Ireland AWM regulatory update

October 2022 to January 2023

Index

The Irish Funds industry in numbers

€6.2tn*

Total assets under administration in Ireland – September 2022

€3.8tn^

Total domiciled funds in Ireland – October 2022

€2.6tn*

Total non-domiciled funds in Ireland – September 2022

€-0.5bn

Net sales of Irish domiciled funds in Q3 2022

77%^

Percentage of Irish domiciled assets in UCITS Funds – October 2022

8,566^

Number of funds domiciled in Ireland – October 2022

72%*

Ireland's share of European ETFs – September 2022

€2.8tn

Net assets of UCITS in Ireland – December 2022

€875bn

Net assets of AIFs in Ireland – December 2022

Source: EFAMA Quarter 3,2022 statistical release issued in December, 2022
^ Source: Irish Funds website– Industry Statistics: January, 2023
*** PwC estimate September 2022**

The CBI's ongoing consultation on the Consumer Protection Code

The Central Bank of Ireland (CBI) launched a Discussion Paper on the review of the Consumer Protection Code (Discussion Paper) in October 2022. The CBI are undertaking this review to ensure that the Consumer Protection Code 2012 (revised 1 January 2015) remains fit for purpose and future-ready, and that consumers remain well protected.The CBI's Discussion Paper focuses on the changes in the economy such as technology, an ageing society, climate change response and different ways of working, and how best to protect consumers from these changes by evolving the consumer protection framework.

Key features of a Consumer Protection Framework

The Discussion Paper addresses the fundamental theme of '**securing consumers' best interests**'. This consists of two broad discussion themes focusing on **Availability and Choice** and **Firms Acting in Consumers' Best Interests**.

The Discussion Paper also outlines eight further discussion themes covering specific topics of importance to consumer protection.

Securing consumers' best interests: Two broad themes

1. Availability and Choice – Effective Market Functioning

The CBI identifies that an effectively functioning market has appropriate levels of competition, a flow of new market entrants, transparent pricing structures and clear information for customers on the products they require. The Discussion Paper provides narrative to the following areas:

- Key characteristics of well-functioning markets;
- Switching (service providers and products);
- The impact of change in retail financial services;
- New delivery channels;
- Regulation and competition; and
- Regulation and innovation.

Assessing impacts on the functioning of the market and on competition within the market is an important part of how the CBI regulates and the CBI wants to increase their understanding of the interaction of regulation with effective market functioning and availability and choice.

2. Firms acting in Consumers' Best Interests

The CBI identifies that while delivering a profitable and sustainable business model, a financial service provider has a fundamental responsibility to place the best interests of consumers at the centre of how its products and services are designed and delivered. Balancing firm objectives with the needs of stakeholders is key to ensuring that supervisory expectations and standards are met. The Discussion Paper outlines a number of thought provoking questions, which centre around guidance on how it expects firms to act in the interest of consumers, and the basis of responsibility for taking action in favour of the customers best interests.

Please see specific discussion themes on the next two pages.

The CBI's ongoing consultation on the Consumer Protection Code

Item	Specific theme	Summary	Key questions asked by the CBI
1.	**Innovation & disruption**	The benefits of change and innovation are realised for consumers and the economy with the appropriate risk mitigation measures in place. Innovation has allowed for the development of new fintech, crypto and big tech firms. Market incumbents should be made aware of both the opportunities and risks posed by speculative crypto-based products. New EU legislation will hopefully mitigate some of these risks. The CBI is investigating the development and potential issuance of a central bank digital currency as part of a European Central Bank-led project which would complement euro banknotes and coins.	**1.** What more should be done to support innovation while ensuring consumers' best interests are protected? **2.** How can regulators ensure that neither firms currently in the market, nor new entrants, have unfair advantages which could be a barrier to fair competition? **3.** Do you agree with our proposed approach to enhancing our Innovation Hub?
2.	**Digitalisation**	With the process of digitalisation has come undoubted benefits and risks that may change how firms interact with their consumers. Digitalisation has allowed for online decision making, traditional services like consumer credit being offered online, use of Big Data and personal data, and gamification of services. Careful consideration of potential risks is needed.	**1.** Do you agree with our analysis of the benefits, challenges and risks around digitalisation in the area of financial services? What are the key issues for you? **2.** How do you think the personalisation and individual-targeting of ads can be made compatible with the requirement for firms to act in the best interests of customers?
3.	**Unregulated activities**	Not all financial services are regulated by the CBI. It is necessary to differentiate between those firms that are and are not regulated, and those firms which operate illegally. This is where a strong regulatory framework is required, so that consumers can easily differentiate and understand the differences between regulated and unregulated activities.	**1.** The Code requires regulated firms to provide a statement indicating that they are 'regulated by the Central Bank'. Do you think this is useful for consumers? **2.** How can the difference between regulated and unregulated activities be made clearer for consumers? **3.** Should there be additional obligations on regulated firms when they undertake unregulated activities?
4.	**Pricing matters**	Pricing matters are an integral part of an effectively functioning market as prices should be sensible and fair. Institutional intervention may occur and firms must avoid practices considered 'dark pricing'.	**1.** What can firms do to improve transparency of pricing for consumers? **2.** In relation to pricing, are there examples of firms using unfair practices to take advantage of customer vulnerabilities?

The CBI's ongoing consultation on the Consumer Protection Code

Item	Specific theme	Summary	Key questions asked by the CBI
5.	**Informing effectively**	Being informed is necessary to make the right decisions. With customers having access to information disclosures as a way to make better decisions, there are issues that exist: information overload, growing complexity surrounding the way information is presented, too much information provided, which results in key information being lost. Firms need to get the correct balance and technology may provide the opportunity to do so.	**1.** How can regulation improve the effectiveness of information disclosure to consumers? **2.** How can firms better support consumers' understanding - can technology play a role? **3.** Does the way in which firms approach disclosure in respect of mortgage products need enhancing? If so, how?
6.	**Vulnerability**	To ensure Firms act in the best interests of consumers, they need to ensure that the vulnerability of consumers is considered to avoid such consumers being taken advantage of. With a list of vulnerability indicators, financial firms must ensure that they possess the necessary competencies to deal with such a topic and treat vulnerable consumers fairly.	**1.** Given that vulnerability should be considered more as a spectrum of risk than a binary distinction, how should firms' duty to act in their customers' best interests reflect this? **2.** What other specific measures might be adopted to protect consumers in vulnerable circumstances while respecting their privacy and autonomy?
7.	**Financial literacy**	Financial literacy plays a vital role in a person's financial wellbeing and ensures that the interests of customers are met. With a correlation between financial education and financial comfort, there needs to be a continued promotion of financial literacy amongst the population.	**1.** What can the responsible authorities do to improve financial education? **2.** How can consumers be empowered to better protect their own interests when dealing with financial matters?
8.	**Climate matters**	Climate change is becoming an important topic for consumers with an increased desire for the financial system to play a vital role in the transformation to a climate neutral future. There are increasing consumer expectations with financial firms needing to earn consumer trust and provide assurance that the green products offered are presented fairly and accurately and by avoiding such issues as greenwashing.	**1.** How should the financial system best fulfil its role in supporting the transition to a climate neutral economy? **2.** How will climate change impact on availability, choice and pricing for financial products and services? **3.** Does the impact of climate change require additional specific consumer protections?

The closing date for submissions is Friday 31 March 2023 through the CBI's online survey.

ESMA's strategic priorities 2023 to 2025

The European Markets and Supervisory Authority (ESMA) has published their five year strategy for 2023-2028 (the "Strategy") that is to be implemented on a step-by-step basis. The Strategy has been developed as a result of challenging economic conditions and political challenges, while being mindful of further market developments, emerging risks and new legal mandates, in conjunction with National Competent Authorities (NCAs).

The Strategy takes into account the key priorities of the European Union (EU) in the area of financial services and aims to address the most significant risks linked to EU financial markets. ESMA has centered its strategy around five key elements that are divided into three strategic priorities and two thematic drivers.

