementation of the IAF is meeting the desired standard.

Read the full report [here](#).



For further information please contact [Ken Owens](#) and [Catherine Chambers](#).



- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



Get ready for ELTIF 2.0

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

The European Long-Term Investment Fund (ELTIF) was first introduced in 2015 by the European Union (EU) to encourage long-term and private investments, as part of the EU's Capital Markets Union (CMU) action plan. The EU hoped that the ELTIF would also give retail investors access to private assets and long-term investments, which would have been originally out of their reach.

The old regime failed to gain the traction it was hoped to receive due to its restrictive limits on leverage, eligible assets and investor suitability requirements. This led to the formulation of the ELTIF 2.0, which was approved on 9 April 2023 and which will become applicable on 10 January 2024.

The upcoming changes introduced by ELTIF 2.0 will change the way ELTIFs operate, making them attractive to a wider range of assets and investors. A summary of the changes introduced by ELTIF 2.0 can be seen in the table to the right:

	ELTIF 1.0	ELTIF 2.0
Minimum Investment in real assets	€10m	€1m
Maximum market cap of small or medium equity or debt issuers	€500m	€1.5bn
Ability to make co-investments	No	Yes
Threshold for eligible assets	70% of capital	55% of capital
Borrowing limit	30% of capital	50% of capital
Borrowing limit when marketed solely to professional investors	n/a	100% of capital
Ability to invest in AIFs "on a look through basis" to facilitate fund of funds investment strategies	No	Yes
Ability to invest in underlying securitisations: mortgage-backed securities, commercial, residential, and corporate loans, as well as trade receivables	No	Yes
Local facilities required in each EU member state where marketed to retail investors	Yes	No
An optional liquidity window for full or partial matching of transfer requests of units or shares by existing investors with subscription requests by new investors.	No	Yes
AIFMs subject to additional ELTIF management authorisation	Yes	No
Initial investment requirement for retail investors	€10,000	N/A
Aggregate threshold of ELTIF investment by retail investors with portfolios below €500,000	10% of capital	N/A
Maximum exposure to instruments issued by, or loans granted to, any single qualifying portfolio undertaking	10% of capital	20% of capital
Aggregate risk exposure to a counterparty of the ELTIF stemming from OTC derivative transactions, repurchase agreements, or reverse repurchase agreements	5% of capital	10% of capital
Concentration limit for an investment in a single ELTIF, EuVECA, EuSEF, UCITS or of an EU AIF management by an EU AIFM. Not applicable to ELTIFs marketed solely towards professional investors	25% of capital	30% of capital
Diversification requirement	10% of capital	20% of capital
Investment allowed in non-EU assets: restricted in the case of non-cooperative jurisdictions for tax*	No	Yes*
ELTIF managers ability to invest in the ELTIF	No	Yes
Contract in a currency other than its base currency	No	Yes
Ability to invest in financial undertakings	No	Yes
Threshold for UCITS eligible assets	5%	10%



Get ready for ELTIF 2.0

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

The changes in terms of the eligible assets and the operation of ELTIFs, will give investment managers much more flexibility in terms of the strategies they can take when managing ELTIFs. Additional changes have also been introduced to make the ELTIF more accessible to retail investors with three significant changes: (1) the removal of minimum initial investment requirement, (2) the removal of the portfolio aggregate ELTIF investment threshold and (3) the alignment of the suitability test with the MiFID II requirements. Due to the increase in accessibility for retail investors to the ELTIF, there have also been additional safeguards introduced for their protection.

There are three differences between ELTIFs marketed towards retail investors and solely towards institutional investors: (1) the borrowing limit, (2) the concentration limits and (3) the diversification requirements, all of which can be seen in the table above. These differences exist due to the disparities between retail investors and institutional investors, in terms of risk tolerance, their ability to assess the investment and the investors' needs.

The current market for ELTIFs is currently dominated by Luxembourg who have 48 domiciled ELTIFs, followed by France (21), Italy (13) and Spain (1), as of January 2023. Between February 2022 and January 2023, the number of ELTIFs has increased by 25%, demonstrating the interest that the ELTIF is generating.

There are various reasons why ELTIFs have elected to set up in each of these jurisdictions. Luxembourg is discussing the introduction of a special tax regime for ELTIF funds to further capitalise on its current success. Although this tax treatment is not yet in place, Luxembourg has seen a significant influx in ELTIFs due to its historic success as a European fund domicile and due to its flexible approach to alternative investment funds.

In France, guidance around ELTIFs has been issued by the AMF, which has helped its growth in France since the ELTIF was first introduced. Italy can attribute most of their success with the ELTIF to a special tax regime for ELTIFs that either invest in the Italian economy or certain specified innovative ideas. In-scope ELTIFs can then benefit from an exemption from capital gains tax and inheritance tax, allowing investors to receive these tax advantages up to €30,000 per annum or €150,000 in total for a holding period of at least five years. Finally, in the Basque region of Spain, if an ELTIF is established in the region and meets certain criteria, it will only be subject to corporation tax of 1%.

Ireland has so far failed to capitalise on this innovative fund structure due to a number of factors that may change in the near future. It is not as if there is no interest in the ELTIF from Irish firms, as it is a topic that consistently is being discussed by incumbents in the Irish funds industry.

The lack of a regulatory rulebook under which ELTIFs can be authorised in Ireland, has meant that establishing an ELTIF is not possible. There have been however discussions purporting to indicate that the ELTIF is now high on the agenda for the Central Bank of Ireland (CBI) and policymakers. This is due to a number of fund industry representatives engaging with the CBI, in the hope of establishing an appropriate regulatory framework for the ELTIF in Ireland, as they see the ELTIF as a significant opportunity for the Irish funds industry.

The nature of the ELTIF makes it a suitable mechanism for investing in infrastructure and sustainability projects, making it potentially compatible with the Irish National Development Plan (NDP) for 2021-2030 and the Climate Action Plan. Both are long-term plans that require significant investment in Irish infrastructure and sustainability initiatives, which means that the ELTIF could be a suitable financing vehicle for these plans.

From an Irish funds industry perspective, the ELTIF's significant growth from February 2022 to January 2023, demonstrates the opportunity it could present for the industry as a new source of business. Ireland's success as a European fund domicile, would indicate that once the ELTIF is given a rulebook and potentially favourable tax treatments, it could become a new success story for the Irish funds industry.

For further information please contact [Ken Owens](#) and [Catherine Chambers](#).



AWM regulatory landscape: February-May 2023

Date	Title	Issuer	Focus area	Summary	Key findings	Link
10 Mar 2023	Questions and Answers - Application of the AIFMD	ESMA	AIFMD	As of 10 March, updates have been made to section 16 of ESMA's Q&A document on the application of the AIFMD. The newest question relates to the interpretation of "substantive direct or indirect holding" in article 3 (2) AIFMD.	The ESMA provided the following answer: "substantive direct or indirect holding" refers to situations where the AIFM manages the portfolios of AIFs through its direct or indirect holding in a company. The ESMA stated that the notion of "substantive direct or indirect holding" shall be assessed on a case-by-case basis by AIFMs supervisors.	Link
4 April 2023	AIFMD - Questions and Answers - 47th Edition	CBI	AIFMD	This document sets out answers to queries likely to arise in relation to the implementation of the AIFMD. There was only one update in this Q&A in relation to ID1145 which states the CBI's position on the use of digital assets in QIAIFs and RAIFs.	<p>The position on RIAIFs investing in digital assets remains the same. However, the CBI has increased its limits for indirect exposure to digital assets, dependent on liquidity requirements, by QIAIFs. Open-ended QIAIFs can have exposure to digital assets of up to 20% of NAV. Closed ended QIAIFs or QIAIFs with limited liquidity can gain exposure to digital assets up to 50% of NAV.</p> <p>There are additional requirements for QIAIFs to have the ability to invest in digital assets:</p> <ul style="list-style-type: none"> • The AIFM has an effective risk management policy for managing the risks associated with digital assets. • Stress testing must be carried out on the proposed investment in digital assets. • The AIFM has effective liquidity management policies and tools in place. • The prospectus clearly discloses the proposed investment in digital assets and the risks associated with such investments. • Assessments of the portfolio construction should be carried out to determine the alignment between the redemption profile, the level of investment in digital assets and the likelihood of illiquidity (both in normal and stressed conditions) in the types of digital assets invested in. 	Link

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



AWM regulatory landscape: February-May 2023

Date	Title	Issuer	Focus area	Summary	Key findings	Link
14 Apr 2023	Joint Industry Letter - European asset managers in full support of the European Parliament's proposal on Equities Consolidated Tape	EFAMA	Capital Markets Union	18 European buy-side firms have composed a joint industry letter to policymakers expressing their views on a well constructed ETF/equities consolidated tape and its importance for the EU's Capital Markets Union.	<p>The joint industry letter expressed support for the ETF/equities consolidated tape and its establishment. The competitiveness and health of the capital markets in the EU was discussed, followed by discourse regarding the lack of consolidated price and liquidity data and the groups affected. A case for fair pricing has been made in the letter, as an equities/ETFs consolidated tape for Europe would attract users by being fairly priced. In a market for trading data there are already existing high prices, a disconnection from the cost of production and an issue of lack of competition, the firms believe that adding a high-cost consolidated tape would be unacceptable. There are worries about the commercial viability of the tape, with an issue of the equities tape having the ability to meet sufficient demand.</p> <p>The key features of the equities consolidated tape would be a mandatory contribution, no mandatory consumption, latency, pre and post trade data, RCB principle, governance, and equities and ETF data on a single tape.</p>	Link

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
24 Feb 2023	Elements of Effective Policies for Crypto Assets	IMF	Crypto Assets	The paper aims to address questions by Fund members on how to respond to the rise of crypto assets and the associated risks. To frame the discussion, the paper defines and classifies crypto assets based on their underlying features and describes their purported benefits and potential risks.	<p>The paper does provide a framework that would help members with a way to develop a policy response that would be comprehensive, consistent and coordinated. Moreover, the framework is provided as a way to achieve policy objectives such as financial stability, macroeconomic stability, financial & market integrity, and consumer protection.</p> <p>The nine elements mentioned are:</p> <ol style="list-style-type: none">1. Crypto assets should not receive official currency or status of legal tender. Moreover, monetary policy frameworks should be strengthened to safeguard monetary stability and sovereignty.2. Maintaining capital flow management measures effectiveness and guard against capital flow volatility that is excessive.3. Have the tax treatment of crypto assets be unambiguous with analysing and disclosing fiscal risks.4. Crypto asset legal certainty should be established and legal risks addressed.5. The development and enforcement of prudential, conduct and oversight requirements for all the market actors of crypto.6. A joint monitoring framework to be created across different domestic authorities and agencies.7. To enhance the enforcement and supervision of regulations regarding crypto assets by creating collaborative arrangements internationally.8. Observe the influence of crypto assets on the international monetary system's stability.9. Developing global cooperation for the purpose of creating alternative solutions and digital infrastructures for cross border payments and finance.	Link



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
13 Mar 2023	Questions and Answers - Implementation of the Regulation (EU) No 909/2014 on improving securities settlement in the EU and on central securities depositories	ESMA	CSDR	This document aims to build a common supervisory culture by promoting convergent supervisory approaches and practices in the application of the Central Securities Depositories Regulation (CSDR). It does so by answering questions put forward by the general public, market participants and NCAs to which the above apply to. There was one new question in this issue in relation to partial settlement functionality.	<p>The question on partial settlement functionality had three parts:</p> <ul style="list-style-type: none"> ● When should CSDs start offering a partial settlement functionality? <p>Article 12 of the RTS allows for a derogation to the partial settlement functionality, if both the value and rate of settlement fails in a securities settlement system operated by a CSD are below certain thresholds. To benefit from this the required calculations must be performed by 20th of January of the year following when RTS on Settlement Discipline enters into force</p> ● How should field 19 of table 1 of Annex II to the RTS on Settlement discipline be filled in if a CSD has no intention to use the derogation provided for in Article 12 of the RTS on settlement discipline? <p>If a CSD does not use the derogation as per Article 12, the CSD should specify "NO" in field 19. In this case, no justification is needed.</p> ● Should a CSD set up its partial settlement functionality as a proper functionality or could it be an outcome-based feature? <p>Article 10 requires a CSD to allow for the partial settlement of settlement instructions. Article 23 of the RTS on settlement discipline states that were on the last business day of the extension period some of the relevant financial instruments are available for delivery to the receiving participant, the receiving and failing clearing members, trading venue members or trading parties, as applicable, shall partially settle the initial settlement instruction, unless the instruction is put on hold. However, the CSDR and the RTS do not provide a detailed explanation or set of instructions on how to proceed with a partial settlement. Therefore, CSDs are free to determine how the partial settlement functionality and its related features are implemented in practice.</p> 	Link