Strategic priorities

1. Effective financial markets and financial stability;
2. Supervision and supervisory convergence;
3. Enhancing protection of retail investors;

Thematic drivers

4. Sustainable finance; and
5. Technological innovation and increased use of data.

1. Effective markets and financial stability

There are a number of actions ESMA is planning to take to foster effective markets and financial stability:

- enhance transparency through the development of the European Single Access Point (ESAP), which will be a central access point for all regulatory information to facilitate investment in the EU;
- the implementation of the consolidated tapes, that will support more efficient allocation of capital and more efficient price formation;
- strengthened risk assessment of securities markets;
- increased focus on risk management preparation;
- strengthening the framework applicable to non-bank financial intermediation; and
- greater monitoring and analysis of emerging stability risks.

ESMA will also look to further develop the EU single market by developing a complete and streamlined single rulebook for the EU single market. This will be done through reviews of the set out guidelines and technical standards. Additionally, ESMA will also continue to be an advocate for debate in the financial markets in conjunction with the NCA's and other European Supervisory Authorities (ESAs).

2. Strengthening supervision of EU financial markets

ESMA recognises that the EU's markets are also governed by each nation's own national authorities but ESMA is looking to develop a more common EU wide supervisory culture. For this to exist closer coordination with NCAs around data collection and sharing will be key for facilitating this while allowing for the development of common analytics. The ambition for a common supervisory culture can be further developed through the use of common supervisory actions (CSAs) and ESMA will utilise more intrusive tools in specific cases where the coordination role did not lead to specific outcomes.

Risk prioritisation is also high on the agenda for ESMA plan for supervising EU financial markets. This will be facilitated by ESMA and NCAs' shared understanding of the risks facing the financial markets. The use of an EU-wide risk heatmaps, stress testing and stakeholder outreach will be necessary to identify and mitigate the potential risks posed. The EU's strategic priorities (USSPs) will identify high priority areas where additional resources and supervision is required.

3. Enhancing protection of retail investors

The protection of retail investors will play a key role in ESMA's strategy moving forward due to their greater levels of inclusion in financial markets during recent years. ESMA and NCAs will focus on protecting retail investors from the risks posed among others by new and innovative products or services (e.g crypto-assets and non-fungible tokens) and products with strong retail investor demand (e.g ESG). ESMA will also look to protect retail investors from the risks stemming from alternative marketing and distribution channels such as social media advertising.

Adequate access to information for retail investors will have a major role in protecting them from potential market risks.

ESMA's strategic priorities 2023 to 2025

ESMA is seeking to bring about a ESAP that would act as an easy to access and use centralised system for regulated information. Furthermore ESMA will pursue a strategy that will improve retail investors' ability to understand products that are offered and to help them meet their long-term financial goals, through the following means:

- Reducing the size and complexity of information for investors,
- Simplifying product disclosures and stimulating use of clear language, both in disclosure requirements and in practice,
- The development of a framework that will allow retail investors to access markets and products in a safe and cost effective manner.

A unified approach throughout the EU for protecting retail investors will ensure all EU based retail investors are given the appropriate level of protection. Therefore, new initiatives for cross-border supervision will aim to facilitate:

- Effective information exchange between the home and host authorities, and
- Joint supervisory measures to support effective supervision and enforcement such as joint supervisory work, supervisory colleges or the use of delegation.

4. Enabling sustainable finance

Sustainable finance is high on the agenda for ESMA and the EU, with high quality sustainability disclosures being seen as key for ESMA in tackling greenwashing. This will be achieved through an improved and a more concise framework for disclosures, by increasing data availability and improving consistency. This is where a single rule book approach will be required.

Retail investors are seen as key stakeholders in the sustainable transition therefore, easy-to-read signals and labels, high-quality investment advice and providing access to high quality ESG data will be key for their inclusion.

ESMA will leverage its data-analysis capabilities to support its own and NCAs supervisory work and to promote a convergent approach towards sustainable finance. Furthermore ESMA will progressively aim to pay more attention to social and governance factors since their current focus has been placed on environmental and climate factors.

5. Facilitating technological innovation and effective use of data

ESMA understands the importance of technology and data use in the financial markets and they will work with NCAs to ensure that both areas are governed by robust EU rules. However, ESMA will ensure that this governance does not hinder innovation. This will include developing detailed regulatory standards, in particular on operational resilience, together with other ESAs and for new types of digital investments such as crypto-assets and their providers.

ESMA will have a focus on the implementation of the joint ESAs third-party service providers' oversight mandate, effective application of operational resilience requirements in existing ESMA supervisory mandates and stepping-up convergence activities for market participants supervised at the national level.

With an increase in cross border activity thanks to growth in digitalisation, ESMA will sharpen its emphasis on promoting a harmonisation in the supervisory practices and will encourage greater cross border collaboration within such areas.

ESMA has identified a number of objectives to bring its Data Strategy to a higher standard and that includes enhancing its use in ESMA's supervisory role:

- enhance ESMA's role as a data hub with a focus on improving data quality and accessibility,
- pursue thought leadership on data standards, technologies, and reporting innovations,
- the use of data to provide cutting edge, smart and effective supervision,
- to promote efficiency, transparency and cooperation in data policy and reduce reporting burdens,
- use data for evidence-based policy development, supervision and risk assessment, and
- contribute to providing relevant, useful and understandable information to the market in machine-readable form, and facilitate its use.

The full strategy is available here.

An update from the CBI about CP86

Executive summary

In 2019, the CBI published its findings of its in-depth thematic review to assess the industry's compliance with the CBI's Fund Management Companies framework. The framework, which was introduced in 2017, sets out the standards to be met by firms seeking new authorisation and existing firms, in respect of their governance, management, control and resourcing. The CBI carried out a follow-up version of its survey in June 2022 to assess how fund management companies' (FMCs) governance, structure and resources have evolved since 2019.

On 6 December 2022, the CBI Head of Securities and Markets Supervision discussed the CBI's latest work on FMC effectiveness (CP86) in the CBI's "Dear Chair Letter". This followed up on the thematic review of fund management companies' governance, management and effectiveness. The latest survey results disclosed updates regarding the structure of the sector and what the future could look like.

- The number of FMCs operating in Ireland has decreased from 358 in 2019 to 148 in 2022, despite a growth in AUM.
- The largest change in the market was the 90% decrease in the total number of Self Managed Funds (SMICs) operating in Ireland. This has been attributed to the large-scale restructuring and migration of businesses to third-party FMCs.
- There has been significant growth in FMCs providing services to third-party funds due to the decline in self-managed funds. The AUM for this business model currently stands at €540bn. As a result of this significant growth the CBI sees this as an area of focus moving forward and corresponding inflows of increased resources and expertise are expected.
- The survey highlighted the increasing level and extent to which FMCs are providing MiFID services such as individual portfolio management (IPM). Since 2019 IPM AUM has increased from €19bn to €432bn. Accordingly, the CBI wants to remind FMCs that certain MiFID obligations apply directly to FMCs who provide these services. Further examination of this area will be conducted in the future.

A number of changes also took place in the funds industry in respect of corporate governance and resourcing. The survey results showed the progress made within FMCs, but it also highlighted areas that require further improvement.

Chief Executive Officer (CEO)

There has been an increase in the number of FMCs with a dedicated CEO, changing from 50% (2019) to 67% (2022). The CBI expects that all but the smallest FMCs have a CEO (PCF 8) (Country Head) appointed.

Director time commitments

The time committed by directors has almost doubled since 2019. The CBI will continue to monitor the number of directorships held by individual directors to ensure it is sustainable. Where the number of directors roles held is deemed to be excessive, it will be challenged through the CBI supervisory and gatekeeper engagement.

Designated Persons & Support Staff

The level of resources across all Designated Person and related support roles has seen the average FTE per firm increase threefold from 3.2 in 2019 to 10 in 2022. The CBI has consistently communicated their expectation that the level of FMC resourcing must be continuously monitored and should grow in line with the nature, scale and complexity of the business.