AWM regulatory landscape: February-May 2023

Date	Title	Issuer	Focus area	Summary	Key findings	Link
8 May 2023	Company Law - Public consultation on proposals to enhance the Companies Act 2014	DETE	Company law	The Department of Enterprise, Trade and Employment is looking for opinions on certain proposals to enhance the Companies Act 2014.	<p>The scope of the reform surrounds four themes related to Irish company law.</p> <p>Corporate Governance: The Department is considering whether to permit more flexibility by allowing, in addition to physical and hybrid meetings, general meetings and AGM to be held virtually on a permanent basis.</p> <p>Company Law Enforcement and Supervision: amendments have been put forward to grant the enhancement of powers to CRO, CEA, and IAASA which would allow to streamline procedures, strengthen the reporting requirements and deliver administrative efficiencies.</p> <p>Company Law Administration: The enhancement of specific administrative processes that are carried out by the Registrar of Companies was put forward.</p> <p>Corporate Insolvency including the Regulation of Receivers: There were amendments put forward relating to different insolvency related processes and to include certain changes to the “Small Companies Administrative Rescue Process” (SCARP). In regards to the enhanced regulation of receivers, the Department seeks to fulfil its commitments on Programme for Government.</p>	Link
9 Mar 2023	Guidelines on standard forms, formats and templates to apply for permission to operate a DLT market infrastructure	ESMA	Distributed ledger technology	These guidelines apply to competent authorities and contain the correct information on standard forms, formats and templates, to be used to submit information to apply for any specific permission to operate a Distributed Ledger Technology (DLT) Market Infrastructure (MI), which include a DLT Multilateral Trading System, DLT Settlement System and DLT Trading and Settlement System.	These guidelines came into effect from 23 March 2023. Competent authorities have two months to notify the ESMA as to whether they have complied, haven't complied or intend to comply.	Link

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
7 Mar 2023	Capital markets union: Council adopts revised framework for European long-term investment funds	European Council	ELTIF	A redesigned European Long-Term Investment Funds (ELTIF) regulatory framework has been adopted by the council on the 7 March 2023, which will enhance the attractiveness of this product to investors.	<p>The endeavour is part of the capital markets union, an objective that seeks the creation of a single market for capital. The European Long-term investment funds are the sole long term investment tool that can be distributed to both retail and professional investors on a cross border basis. With ELTIF being considered as a tool for investing into the long term, they provide a good opportunity with the twin digital and green transitions.</p> <p>With the redesigned regulatory framework being adopted, a number of regulatory obstacles had been eliminated. There is a process of simplifying the process of investing into attractive European companies and projects that are considered innovative.</p>	Link
29 Mar 2023	Consultation Paper on the amendments to Guidelines on position calculation under EMIR	ESMA	EMIR	These Guidelines look to ensure that Trade Repositories (TRs) calculate positions in derivatives in a harmonised and consistent manner as per Article 80(4) of EMIR. The guidelines state what is required in relation to the aggregation of certain data fields and how they should be calculated by TRs before they are submitted to the relevant authorities and feedback is sought on these new guidelines.	<p>The guidelines aim to preserve the existing guidelines as much as possible but to also keep them inline with the EMIR Refit. This will reduce the implementation costs and time for TRs.</p> <p>There are three new EMIR Refit fields that are needed for the amended guidelines. There are nine new fields that may be included but are not essential for performing the calculation. Based on these new fields, ESMA has made a number of changes to the guidelines and deleted the guidelines for certain fields where the fields are no longer applicable.</p> <p>ESMA is consulting market participants to submit responses to 18 questions contained in the paper. Responses for this consultation by any interested stakeholder will only be considered when they are submitted prior to 9 May 2023.</p>	Link
21 Feb 2023	Notice of Intention - Process clarifications for UCITS and AIFs pre-contractual documentation updates in relation to the Commission Delegated Regulation (EU) 2023/363	CBI	ESG	The implementation of the Commission Delegated Regulation (EU) 2023/363 amends the regulatory technical standards for SFDR has impacted the content and presentation of the disclosures in the pre-contractual documents and periodic reports. This document clarifies the approach for UCITS and AIFs, to account for the updates to the pre-contractual requirements.	<p>The CBI has established a streamlined filing process for pre-contractual updates, based on the revised requirements, that UCITS management companies and AIFMs will be required to certify compliance with the requirements via an attestation. The submission to the CBI should contain the updated pre-contractual documentation and a Responsible Person shall certify that the amendments are made in accordance with: The Commission Delegated Regulation (EU) 2023/363, SFDR Level 1, SFDR Level 2 and/or the Taxonomy Regulation; and any amendments made to the investment policy/strategy are only to allow consistency with the disclosure changes.</p> <p>Filings to comply with the updated requirements, should be submitted as soon as possible. The streamlined process is only available for updates related to SFDR disclosure requirements. Any other changes must comply with the usual CBI review process for funds.</p>	Link