Independent Non-Executive Directors (INEDs) Tenure

The number of INEDs with a tenure greater than ten years has decreased by 7%, from 25% (2019) to 18% (2022). The CBI expects that tenure and independence continue to be considered as part of the Organisational Effectiveness Director's ("OED's") review of Board composition and forms part of related reporting to the Board.

Board Diversity

The number of directorships held by women has seen a marginal increase from 16% (2019) to 20% (2022). The CBI expects FMCs to continue considering diversity as part of ongoing internal governance reviews.

The CBI recognises the progress made in FMC in recent years but the CBI will continue to challenge FMCs on their compliance with the framework. The FMC review will play a key role in the CBI's future policy development. The CBI expects that the letter will be discussed by Boards and that any areas requiring improvement are given due consideration. All FMCs should ensure it continues to comply with the requirements of the Fund Management Companies Guidance, particularly as a firm grows and matures. Any gaps identified should be addressed as soon as possible.

How PwC can help

PwC has conducted comprehensive reviews of management companies' implementation of the CBI's Fund Management Company Guidance and identified specific areas where improvements are required, in order to comply with the framework. Please reach out to us if you wish to discuss the recent Dear Chair letter or any aspects of CP86.

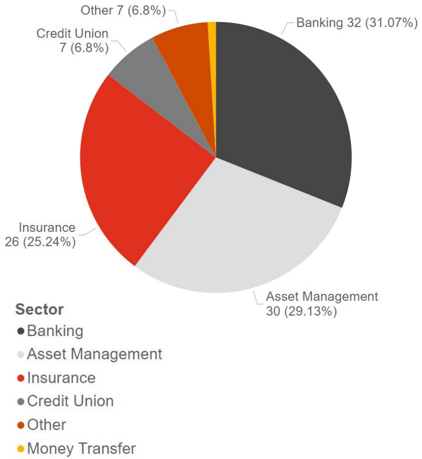
View the CBI's Dear Chair letter here.

A data enabled review of the CBI's enforcement actions from 2012 to 2022

2022 was a record year for Central Bank of Ireland (CBI) enforcement actions, with the CBI issuing an unprecedented €214m in fines. This represents an increase of more than triple the sum of fines issued in 2021, where €67m was issued.

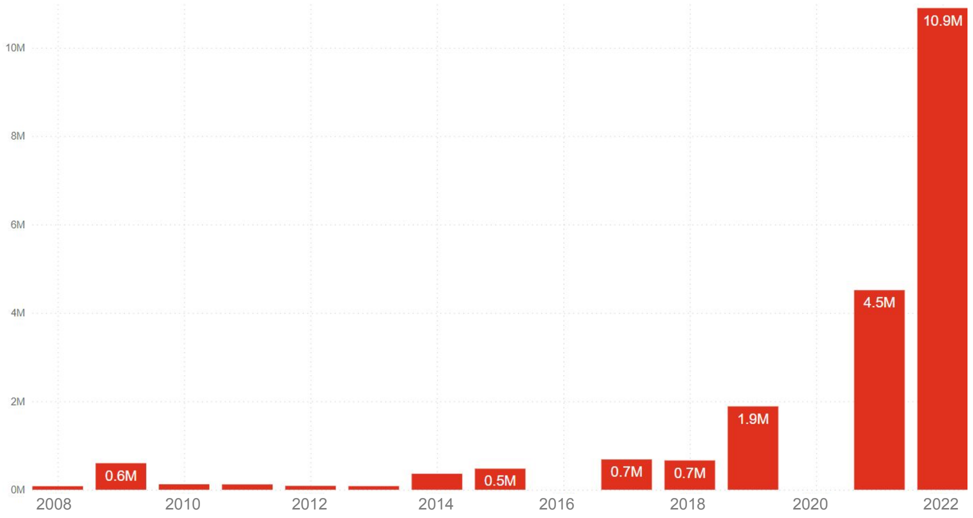
Since 2012, the Banking sector accounts for the largest share of the number of fines issued (32 fines), with the Asset and Wealth Management (AWM) sector not falling far behind, at 30 fines.

Number of fines issued since 2012 by sector



2022 was also a record year for fines issued in the AWM sector, with the total value of fines issued reaching almost €11m, up from €4.5m in 2021. Since 2022, notable areas where firms in the AWM industry demonstrated failures were in the areas of client assets, outsourcing, regulatory capital, acting outside authorisation and non-compliance with policies and procedures.

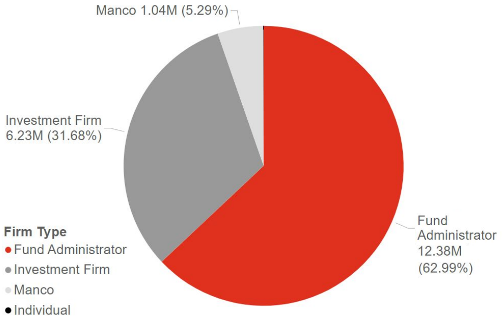
Fines within Asset Management per year



A data enabled review of the CBI's enforcement actions from 2012 to 2022

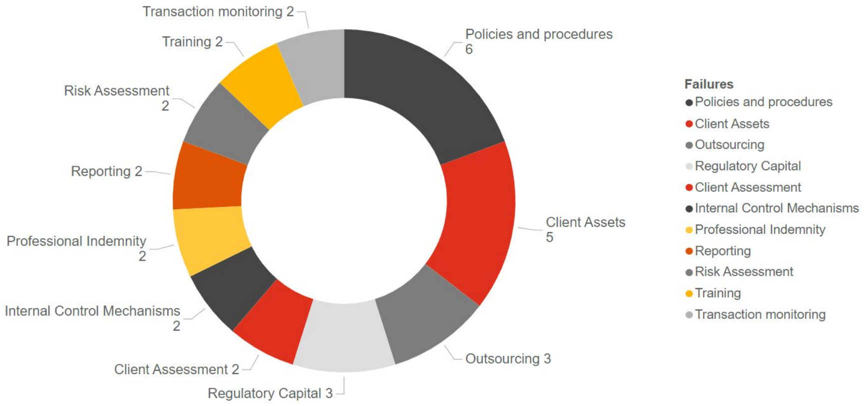
Since 2012, within the AWM industry, investment firms have received the highest number of fines, followed by individuals, and then management companies. However, in terms of the cumulative monetary value of fines, fund administrators have received the most, followed by investment firms, and then management companies.

Total fine amount since 2012, by firm type within Asset Management (€)



In that same time period, the most common areas in which firms within the AWM industry displayed failures leading to fines were failures relating to policies and procedures, client assets, outsourcing and regulatory capital requirements.

Most common failures leading to firms being fined



- Since 2012, a total of €12.3m in fines has been issued in the AWM relating to failures regarding outsourcing.
- Failings in relation to AML/CFT has also been a significant source of regulatory fines in the last decade, with €12.6m in fines being issued since 2012, with the majority of this amount being issued to banks. Within the AWM sector, over €700,000 in fines regarding AML/CFT has been issued in this timeframe, with the most common failings being policies and procedures, risk assessment, training, and transaction monitoring.
- In terms of the duration of issues or failings, since 2020, within the AWM sector, firms displayed failings over an average time period of four years, with the CBI looking as far back as 2011 when considering fines.
- From an individual perspective, fines or enforcement action have been issued to individuals in the AWM sector eight times since 2012 and make up less than 0.5% of the total fines issued in the last decade. With the emergence of the Senior Executive Accountability Regime (SEAR), it is conceivable that we will see more activity and higher fines related to enforcement actions being taken against individuals in the future.

PwC's Global AWM Revolution report: Exponential expectations for ESG

PwC's Asset and Wealth Management Revolution 2020 report "The power to shape the future" highlighted the opportunity that ESG investing presents, coupled with the challenges that asset managers will face regarding its implementation. Whereas, PwC's Asset and Wealth Management Revolution 2022 report "Exponential expectations for ESG" discusses the migration of ESG funds from the periphery of Asset and Wealth Management to the mainstream, boosted by ESG-oriented mandates in both Europe and the United States.

A recent PwC global survey of asset managers and institutional investors has produced key findings on the growth of ESG AuM. Globally, ESG AuM is set to grow. ESG AuM in Asia-Pacific is set to grow the most in percentage terms, with AuM expected to more than triple to $3.3tn in 2026. Investor interest in the Middle-East and Latin America is also steadily growing, with ESG AuM in the Middle East & Africa set to grow to $300bn by 2026, and $200bn in Latin America in this same time frame. Globally, challenges will present themselves around data, as well as higher compliance costs for asset managers and the implications of the situation in Ukraine. In this report, PwC found that the catalyst for the opening up of the market for ESG products and services will be the broadening of ESG classification. This will come from investors and regulators focusing on supporting businesses that are undergoing green transitions.

The following are the ten key market trends, industry priorities and stakeholder expectations helping to shape the AWM ESG agenda:

1. ESG is replacing asset price increases as an engine of growth. ESG-oriented funds are expected to grow faster than the market, highlighting the importance for asset managers to capture the shift towards ESG.
2. Pursuing ESG is fundamental. Asset managers are focused on converting products so that they can be classified as ESG oriented, either to comply with regulation or to ensure alignment with stakeholder expectations. With nearly 80% of investors planning to increase the allocation to ESG products in the next two years, retrofitting is the minimum asset managers must do to stay competitive.
3. The investable universe for ESG funds will open up. New legislation, market activity and government investment in longer-term sustainability goals are gaining momentum, while at the same time businesses are embracing their own ESG transitions. This trend includes investing in companies which aren't currently sustainable, and helping them with finance and expertise to incorporate ESG outcomes into their operations.
4. ESG has broadened objectives and fiduciary duties. The reluctance of asset managers to accept a lower rate of return in order to achieve ESG credentials has been conveyed in previous PwC research. However, this dynamic is changing, with three-quarters of institutional investors in this survey believing that ESG is now part of their fiduciary duty.
5. Investors are pushing for new ESG products - but demand outstrips supply. Nearly nine in ten (88%) institutional investors believe that asset managers should be more proactive in the development of ESG products, but only 45% of asset managers in the survey were planning on launching new ESG funds.
6. To attract new investment, managers will need to differentiate their products and demonstrate ESG performance.

   There is a potential for development of ESG performance fees in the future, with 52% of investment institutions willing to accept an ESG performance fee, and 57% of asset managers considering charging an ESG performance fee. However, the presence of ESG performance fees hasn't been visible so far.
7. Investors say they want more regulation. Despite concerns over ESG regulation from both institutional investors and asset managers, more than seven in ten institutional investors are in favour of strengthening ESG regulatory requirements for asset managers.
8. A meaningful ESG strategy requires investment. The survey found that regulatory and compliance costs have increased by more than 10%, due to ESG. This shift favours larger asset managers, who can absorb demands and spread costs, while possibly creating barriers to entry for others.
9. E, S and G must be balanced as part of a just transition. Some investors, asset managers, portfolio companies and policy makers have started to differentiate between their long-term and short-term ESG strategies.
10. Managers need a proactive risk-mitigation strategy for mislabelled products. More than seven in ten institutional investors and more than eight in ten asset managers believe that mislabelling is prevalent in the AWM industry.

PwC's Global AWM Revolution report: Exponential expectations for ESG

Adapting your business to ESG

1. Integrating ESG into your strategy and capabilities increases your ability to meet investor expectations and attract new mandates. Anticipating stakeholder demands for ESG through early adoption in your strategy which may open several opportunities for your business. The ESG marketplace is changing at a rapid pace therefore, strategies should be reactive to both stakeholder and regulatory demands.When setting your ESG near-term objectives, several key stakeholders should be involved in the decision making process. This can help embed the decided policies throughout your business while improving agreeance levels of said policies.

   Materiality analysis will be key to formulating an effective strategy as issues and opportunities that are most likely to impact you and your key stakeholders can be identified.This information will play a significant role in informing key individuals in your organisation responsible for the creation and governance of the strategy and its objectives. The integration of the frameworks developed by the UN Principles for Responsible Investment and the CFA can provide a reference point for you to compare your business against your peers.

2. Reconfiguring your operational model so that ESG touches all aspects of your operation will be heavily dependent on your investment and performance criteria. You will need to identify, source and analyse data that would be required to meet these criteria. Data deficiencies are the biggest shortfall for organisations in the AWM industry looking to adopt ESG policies. Therefore these shortfalls must be addressed. Technology holds the key to overcoming the ESG data and reporting challenges.

   New technologies could help you as an asset manager to fully incorporate ESG considerations into your investment strategy and allow for sustainable value-creation offerings.

3. Determining your ESG stance and what you want to convey to stakeholders will require a clear and compelling ESG-story. This can be conveyed through corporate reporting and publicly available goals.

   Decision-making and reporting on strategies and objectives should be formed on the basis of reliable information. By providing information that supports decisions, rationales can be provided when decisions are placed under scrutiny. This is where key performance indicators (KPIs) will be useful. Fuller explanations of the meaning of data and indicators will help justify and communicate strategies that may come across negatively, if solely portrayed by the relevant data.

4. Your business should not solely focus on environmental and social elements of ESG, the governance aspect should also be given due consideration. Effective governance will assist in the oversight and implementation of ESG in your operations. It requires clear lines of accountability and reporting to management so information is delivered on a timely basis so effective oversight can occur. The more informed upper management is on new and emerging ESG risks, the more likely the appropriate controls can be implemented to mitigate the risks posed.

Are you ESG-ready?

We have established ten strategic considerations to help you identify how quickly and effectively you embrace, embed and operationalise ESG. These considerations will help you to jump-start your thinking and set your business up to thrive in today's ESG-oriented marketplace:

1. How quickly can you shift allocations and convert existing ESG products to stay in the game in the short-term?
2. How quickly can you shift from retrofitting to strategic reorientation and the launch of new ESG products to meet growing demand from investors?
3. How can you best develop and articulate your ESG story to make sure investors understand and align with your ambitions?
4. How can you sufficiently differentiate ESG products and performance to sustain investment and justify higher fees in the long term?
5. How can you improve efficiency and cut operating expenses to help capture growing ESG demand, offset increased costs and sustain margins?
6. How can you sustain credibility by making sure your own ESG policies, operations and performance match what you expect from portfolio companies?

PwC's Global AWM Revolution report: Exponential expectations for ESG

7. How can you boost credibility and sharpen market differentiation by developing a strong data and reporting strategy, evaluating your own data collection and analysis, or enlisting a third-party provider?

8. What system upgrades do you need to source and analyse ESG data effectively?

9. How can you establish the assurance of the ESG data and analysis to guard against the risk of ESG mislabelling?

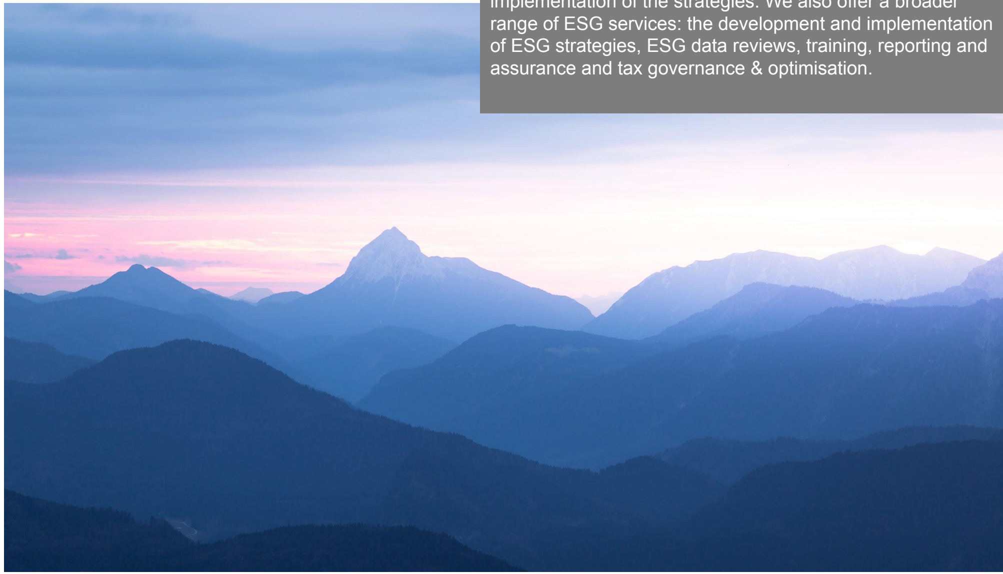
10. How can you respond quickly and decisively to possible claims of mislabelling or greenwashing by explaining how the mistakes were made, fully correcting them and learning from them?