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
22 Feb 2023	EFAMA questions the threshold approach in ESMA's proposed guidelines on the use of ESG terms in fund names	EFAMA	ESG	This document sets out EFAMA's response to ESMA on their Guidelines on funds' names using ESG or sustainability related terms.	<p>EFAMA believe that the purpose of these guidelines go beyond the current SFDR requirements and that if additional rules and criteria are needed it should be up to the co-legislators' discretion. This is particularly relevant, as at present, some NCAs are already diverging in their supervision approaches to fund's names.</p> <p>The guidelines should be delayed in order for a clear definition of "sustainable investment" and to resolve interoperability issues between the guidelines and other pieces of EU legislation, so that the guidelines can be more effective. This would require aligning the guidelines with SFDR's focus on investment processes.</p> <p>EFAMA suggest that cash, cash equivalents and derivatives for hedging or efficient portfolio management should be excluded from the 80% threshold calculation. The appropriateness of the 50% threshold is questioned due to the lack of clarity as to what constitutes a "sustainable investment".</p> <p>That there is a need for a guidance or non-exhaustive list of "ESG-related" terms. There is a lack of clarity on the threshold calculation methodology.</p>	Link
13 Mar 2023	ECB and the ESAs call for enhanced climate-related disclosure for structured finance products	ECB and ESAs	ESG	ESMA alongside the EBA, EIOPA and the ECB are working together towards enhancing disclosure standards for securitised assets by including new, proportionate and targeted climate change-related information. While the ESAs and ECB want issuers, sponsors and originators of such assets at EU level to proactively collect data on climate-risks during the origination process.	<p>Reporting on existing climate-related metrics needs to improve and additional metrics are required. Improving on current reporting and metrics will allow for the enhanced analysis of climate-related risks and in-turn the classification of assets under SFDR and the Taxonomy Regulation.</p> <p>Better and targeted disclosures for financial products are in development. This will come in the form of advice and Regulatory Technical Standards (RTS) under the Taxonomy and SFDR. Furthermore, additional disclosures in relation to decarbonisation targets are being considered to enhance the SFDR regime.</p> <p>Data will play an important role in sustainable disclosures, so the ESAs are developing templates for voluntary sustainability-related disclosures for "simple, transparent and standardised" securitisations. While ESMA is reviewing the loan-level securitisation disclosure templates for the introduction of new, proportionate and targeted climate change-related metrics that will be useful for investors and supervisors.</p> <p>Consistent and harmonised disclosure requirements for similar instruments that will improve comparability are a key consideration in the development of the disclosures.</p>	Link



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
12 Apr 2023	Joint Consultation Paper - Review of SFDR Delegated Regulation regarding PAI and financial product disclosures - Draft regulatory technical standards with regard to the content, methodologies and presentation of sustainability disclosures	ESMA	ESG	The ESAs have launched a joint consultation paper on a revised approach to the current SFDR regime. The consultation paper contains a revised draft of the Regulatory Technical Standards (RTS), in addition to this there are amended templates for the Principal Adverse Impacts (PAI) indicators and, the pre-contractual and periodic reports. The consultation is open until 4 July 2023.	<p>It is proposed that more granular information will be required in the reporting of GHG emissions reduction targets. This would come in the form of a narrative description of how the FMP will achieve its GHG objectives;</p> <ul style="list-style-type: none">• The use of the Partnership for Carbon Accounting Framework (PCAF) Standard to calculate emissions and;• Separate calculations for gross GHG emissions and GHG removals. While carbon emissions should be accounted for separately, with their use over time being disclosed. <p>The proposed updated approach to the PAI is as follows:</p> <ul style="list-style-type: none">• The list of social indicators has been extended: four mandatory and six optional.• The wording of the PAIs have been adjusted to be more aligned with the language of the data points.• New formulas have been added for the PAIs that did not already have them.• A new explanation column in the PAI template for noting the percentage of information used in the reporting, sourced from the investee company.• New requirements for disclosures on the “Do No Significant Harm” (DNSH) principle have been put forward such as greater levels of detail and quantitative thresholds linked to how investments considered the DNSH principle.	Link



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
16 Mar 2023	Advice to ESMA - SMSG advice to ESMA on additional questions relating to greenwashing	SMSG	ESG	<p>Having adopted its advice to ESMA on the 18th of January 2023 regarding a call for evidence relating to greenwashing, SMSG had reviewed the advice with the Board of Supervisors of ESMA, where four questions were raised. A working group was created to provide more information on the four questions:</p> <p>(1) How can the SMSG advice be used to contribute to a holistic definition of "greenwashing"?</p> <p>(2) Is "green bleaching" a problem from a supervisory perspective, and why?</p> <p>(3) How can ESMA deal with the declining number of "article 9" funds?</p> <p>(4) In regard of the distinction between intentional and unintentional greenwashing: is intent not mainly relevant from a criminal perspective? How should intent be relevant from a supervisory perspective?</p>	<p>A holistic definition of the term "greenwashing" was put forward: "the practice of misleading investors, notably (but not limited to) in the context of gaining an unfair competitive advantage, by making an unsubstantiated ESG claim about a financial product or service".</p> <p>Moreover, SMSG has provided advice to ESMA by promoting an explicit link between the greenwashing definition and, for every participant in the market, the standards that would be infringed upon when participating in greenwashing.</p> <p>The phenomenon of "green bleaching" is whereby, even though fund managers had made investments into sustainable activities, they had refrained from declaring as to avoid any related legal risks. SMSG has the opinion that if there are no legal responsibilities to report/disclose information regarding the sustainability of a product, making no sustainability claims does not constitute misrepresentation and shall not be sanctioned.</p> <p>Funds are driven away from the article 9 qualification with uncertainties relating to applicable legislation. SMSG believes that ESMA will have a significant part to play in monitoring market developments, investigating their causes, and alerting them to the Commission; and asking questions and giving advice to the Commission</p> <p>According to SMSG, the greenwashing concept should be as close to the existing rules on the non-misleading information requirements as possible. Moreover, whether intent is important and the topic of a potential breach materiality will be examined is dependent on applicable legislation and the angles taken.</p>	Link
1 Mar 2023	Sustainable finance: Provisional agreement reached on European green bonds (1105/22)	European Council	ESG	<p>The European Council and Parliament have reached a provisional agreement on the creation of European green bonds (EuGB).</p>	<p>This regulation lays down uniform requirements for issuers of bonds that wish to use the designation "EuGB" for their environmentally sustainable bonds that are aligned with the EU taxonomy. To prevent greenwashing, the regulation provides for voluntary disclosure requirements for other environmentally sustainable bonds and sustainability linked-bonds issued in the EU.</p> <p>Under the provisional agreement, all proceeds of EuGBs will need to be invested in economic activities that are aligned with the EU taxonomy, provided the sectors concerned are already covered by it. For sectors not covered and certain activities, there will be a flexibility pocket of 15%.</p>	Link