PwC and ESG

At PwC sustainability is an inherent part of our business. We are committed to playing a leading role in achieving a sustainable future by adopting a number of actions and business practices that translate to a positive impact for society and nature. To ensure this, we are working to:

- Support the growth and development of our people and communities;
- Minimise our impact on the environment;
- Incorporate ESG into all of our business processes and create a distinctive business in a responsible way;
- Make every decision and every day count towards a sustainable future; and
- We have a global commitment to achieve net-zero by 2030.

Read the full report here.



How PwC can help

PwC offers a range of ESG services to help your business to progress in the ever-evolving ESG marketplace. This includes assisting in the integration of EU sustainable finance requirements through documentation review, GAP analysis, risk management reviews, resourcing/skills reviews and the implementation of the strategies. We also offer a broader range of ESG services: the development and implementation of ESG strategies, ESG data reviews, training, reporting and assurance and tax governance & optimisation.

AWM regulatory landscape: October 2022-January 2023

Date	Title	Issuer	Focus area	Summary	Key findings	Link
28 Nov 2022	**AIFMD - Questions and Answers - 45th Edition (updated 5 October 2022)**	CBI	AIFMD	Updates have been made, specifically in response to two questions, pertaining to investments and loan originating qualifying investor AIF. Both questions relate to a QIAIF which raises capital from investors under a formally agreed commitment basis.	Updates have been made, specifically in response to two questions, pertaining to investments and loan originating qualifying investor AIF. Both questions relate to a QIAIF which raises capital from investors under a formally agreed commitment basis.	Link
13 Dec 2022	**Questions and Answers - Application of the AIFMD (ESMA34-32-352) (updated 16 December 2022)**	ESMA	AIFMD	This Q&A session relates to AIFMD and aims to create a common supervisory approach and practices in the application of the AIFMD. This Q&A provides responses to questions posed by the general public and the competent authorities in relation to the practical application of the AIFMD.	There was one new question in this edition of this Q&A, in relation to the scope of AIFMD. This question asked if managers of Special Purpose Acquisition Companies (SPACs) are subject to the AIFMD. ESMA stated that this should be assessed on a case-by-case basis since SPACs are not yet legally defined by Union Law. The assessment should consider if the SPAC: • Meets the definition of an “AIF” as defined in Article 4(1)(a) of the AIFMD; and • Whether SPACs qualify as a “holding company” in accordance with Article 4(1)(o) of the AIFMD. Where the following occur, they make act as an indication that a SPAC is not an AIF: • a SPAC does not raise capital through the IPO with a view to investing it in accordance with a defined investment policy; • all, or substantially all, the proceeds of the IPO are used for the business combination; • following the business combination, the SPAC has a general commercial or industrial purpose as defined in the ESMA Guidelines on key concepts of the AIFMD.	Link

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Date	Title	Issuer	Focus area	Summary	Key findings	Link
21 Dec 2022	**AIFMD - Questions and Answers - 46th Edition (updated 21 December 2022)**	CBI	AIFMD	The following document comprises a set of answers to questions that may come to light during the process of implementing AIFMD. The purpose is to limit ambiguity until definitive positions and practices are finalised.	The new 2022 Q&A additions were around the topics of investments, loan originating qualifying investor AIF, and PRIIPs regulation 2014. ID1154 was for the topic of investments: For the purposes of the investment limit calculation of a QIAIF which invest more than 50% of net assets in another investment fund in Chapter 2, Part II, Section 2 of the AIF Rulebook, the reference to "net assets" can be understood to refer to committed capital provided that the QIAIF remains closed for redemptions during the capital commitment period. The start date and the end date of the capital commitment period must be disclosed to the investors. This calculation methodology can only be applied for six months following the completion of the capital commitment period. Loan Originating Qualifying Investor AIF (ID1155): For the purposes of the leverage calculation of a loan originating QIAIF in paragraph vii of Chapter 2, Part II, Section 4 of the AIF Rulebook, the reference to "net asset value" can be understood to refer to committed capital provided the QIAIF remains closed for redemptions during the capital commitment period. The start date and the end date of the capital commitment period must be disclosed to the investors. This calculation methodology can only be applied for six months following the completion of the capital commitment period. ID1126 (relating to PRIIPs regulation 2014) is as follows: The Central Bank requires Retail Investor AIFs which produce PRIIPs KIDs to file these on an ex post basis. This will include periodic updates to existing KIDs. The first annual reporting of such KIDs will take place in January 2024. Periodic updates to existing KIDs will be required to be filed with the Central Bank after the initial annual reporting exercise. Once reporting requirements are finalised the Central Bank will advise accordingly. Qualified Investor AIFs are not required to file PRIIPs with the Central Bank.	Link

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Date	Title	Issuer	Focus area	Summary	Key findings	Link
27 Sep 2022	**Consultation Paper - Guidelines amending Guidelines EBA/2021/02 on customer due diligence and the factors credit and financial institutions should consider when assessing the money laundering and terrorist financing risk**	EBA	AML/CFT	This consultation paper sets out proposed amendments to the EBAs Guidelines on ML/TF risk factors, aiming to facilitate access to financial services by categories of customers which are particularly vulnerable to unwarranted de-risking, including refugees and Not-for-Profit organisations (NPOs). The amendments include an annex that sets out factors credit and financial institutions should consider when assessing the ML/TF risks associated with a business relationship with customers that are NPOs.	The EBA is also consulting on a new set of guidelines: Guidelines on policies and controls for the effective management of ML/TF risks when providing access to financial services. This set of guidelines specifies further policies, procedures and controls credit and financial institutions should have in place to mitigate and effectively manage ML/TF risks, while considering an individual's right to access financial services. When assessing the risk profile of a customer or prospective customer who is an NPO for the first time, firms should ensure that they obtain a good understanding of the NPO's governance, how it is funded, its activities, where it operates and who its beneficiaries are. When identifying the risk associated with customers that are NPOs, firms should consider at least the following risk factors: Governance and exertion of control, reputation/ adverse media findings, funding methods and Operations in jurisdictions associated with higher ML/TF risks and high-risk third countries.	Link
21 Oct 2022	**Ireland: Financial Sector Assessment Program-Technical Note on Anti-Money Laundering/Combating the Financing of Terrorism**	IMF	AML/CFT	This report outlines the AML/ CFT risks present in the Irish financial sector, and how the IMF recommends the relevant authorities respond to these risks.	Domestic money laundering threats are well understood by the Irish authorities. However, the report highlights that significant threats are presented by foreign criminal proceeds. Enhancing the gathering of data on ML/CFT risks should be prioritised, given the "fast- growing supervisory population" in Ireland. The IMF (International Monetary Fund) welcomed Ireland's commencement of the registration process for VASPs. The IMF recommends that the Central Bank invest in developing proper supervisory tools for the sector, provide adequate training to supervisors to meet the demands of the sector, and increase resources to keep up with risks. The IMF recommends that the supervision of professional gatekeepers is not proportional to risk levels in the TCSP sector.	Link