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
1 Mar 2023	Outcome of financial statement examinations completed in 2022	IAASA	Financial Reporting	The outcome of examining the financial reports in 2022 was published by IAASA.	<p>In general, firms that have obligations regarding financial reporting have a good level of compliance, in particular issuers of equity. Nevertheless, there are certain companies, in particular a number of fund and debt issues, that have more progress to make when it comes to achieving financial reports that are of a high quality consistently. IAASA has required three firms to issue corrective public notices which accentuates deficiencies in the financial statements they published.</p> <p>There are expanding impacts of climate change and the mitigation initiatives regarding climate impact on firms. Moreover, this is reflected in the increased focus of the accounting enforcers and IAASA relating to the financial reporting implications of climate change and commitments by the firms. It is assumed that this area will increase in significance later as there is a trend amongst firms moving towards compliance with the emerging climate reporting standards.</p>	Link
30 Mar 2023	Report - 2022 Corporate reporting enforcement and regulatory activities	ESMA	Financial Reporting	This report provides an overview of the activities of ESMA and of national enforcers in the European Economic Area when examining compliance of financial and non-financial information provided by issuers in 2022.	<p>In 2022, enforcers undertook 640 examinations of financial statements in accordance with IFRS and took enforcement actions against 225 issuers. In 2022, enforcers examined 403 issuers for the purpose of assessing the disclosures in the non-financial statements. Enforcers followed up by taking actions with 100 issuers. Key findings include:</p> <ul style="list-style-type: none"> ● Issuers can significantly improve climate-related disclosures in their financial statements. ● ESMA stated that there is still room for improvement in the level of transparency in the application of requirements related to expected credit losses (ECL). ● Issuers generally took ESMA's recommendations on COVID-19 into consideration in an appropriate manner. ● Undertakings still need to take steps to ensure a good level of preparedness for alignment reporting related to Article 8 of the Taxonomy Regulation. 	Link



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
21 Apr 2023	Fitness and Probity Investigations, Suspensions and Prohibitions - Guide to Transitional Arrangements Arising from the Central Bank (Individual Accountability Framework) Act 2023	CBI	Fitness & Probity	This is the transitional guidance the CBI has published that explains and describes the changes to the CBI's update fitness and probity procedures, and how they apply to ongoing procedures.	<p>Where an investigation or related procedure under the old fitness and probity (F&P) regime is being carried out on or before the commencement date of the new regime, generally speaking the changes brought in by the IAF Act do not apply. There are a number of exceptions to this listed in the guidance.</p> <ul style="list-style-type: none"> ● The new provisions in relation to investigation reports apply. ● If a suspension notice is issued after the commencement date, the changes under the IAF apply to it, even where the investigation or prohibition notice procedure took place before the commencement date. ● Where a prohibition notice is issued before the IAF commencement date, but the prohibition notice has not taken place before the commencement date, the changes under the IAF will apply. ● The new rules for the independence of F&P investigations will apply to procedures that were ongoing on the date of the IAF's commencement. 	Link
24 Apr 2023	Industry Letter - Updates to the Central Bank's Fitness and Probity Enforcement Procedures	CBI	Fitness & Probity	This letter is to a number of Irish professional bodies making them aware of the changes to the Central Bank's fitness and probity procedures.	<p>The updated fitness and probity regime has applied since the 20th of April 2023 and the updates to the regulations and guidelines can be found on the CBI's website.</p> <p>Part 3 of the original fitness and probity 2010 Act has been amended by the Individual Accountability Framework Act. The list of amendments can be found in the Appendix of this letter.</p>	Link
21 Feb 2023	Call for advice to the EBA and ESMA for the purposes of the reports on the prudential requirements applicable to investment firms	European Commission	IFD/IFR	The entry into application of the IFR/IFD framework has carved out most investment firms from the CRR/CRD framework and subjected them to a new bespoke prudential regime that is aimed to be more proportionate to the nature, size, and complexity of their activities. The European Commission is required to produce two reports on the prudential requirements applicable to investment firms.	<p>The European Commission requests that the report should provide a detailed focus on the following topics:</p> <ul style="list-style-type: none"> ● Categorisation of investment firms: Adequacy of prudential requirements, conditions to qualify as small and non-interconnected investment firms, conditions to qualify as credit institutions. ● Interactions with the CRR/ CRD: Prudential Consolidation, Liquidity requirements, Scope of K-factors, Implications of the adoption of the Banking Package, Remuneration and Investment policy disclosure. ● Consideration on ESG risks. ● Future-proofing IFR/IFD regime. ● Specific considerations on commodity and emission allowance dealers and on energy firms. ● The EBA and ESMA should deliver their joint report on this Call for Advice to the Commission services by 31 May 2024. 	Link



AWM regulatory landscape: February-May 2023

Date	Title	Issuer	Focus area	Summary	Key findings	Link
20 Mar 2023	ESMA raises concerns with the proposed changes to the insider list regime	ESMA	Insider List Regime	ESMA has expressed concerns about the changes that have been put forward regarding the insider list regime.	According to the proposed changes, persons that have regular access to the inside information would be included on the insider list, but not those who might have access to such information on a case by case basis. In the letter it outlines how the changes put forward may inflict detrimental effects onto national supervisors and the capabilities of enforcing against market abuse, and for issuers that utilise such insider lists to manage the access and flow to inside information.	Link
4 Apr 2023	Guidelines on certain aspects of the MiFID II suitability requirements	ESMA	MiFID II	These guidelines aim to ensure the common, uniform and consistent application of the MiFID II suitability requirements. The guidelines aim to converge the approach to suitability policies by firms.	<ul style="list-style-type: none">• These guidelines will come into effect on the 3rd of October 2023.• Firms should inform their clients of the suitability assessment and its purpose of acting in the clients best interest. Each firm has the discretion of how to inform their client of the suitability assessment. Firms should also inform clients of what the suitability assessment entails.• Firms should establish and maintain adequate policies and procedures to help them understand the essential information and characteristics of clients. Key components of this are assessing the client's knowledge of the investment's risk and its relationship with return, and their financial situation.• For the sustainability preferences assessment of the client, the firm should adopt a neutral and unbiased approach to avoid influencing the client's answers.• Before providing advice or portfolio management services a firm needs to collect "all necessary information" about the client's knowledge and experience, financial situation and investment objectives.• Firms should take steps to ensure that the information they have on clients is up-to-date, reliable and consistent, without over relying on the client's self-assessment.• Policies should be put in place for conducting suitability assessments for legal persons or groups of people. While informing them how the suitability assessment is conducted.• Where a firm cannot meet the sustainability preferences of a client, it can ask the client if they would like to adjust their sustainability preferences so a product can be offered. Any decisions to change sustainability preferences should be recorded.	Link