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Date	Title	Issuer	Focus area	Summary	Key findings	Link
26 Oct 2022	**Revision of R25 and its Interpretive Note - Public Consultation**	FATF Financial Action Task Force	AML/CFT	The Financial Action Task Force (FATF) is conducting a review of Recommendation 25 and its Interpretive Note (R.25/INR.25) on the transparency and beneficial ownership (BO) of legal arrangements. The deadline for consultation was the 6th of December 2022. The FATF will consider responses at its February 2023 meetings.	Draft amendments: As well as requiring trusts governed under a country's law to obtain and hold B.O information, countries should require this from residents in their country "holding an equivalent position in a similar legal arrangement". Countries with express trusts and other similar legal arrangements should collect information on these legal arrangements and outline the process for the setting up of these legal arrangements, as well the obtaining of beneficial information. Countries should designate and make publicly known the agency(ies) responsible for responding to all international requests for BO information.	Link
19 Dec 2022	**Beneficial Ownership Register of Certain Financial Vehicles - Guidance 2022**	CBI	AML/CFT	As of December 2022, the Central Bank of Ireland has made updates to its guidance regarding the Beneficial Ownership Register of Certain Financial Vehicles. Specifically, updates have been made to Chapters 3 & 4 of the Guidance, regarding access to the register by members of the public.	These updates come after the European Court of Justice deemed that "the general public's access to information on beneficial ownership seriously interferes with "fundamental rights to respect for private life and to the protection of personal data". Further to this, access requests to the beneficial ownership register made by members of the public will not be processed by the Central Bank, "pending clarification of the legislative position by the law making body".	Link
17 Nov 2022	**Questions and Answers - Implementation of the Regulation (EU) No 909/2014 on improving securities settlement in the EU and on central securities depositories (ESMA70-156-4448) (updated 20 October 2022)**	ESMA	CSDR	This document is updated on a continual basis, responding to questions in relation to the practical application of the CSDR. Responses have been provided to questions regarding settlement discipline, specifically to the calculation, scope, costs and processes of cash penalties.	Central Securities Depositories (CSDs) can use additional incentives to limit the occurrence of payment delays leading to partial collection and distribution of cash penalties, as long as the incentives do not impede the effective application of requirements.	Link

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25 Nov 2022	**Commission Delegated Regulation (EU) 2022/1930 of 6 July 2022 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2018/1229 as regards the date of application of the provisions related to the buy-in regime (Text with EEA relevance)**	Legislation (EU)	CSDR	This Regulation is based on the draft regulatory technical standards submitted to the Commission by ESMA. Amendments have been made to Chapter IV of Delegated Regulation (EU) 2018/1229.	Clarifications have been made with regards to a situation in which a person who sells shares is unable to deliver the shares for settlement within four business days of the settlement being due. The Regulation moves the application start date for the settlement discipline measures to 2 November 2025.	Link
14 Dec 2022	**Final Guidelines for reporting under EMIR**	ESMA	EMIR	On 14 December 2022, ESMA provided clarifications regarding the legal provisions on reporting and data management under the amended EMIR rules and providing practical guidance on their implementation.	The Guidelines provide clarifications on the following aspects: • Transition to reporting under the new rules, • The number of reportable derivatives, • Intragroup derivatives exemption from reporting, • Delegation of reporting and allocation of responsibility for reporting, • Reporting logic and the population of reporting fields, • Reporting of different types of derivatives, • Ensuring data quality by the counterparties and the Trade Repositories (TRs), • Construction of the Trade State Report and reconciliation of derivatives by the TRs; and • Data access.	Link
26 Oct 2022	**Reminder to issuers regarding the European single electronic format (ESEF)**	IAASA	ESEF	ESMA's ESEF reporting manual includes the requirement to mark up the notes to and the accounting policies of the IFRS consolidated financial statements, following the "block tagging" approach. 2022 was the first year that the annual financial reports of issuers were required to be prepared in accordance with ESEF requirements.	ESMA has published an updated ESEF Reporting Manual applicable to the 2022 financial year. This manual includes the requirement to mark up the notes to and the accounting policies of the IFRS consolidated financial statements, following the "block tagging" approach.	Link

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Date	Title	Issuer	Focus area	Summary	Key findings	Link
24 Oct 2022	**Final Report - Guidelines on certain aspects of the MiFID II suitability requirements (ESMA35-43-3172)**	ESMA	ESG	In January 2022, ESMA published a consultation paper on the draft guidelines on certain aspects of the MiFID II suitability requirements in order to explain its rationale and gather input from stakeholders. This Final Report summarises and analyses the responses to the consultation paper.	The 2018 ESMA Suitability guidelines have now been reviewed following the adoption by the European Commission of the changes to the MiFID II Delegated Regulation to integrate sustainability factors, risk and preferences into certain organisational requirements and operating conditions for investment firms. In addition, the review of the guidelines takes into account the results of the 2020 Common Supervisory Action (CSA) conducted by national competent authorities (NCAs) on the application of the MiFID II suitability requirements, complementing the existing guidelines with the good and poor practices observed and providing some practical guidance to firms in the areas where lack of convergence still seems to persist.	Link
16 Nov 2022	**Council gives final green light to corporate sustainability reporting directive**	European Council	ESG	The Corporate Sustainability Reporting Directive (CSRD) was approved by the Council of the European Union. The introduction of the new rules will ensure that the companies are held more accountable for how they impact society and it will fill the existing holes on sustainability information. Initially the directive was proposed on 21 April 2021.	The introduction of of CSRD will increase the accountability of firms, it will attempt to decrease divergent sustainability standards and play a role in the facilitation of a shift to a more sustainable economy. Adds to the existing regulations on non-financial reporting that were introduced in the Accounting Directive by NFRD in 2014. Listed SMEs and large companies required to disclose sustainability matters. The regulation is relevant to large companies, firms listed on regulated markets (excluding micro undertakings that are listed), with subsidiaries of these two types of firms, falling inscope to information applicable to them. Moreover, listed SMEs with specific characteristics are inscope (with an opt-out option until 2028 existing), and non European firms that generate a turnover over €150m and have a branch/subsidiary that surpasses certain thresholds. The regulation will be applied in four stages between 4 reporting periods of 2025, 2026, 2027 and 2029.	Link

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Date	Title	Issuer	Focus area	Summary	Key findings	Link
18 Nov 2022	**ESMA launches a consultation on guidelines for the use of ESG or sustainability-related terms in funds' names**	ESMA	ESG	This report sets out the results and observations of the Thematic Review (Review) by the International Organization of Securities Commissions (IOSCO) of the extent to which participating IOSCO member jurisdictions have implemented regulatory measures regarding the key recommendations in IOSCO's 2018 Recommendations for Liquidity Risk Management for Collective Investment Schemes (LRM Report). Feedback on these proposed guidelines has been requested by ESMA.	Funds with any ESG-related words in its name must have a minimum of 80% of its investments environmental or social characteristics or sustainable investment objectives, as per Annexes II and III of SFDR. If a fund has the word "sustainable" or any other term derived from "sustainable" in its name, it should allocate 80% of its investments to meet environmental or social characteristics or sustainable investment objectives above at least 50% of minimum proportion of sustainable investments as defined in Article 2(17) of the SFDR regulation as disclosed in Annexes II and III. Safeguards may also be required for funds falling outside delineated guidelines. Safeguards such as exclusionary criteria inline with the Paris-aligned Benchmarks in the Benchmark Regulation Delegated Regulation Art 12(1)-(2). The following may also be address in the the guidelines: • Funds designating an index as a reference benchmark could use ESG and sustainability related work in their name so long as relevant thresholds proposed are met by the fund. • Funds using the work "impact" or "impact investing" or any other impact-related rent in their name should meet the thresholds and make investments with the intention to generate positive and measurable social or environmental impact alongside a financial return.	Link
29 Nov 2022	**Council adopts position on due diligence rules for large companies**	European Council	ESG	The Corporate Sustainability Due Diligence Directive (CS3D) was approved by the Council of the European Union. The introduction of the new rules will ensure that the companies are held more accountable for how they impact society and it will fill the existing holes on sustainability information. Initially the directive was proposed on 21 April 2021.	The CS3D would first apply to very large companies that have more than 1,000 employees and €300m net worldwide turnover or, for non-EU companies, €300m net turnover generated in the EU, 3 years from the entry into force of the directive.	Link