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



AWM regulatory landscape: February-May 2023

Date	Title	Issuer	Focus area	Summary	Key findings	Link
27 Mar 2023	Final report - Guidelines on MiFID II product governance requirements	ESMA	MiFID II	MiFID II aims to ensure that financial products are only manufactured and/or distributed when they are in the best interest of clients, through the strong product governance arrangements. These guidelines build on the 2017 MiFID II guidelines, the Commission's Capital Markets Recovery Package, the sustainability-related amendments to MiFID II and the recommendations on the product governance guidelines by ESMA's Advisory Committee on Proportionality.	<p>These guidelines will be applicable from 22 May 2023. The identification of the potential target market by product manufacturers must be based on quantitative and qualitative considerations. While taking into account scenario and charging structure analyses undertaken for the relevant product. The list of categories set out in the guidelines should be used as a basis for identifying the target market for their products. Product manufacturers should specify any sustainability-related objectives the product is compatible with.</p> <p>The identification of potential target market rules are impacted on the basis of the nature of a product. For more complex products the target market should be identified with more detail. The potential target market list should be embedded into the distribution strategy.</p> <p>Distributors should decide if either existing or potential clients should have certain products made available to them at their own initiative through execution services without active marketing. Distributors should distribute products in accordance with the target market list and not on the basis of suitability or appropriateness tests. Therefore, analyses should be carried out on the characteristics of their client base.</p> <p>In the provision of investment advice, adopting a portfolio approach and portfolio management to a client, distributors can use products for diversification and hedging purposes. The provision of these services does not result in an exemption of identifying the potential target market.</p>	Link
4 Apr 2023	Guidelines on certain aspects of the MiFID II remuneration requirements	ESMA	MiFID II	These guidelines aim to ensure the common, uniform and consistent application of the MiFID II remuneration requirements. The guidelines aim to converge the approach to remuneration policies by firms.	<p>These guidelines will come into effect on 3 October 2023. Remuneration policies should include criteria to align the interests of the relevant persons with that of the client. This should include well defined and documented, qualitative and quantitative criteria. Avoiding conflicts of interests with the criteria is key.</p> <p>Variable remuneration policies should avoid targets that incentivise short-term gain over long term gain. While remuneration policies should be designed with flexibility, including the possibility of no variable remuneration at all. Relevant persons should be informed of the criteria used to determine their remuneration.</p> <p>Remuneration policies should be reviewed when relevant and significant amendments to their business occur. There should also be documentation surrounding the remuneration policy and the decision making process. Adequate controls should be put in place to assess the level of compliance with remuneration policies and practices, with the controls being subject to periodic review.</p>	Link

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
8 Feb 2023	ESMA Market Report on EU MMF market 2023	ESMA	MMFs	This report provides an overview of the European MMF sector covering topics such as: market monitoring, asset allocation, holder structures and data reporting.	At the end of 2021, EU MMFs held €1.44 tn in assets. Low-volatility NAV (LVNAV) MMFs accounted for 46% if this, followed by Variable NAV (VNAV) MMFs (42%) and Constant NAV (CNAV) MMFs (12%). Most of the EU's MMFs (89%) are domiciled in: France, Luxembourg and Ireland. As of Q2 2022 there are 483 active MMFs. Non-EU currency MMFs amount to 54% of total assets, with 32% for USD and 22% for GBP. The portfolio structure of most EU MMFs are exposed to credit institutions, this accounts for around 60% of total assets. Professional investors hold more than 90% of EU MMFs. Retail investors play a marginal role in Ireland and Luxembourg. The majority of MMFs' assets held in Luxembourg and Ireland belong to non-EU investors, while in contrast in France EU investors hold 94% of NAV in France.	Link
24 Mar 2023	Regulatory Service Standards Performance Report: July - December 2022	CBI	Regulatory Service Standards	The CBI published its semi-annual Regulatory Services Standards Performance Report in March, relating to the period July to December 2022.	The CBI stated that 90% of requests to process UCITS and RIAIF applications were processed in less than 20 days. 90% of requests to process UCITS and RIAIF funds/sub funds (fast track) applications were processed within 10 days. 100% of requests to process QIAIF applications were processed within 1 day. For requests to process UCITs management company applications, 90% were authorised within 6 months. 90% of AIF approval requests were also processed within 6 months. Further statistics related to the CBI's regulatory service standards can be found through the following link.	Link



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
9 Feb 2023	ESMA Report on Trends, Risks and Vulnerabilities (TRV) - Risk Monitor - No. 1, 2023	ESMA	Risk	On 9 February 2023 ESMA published a report on trends, risks and vulnerabilities. Markets became more stable in 2H 2022, and the outlook for 2023 became more optimistic despite a number of risk challenges in the EU including; tightening of financial conditions globally, high inflation coupled with a slowdown in economic activity, the effect of the geopolitical environment and the materialisation of peripheral risks on liquidity and leverage.	<p>Market environment: Inflation was considerably high with volatility in the energy markets even though prices in general declined.</p> <p>Securities market: In 2H2022 equities were volatile in price, with PE earnings falling below their 10 year average. Fixed income markets valuations were impacted by a monetary policy that was tighter.</p> <p>Asset Management: In 2H22 the main fund types experienced low levels of performance coupled with outflows except for MMFs, which experienced substantial inflows in the last quarter of 2022. AUM underwent its sharpest decline since the GFC occurred. There have been worries regarding the risk management of fund liquidity and too much leverage.</p> <p>Consumers: In light of the uncertainty surrounding the economy, investor sentiment remained low. There was a continued decline by retail investors into UCITS.</p> <p>Infrastructures and services: The trading volumes in the EU equity market during 2H22 stayed steady with continuing growth in central clearing volumes. It was also noticed that there was some departure from ETD's to OTC energy derivatives.</p> <p>Market-based finance: There has been a sharp decline in capital market financing in 2022 for the first time since Covid-19 in early 2020. Even though the liquidity transformation is low, it is difficult to complete risk assessments because inadequate amounts of information regarding leverage has been done by private equity AIFs.</p> <p>Sustainable finance: There has been growing scrutiny of the pledges made in regards to net-zero with an energy crisis which could threaten the decarbonisation targets. Moreover, there has been an increase in the flows into SFDR Article 9 funds.</p> <p>Crypto-assets and financial innovation: There has been a year on year decrease of 70% in the valuation of crypto assets, which can be attributed to macroeconomic factors and a number of company collapses, such as FTX.</p>	Link



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
21 Mar 2023	ESMA letter regarding concerns with changes to the insider list regime	ESMA	Stock Exchange Listing requirements	This letter from ESMA addresses the European Commission's proposed Listing Act, which looks to reduce the administrative burden for companies of all sizes, to improve their access to public fundings through stock exchange listings.	<p>Overall, ESMA welcomes the proposal. They are particularly satisfied with the inclusion of recommendations ESMA had previously given the Commission for this proposal.</p> <p>For the amendments to Article 18 of the Markets Abuse Regulation (MAR), so that insider lists are no longer event-based and would only need to include those persons that have regular access to inside information, there are two negative side-effects. Firstly, it would impair National Competent Authorities ability to enforce against market abuse as they will not be able to use the list to assess who accessed what information and when. Secondly, issuers would be affected, as they use insider lists to manage inside information and individuals would no longer be made aware that they are in possession of inside information.</p>	Link
15 Mar 2023	Central Bank sets out regulatory and supervisory priorities for 2023	CBI	Supervisory priorities	The Central Bank Deputy Governors Derville Rowland and Sharon Donnelly spoke to the Central Bank's 2023 regulatory and supervisory priorities at an event hosted by the Institute of Banking and attended by representatives from across the regulated financial services sector. The engagement built on the priorities letter which the Deputy Governors issued to all regulated firms earlier this year.	<p>The following areas will be the main focus:</p> <ul style="list-style-type: none"> ● The necessity to continue being vigilant when it comes to managing and assessing the financial and operational resilience of firms. ● strengthening the supervisory and regulatory approaches regarding the mitigation of the changing financial systems risks. ● Delivering an authorisation process that is clear, transparent and open by being actively engaged with the industry and other stakeholders. ● progressing measures on the systemic risks that were created by non-banks, particularly putting forward a macro-prudential framework for the non-banks. ● maintaining the oversight on the Irish banking sector consolidation and the related account migration programme. ● Overseeing how firms are helping borrowers with dealing with the difficulties of the current economic climate, which would include the affordability and arrears issues. ● The engagement and consulting on the review of the Consumer Protection Code and Individual Accountability Framework. ● The maintaining of financial system vigilance, administering financial sanctions, identifying and sanctioning the market abuse that occurred, and monitoring the compliance of firms with their AML/CFT obligations. ● Applying new EU regulation on DORA and MiCA, including playing a role in the development of other regulations. For example, the review of PSD2. ● EU's SFDR being implemented while also reinforcing the financial system's resilience to the risks relating to climate change and the ability to assist in the transition to a climate neutral economy. 	Link



AWM regulatory landscape: February-May 2023

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

Date	Title	Issuer	Focus area	Summary	Key findings	Link
24 Mar 2023	UCITS - Questions and Answers - 38th Edition	CBI	UCITS	The Q&A contains amendments to three questions on PRIIPs filing requirements, in addition to two new Q&As in relation to filing requirements for PRIIPs KIDs of UCITS which intend to market to different types of investors.	<ul style="list-style-type: none"> ● Where a UCITS is required to produce a PRIIPs KID and is applying for authorisation of a new UCITS umbrella or sub-fund from 1 January 2023, a PRIIPs KID should be submitted to the Central Bank. ● Q&A ID1108 has been deleted. ● UCITS authorised before 1 January 2023 that has not submitted a PRIIPs KID as part of its authorisation is not required to submit a PRIIPs KID. ● Where a UCITS markets separate share classes to only professional investors, the UCITS may submit a UCITS KIID to the Central Bank for those share classes. ● Foreign domiciled UCITS that are registered to market themselves in Ireland to retail investors are required to file a PRIIPs KID with the Central Bank. 	Link
4 April 2023	UCITS- Questions and Answers - 39th Edition	CBI	UCITS	This document sets out answers to queries likely to arise in relation to UCITS. It aims to limit uncertainty and to encourage consistent market practices. There was one update in this Q&A to ID1100.	Question ID1100 was updated to reflect the CBI's new position on UCITS' ability to invest directly or indirectly in digital assets. The CBI still holds a similar stance on UCITS investing in digital assets due to the risks associated with them and that there is no evidence to suggest that they meet the eligible asset criteria of UCITS.	Link



PwC Ireland AWM regulatory services

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

CP86

We have conducted a number of CP86 compliance reviews, including reviewing/drafting policies and procedures and performing an assessment of reporting frameworks and delegate oversight procedures. Our suite of services includes:

- Regulation Gap Analysis
- Policy and procedures
- Governance review
- Designated persons

Regulatory reviews

Our suite of services includes:

- Product governance
- Risk management framework
- IFD/IFR support
- Capital framework
- Corporate governance
- Internal audit

Training

We have delivered tailored courses covering both Irish and international regulation.

- Regulatory obligations
- Interview preparation and workshops
- Annual training
- Regulatory updates

Valuation reviews

We have designed a valuation framework suitable for Irish management companies based on current regulations and industry best practices. We have also developed a tried and tested valuation audit approach. Our valuation advisory services are as follows:

- Financial reporting
- Transactions
- Dispute resolution
- Tax valuations

Outsourcing

Our outsourcing services include a wide range of bespoke services, typically in the areas of Regulatory Compliance, Risk Management and Operations:

- Outsourcing framework - Diagnostic, design & implementation
- Outsourcing Maturity assessment
- Outsourcing benchmarking
- Outsourcing process enhancement
- Outsourcing Risk Assessment
- Individual Outsourcing arrangement support – design, deployment, implementation
- Regulatory compliance
- Internal audit support

Liquidity risk

PwC has a team of Liquidity Risk experts to help solve the key challenges faced by Fund Managers and Management companies. We can help as follows:

- Liquidity risk framework
- Liquidity risk policy
- Stress testing procedures
- Internal and external procedures
- Delegated functions

CBI authorisation services

PwC has market leading industry knowledge and technical expertise across all the areas you require support (regulatory, governance, financial projections etc). Our authorisation team is drawn from our AWM and FS Regulatory practices and includes regulatory specialists who have considerable experience in all aspects of the authorisation process. PwC can support through the whole process covering:

- Key Facts Documents (KFD)
- Application form
- Financial projections
- Policies and procedures
- Compliance monitoring & risk management frameworks
- CBI comments



PwC Ireland AWM regulatory services

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team

ESG services

ESG is more than ticking boxes. It's about making a difference - for your business and our world. Creating sustained outcomes that drive value and fuel growth, whilst strengthening our environment and societies. We support you through all your needs:

- Strategy
- Transformation
- Implementation
- Data
- Reporting
- Tax governance
- Training
- Health checks

AML & CFT

PwC offers a depth and breadth of insights and access to networks that we can bring to our clients. Both in Ireland and internationally, we have an unrivalled client base that allows us to identify and share developing trends and issues in this complex and changing area. The services we offer include:

- AML framework
- AML & CFT regulation health check
- Policies and procedures
- Training
- AML remediation
- AML internal audit

The services brochure is available [here](#).