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Date	Title	Issuer	Focus area	Summary	Key findings	Link
25 Nov 2022	**Sustainable finance and the asset management sector: Disclosures, investment processes & risk management**	CBI	ESG	This information note aims to inform market participants of the main disclosure issues encountered and highlight potential greenwashing risks/ areas where there has been a lack of clarity observed by the Central Bank.	The Central Bank has broken down its findings with regards to compliance with SFDR Level 1 and Taxonomy Regulation. In their findings, the Central bank highlighted the lack of granularity and high-level nature of the disclosure obligations. In terms of SFDR classification, Ireland's fund sector is broken down as follows: Article 6: 73.4%, Article 8: 24.9% and Article 9: 1.7%. The paper sets out the findings of a CBI gatekeeper review of investment fund disclosures, highlights the CBI's expectations around the implementation of the SFDR and the Taxonomy Regulation and provides a roadmap for how the CBI will supervise these requirements in the future. The paper also outlines areas of good practice identified and sets out the CBI's expectations generally.	Link
19 Dec 2022	**The EBA publishes its roadmap on sustainable finance**	EBA	ESG	The roadmap on sustainable finance has set out the timeline and defined the goals for completing the mandates and initiatives in the field of ESG risks and sustainable finance. The roadmap provides a clarification of EBA's approach, within the next three years, to promoting the European Union's attempt to create a more sustainable economy and to incorporate into the banking system the ESG risk considerations.	The newly introduced roadmap improved on and succeeded the first action plan produced in December of 2019. The objectives that were set out in the roadmap encompass the following topics: • Transparency and disclosure; • Risk management and supervision; • Prudential treatment of exposures; • Stress-testing; • Standards and labels; • Greenwashing; • Supervisory reporting; and • ESG risks and sustainable finance monitoring.	Link

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Date	Title	Issuer	Focus area	Summary	Key findings	Link
18 Nov 2022	**Thematic Review on Liquidity Risk Management Recommendations - Final Report (FR13/22)**	IOSCO	Liquidity Risk Management	This report sets out the results and observations of the Thematic Review by the International Organization of Securities Commissions (IOSCO) of the extent to which participating IOSCO member jurisdictions have implemented regulatory measures regarding the key recommendations in IOSCO's 2018 Recommendations for Liquidity Risk Management for Collective Investment Schemes (LRM Report).	None of the eleven IOSCO members' actions were found not to be consistent with the recommendations. EU nations' actions were largely consistent with the recommendations. Ireland was fully compliant with the regulations bar a minor issue with recommendation seven. There were minor gaps on some clear disclosure requirements on summary processes for mitigating liquidity risk. The UK was fully consistent when applying the ten recommendations. They all examined implemented the recommendations between 2 and 8. Only recommendation 17 was rated as "Final Adoption Measures taken and In Force" by all jurisdictions examined. Seven of the fourteen "Participating Jurisdictions" are "Fully Consistent" with all ten recommendations.	Link
25 Nov 2022	**Questions and Answers on the Market Abuse Regulation (MAR) (ESMA70-145-111) (updated 20 September 2022)**	ESMA	Market Abuse	This document provides responses to questions asked by the public, financial market participants, competent authorities and other stakeholders. ESMA updates this document on a regular basis.	As of 20 September 2022, updates have been made with regards to the following: • Financial guidance and the disclosure of inside information; • Market analysts' expectations and the identification of inside information.	Link

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28 Dec 2022	**ESMA promotes clarity to market participants on Best Execution reporting**	ESMA	MiFID II / MiFIR	A public statement was released by ESMA in regards to encouraging harmonised measures between NCA's relating to MiFID II Article 27(3) with a provisional deferment of the obligation to report on the execution venues to the public.	The provisional deferment of the obligation to report is in place until the 28 February 2023. The deletion of the RTS 27 reporting obligation was put forward by the European Commission in a legislative proposal on the 25 November 2021 which, at present, is subject, by the European Parliament and the Council of the EU, to a legislative procedure. The reporting obligation may be reapplied after the deadline of 28 February 2023 as it is not expected that the legislative procedure will be concluded by the provisional deferment date. Therefore, starting on the first day of March 2023 and until the upcoming changes to the legislative to Article 27(3) of MiFID II takes effect, there is anticipation from ESMA that National Competent Authorities do not focus on supervisory proceedings against execution venues in regard to the periodic reporting obligation on them to submit the RTS 27 reports.	Link
25 Oct 2022	**ESMA Updates Guidelines on Stress Tests for Money Market Funds**	ESMA	MMFs	As of the 30 November 2022, ESMA has issued the Final Report on the 2022 update of guidelines on MMF stress tests under the Money Market Funds Regulation (MMFR). While section 5 of the Guidelines has been updated, all the other sections of the 2021 Guidelines continue to apply, including the internal stress test exercise to be carried out by managers of MMFs.	When designing internal stress tests, ESMA expects that MMFs will factor in the impact of historical market stress according to their risk profile. Accordingly, the shocks have been calibrated to be severe, plausible and consistent with the uncertainty about the economic consequences of the Russian invasion of Ukraine, geopolitical tensions and the resurgence of the COVID-19 pandemic combined with zero-COVID policies in some regions.	Link

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26 Oct 2022	**MMFR - Reporting requirements for Fund Management Companies of Irish Authorised Money Market Investment Funds - Vol 10.0**	CBI	MMFs	Updates have been made as of the 17 October to the general note on submission of the daily MMF report. The daily MMF report is made up of the following: • MMF Characteristics Reporting • Share Class/Valuation Level Reporting • Public Debt CNAV & LVNAV MMF NAV Deviation Reporting	The Daily MMF Report is an Ad-Hoc online reporting (ONR) return, where the ONR User themselves schedules each daily return. The submission deadline for the Daily MMF Report is 2pm (Irish Time) on the following business day.	Link
29 Nov 2022	**Adverse scenario for the European Securities and Markets Authority's Money Market Fund stress testing guidelines in 2022**	ESRB	MMFs	This document describes the ESRB's adverse financial market scenario for the stress-testing exercise carried out by the European Securities and Markets Authority (ESMA). Persistent sources of systemic risk which the ESRB has considered when calibrating the scenario are: -major disruptions of supply chains coupled with rising commodity prices and interest rates amid persistently high inflation -) deteriorating profitability prospects for banks, despite the positive impact of higher rates on interest income, and non-bank financial institutions -a re-emergence of sovereign and corporate financing risks and debt sustainability concern -abrupt and disorderly asset price adjustments affecting both financial asset and real estate prices.	This document describes the ESRB's adverse financial market scenario for the stress-testing exercise carried out by the European Securities and Markets Authority (ESMA). Persistent sources of systemic risk which the ESRB has considered when calibrating the scenario are: -major disruptions of supply chains coupled with rising commodity prices and interest rates amid persistently high inflation -) deteriorating profitability prospects for banks, despite the positive impact of higher rates on interest income, and non-bank financial institutions -a re-emergence of sovereign and corporate financing risks and debt sustainability concern -abrupt and disorderly asset price adjustments affecting both financial asset and real estate prices.	Link
19 Dec 2022	**ESMA provides guidance for the supervision of cross-border activities of investment firms**	ESMA	Passporting	This supervisory briefing provides an introduction to the supervision of cross-border activities to retail clients by investment firms in accordance with MiFID II.This summarises the key elements of the rules and also includes questions that supervisors are expected to ask themselves, or a firm, when assessing the approach to the supervision of cross-border activities to retail clients of investment firms.	This briefing covers the following areas: • Authorisation of firms with cross-border plans; • Processing of passport notifications and their impact on the supervisory approach applied to firms; • Arrangements in place to carry out ongoing supervisory activities; • Carrying out of ongoing supervision; and • Carrying out of investigations and inspections.	Link