As a firm we are proud of the depth and breadth of insights and access to networks we can bring to our clients.

In Ireland and internationally, we have an unrivalled client base that allows us to identify and share developing trends and issues.



A dedicated Asset & Wealth Management team with unrivalled experience.

It is our people, our experience and our passion to contribute to your success that makes us the right team for you. Our Asset & Wealth Management group is the largest in Ireland with nearly 400 investment professionals and staff.



Building on our track record of delivering alternative thinking.

We use our knowledge to both shape and drive regulation and help our clients, not just in implementing new standards and requirements, but to prepare for future requirements and to ensure that products are properly designed.



Our team

- Index
- The Irish Funds Industry in numbers
- Key changes to the Client Asset Regulation
- Markets in Crypto Assets (MiCA) regulation
- Consumer Protection Outlook Report 2023
- The Individual Accountability Framework
- Get ready for ELTIF 2.0
- AWM regulatory landscape: February to May 2023
- PwC Ireland AWM regulatory services
- Our team



Ken Owens
Partner
Asset & Wealth Management Advisory
T: +353 86 817 1368
ken.owens@pwc.com



Paul Martin
Partner
Asset & Wealth Management Advisory
T: +353 86 837 7335
paul.p.martin@pwc.com



Catherine Chambers
Director
Asset & Wealth Management Advisory
T: +353 87 615 0687
catherine.chambers@pwc.com



Lesley Bell
Director
Asset & Wealth Management Advisory
T: +353 87 272 2282
lesley.bell@pwc.com



Patrick Farrell
Senior Manager
Asset & Wealth Management Advisory
T: +353 87 262 2507
patrick.x.farrell@pwc.com



Philip Cullen
Manager
Asset & Wealth Management Advisory
T: +353 87 207 5976
cullen.philip@pwc.com

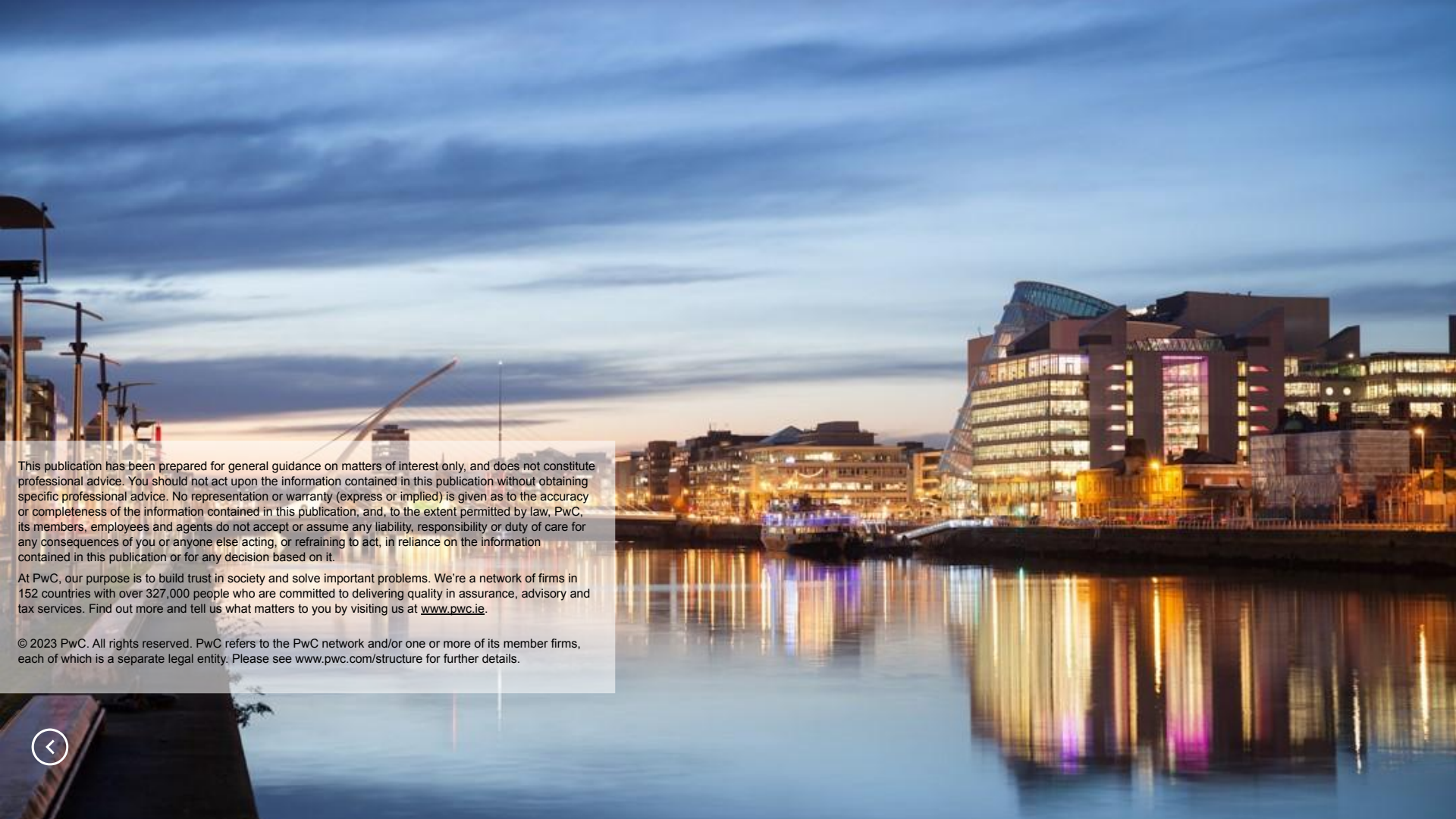


Oisín O'Mahony
Associate
Asset & Wealth Management Advisory
T: +353 87 358 0674
oisin.omahony@pwc.com



Mark Pascenko
Associate
Asset & Wealth Management Advisory
T: +353 87 169 5611
mark.pascenko@pwc.com





This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PwC, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 152 countries with over 327,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.ie.

© 2023 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