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Date	Title	Issuer	Focus area	Summary	Key findings	Link
21 Dec 2022	**ESMA publishes technical standards on cross-border activities under the UCITS Directive and the AIFMD**	ESMA	Passporting	A final report has been prepared and published by ESMA where it sets out the templates that should be utilised and the information to be submitted to notify the NCA's of the cross-border marketing and management of investment funds and the cross-border provision of services by fund managers.	AIFMs and UCITS management companies that want to conduct their undertakings in host Member States are required to provide certain information specified by the Regulatory Technical Standards (RTS). AIFMs, UCITS management Companies and UCITS should use the templates that are set out by the Implementing Technical Standards (ITS) to inform about their intent to conduct activities in host Member States. Moreover, it also sets out the approach for communicating information between NCA's concerning the notifications. The next step involves the European Commission receiving a submission of the Regulatory Technical Standards (RTS) and the Implementing Technical Standards (ITS) for the process of adoption within a period of three months as a Commission Implementing Regulation and a Commission Delegated Regulation.	Link
21 Dec 2022	**Questions and answers (Q&A) on the PRIIPs Key Information Document (KID)**	ESA - Joint Committee	PRIIPs	The Q&As deal with Regulation (EU) No 1286/2014 (the PRIIPs Regulation) and its Delegated Acts. The original delegated rules can be found in Commission Delegated Regulation (EU) 2017/653. However, this has been amended, in particular by Commission Delegated Regulation (EU) 2021/2268. The rules in Commission Delegated Regulation (EU) 2021/2268 are, in general, applicable from 1 January 2023.	The Q&A document provides a list of topics that have been touched upon in 2022. General topics, a section about the product, product categories under market risk assessment (Annex II, Part 1), Performance scenarios (Articles 3 and 8 and annexes IV and V), Past performance (Annex VIII), PRIIPs with a RHP of less than one year, Derivatives, Multi-option products (MOPs), Investment funds, and autocallable products have had an update in 2022 with relevant answers provided to questions. Moreover, the topic methodology for the calculation of costs raised several questions, with specific topics as follows: list of cost of investment funds (except transaction cost related questions) (Annex VI, Part 1), Transaction costs (Points 7-23 of Annex VI, Part 1) with this raising further topics of 'Methodology set out in Point 21 of the Annex VI of the Commission Delegated Regulation (standardised costs)' and 'Other Q&A on transaction cost related issues', List of costs of PRIPs other than investment funds (Annex VI, Part 1), List of costs of insurance-based investment products (Annex VI, Part 1), Calculation of the summary cost indicators (Annex VI, Part 2), and Presentation of costs (Annex VII).	Link

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Date	Title	Issuer	Focus area	Summary	Key findings	Link
13 Oct 2022	**Feedback Statement - Consultation Paper 145: Macroprudential measures for the property fund sector**	CBI	Real Estate Funds	This paper discusses how the CBI came to the conclusion of a 60 percent leverage limit on Irish real estate funds through the consultation with stakeholders in the market. It highlights stakeholders in the market's arguments for and against the CBI's actions and any potential repercussions that may follow the implementation of this leverage limit. In addition to the leverage limit, the paper provides guidance on the liquidity timeframe in property funds.	The leverage limit was increased from 50 percent to 60 percent on the basis that some funds may aim to keep leverage below the limit to reduce the possibility of potential breaches. The CBI adjusted the implementation period for the leverage limit from three years to five years to accommodate gradual and orderly adjustment to the measures and to reflect of the developments in the macroeconomic environment since CP145 was launched. The liquidity timeframe is expected to be a minimum of 12 months and the CBI will provide an 18 month implementation period for existing funds to allow them to take the appropriate action in response to the guidance. The timeframe would not apply where (i) the designation of a redemption dealing day is at the discretion of Directors and (ii) the property fund has sufficient liquid assets not generated by disposal of Irish property assets.	Link
14 Dec 2022	**Final report on Guidelines on the benchmarking exercises on remuneration practices and the gender pay gap under Directive (EU) 2019/2034 (EBA/GL/2022/07) (applicable from 31 December 2022)**	EBA	Remuneration	Under Article 32(2) of Directive (EU) 2019/2034 the EBA is mandated to benchmark remuneration trends and practices of investment firms at Union level. The templates for the benchmark data collection have been developed in a way that takes into account the specificities of investment firms and their remuneration framework as well as the disclosure requirements for investment firms under Regulation (EU) 2019/2033.	The Guidelines apply from 31 December 2022. Competent authorities should collect and submit to the EBA remuneration data of at least the three largest investment firms in terms of asset volume in a Member State, covering at least 50% of the total asset volume of all investment firms in the Member State. The benchmarking data for the financial year ending in 2022, excluding gender pay gap data must be provided by investment firms to competent authorities by 31 August 2023 and by competent authorities to the EBA by 31 October 2023.	Link

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26 Sep 2022	**Consultation Paper - Market Outages (ESMA70-156-6040)**	ESMA	Resilience	This CP sets out ESMA's proposed guidance on how NCA's should ensure that trading venues have appropriate communication protocols in place, in the event of an outage. The CP also outlines ESMA's guidance on the arrangements NCAs should ensure trading venues have in place, to mitigate against the negative effects of an outage. The CP also covers outages on non-equity markets. The deadline for feedback was 16 December 2022.	ESMA proposed guidelines: • Trading venues should have a clear outage plan to be deployed in case of an outage, and this plan should be deployed regardless of the gravity of the outage. More information on the content of the outage plan can be found within the CP. • Communication: NCA's should ensure that trading venues provide all market participants (including the general public) with a notice of disruption as early as possible. This notice of disruption should be posted on the venues public website and include contact information for market participants. Full proposed guidance on communication during an outage is available in the CP. • Proposed guidance on reopening is also outlined in the CP, as well as proposed guidance on non-equity trading venues.	Link
15 Nov 2022	**Sanctions: Council adds the violation of restrictive measures to the list of EU crimes**	European Council	Sanctions	The Treaty on the Functioning of the EU has been updated with the introduction of the violation of restrictive measures in the catalogue of 'EU crimes'. This has been introduced in connection with the Russian invasion of neighbouring country Ukraine.	This is the first step, out of a total of two, to ensure that the sanctions enforcement is similar throughout the EU countries which would act as a way to discourage efforts of circumventing or violating the EU measures. This is due to the fact that currently each EU country has different definitions on violations of restrictive measures. This may lead to targeted people still being able to support regimes and accessing assets that have been directed at with European Union measures. The next step would be for a proposal to be put forward that would set out a minimum set of rules regarding the penalties and criminal offences for violating the measures.	Link

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28 Oct 2022	**ESMA publishes its assessment of the Brexit relocation processes (ESMA71-99-2062)**	ESMA	Substance	With Brexit occurring, this document was published to see if applicable conditions presented in the regulations and then subsequently clarified in the ESMA opinions were met by National Competent Authorities when it came to approving the relocation, from the United Kingdom to European Union countries, of organisations and certain activities. The document looks at three specific areas: Fund managers, MiFID companies and trading venues with requirements relating to substance and the governance of those entities being the primary concern for all three areas. The following countries were analysed: • **Fund managers:** France, Ireland, Luxembourg, and Netherlands • **MiFID companies**: Cyprus, Germany, and Ireland • **Trading venue:** France, Ireland and Netherlands.	Ireland met or partially met all the necessary expectations for Fund managers, MiFID companies, and trading venues, except for the following areas; • Trading venue (substance): human and financial resources, • Fund managers (substance): sufficiency of human and technical resources, and • Fund managers (substance): assessment of delegation arrangements.	Link 1 Link 2

AWM regulatory landscape: October 2022-January 2023

Date	Title	Issuer	Focus area	Summary	Key findings	Link
19 Dec 2022	**UCITS - Questions and Answers - 37th Edition (updated 21 December 2022)**	CBI	UCITS	The document is a collection of questions and answers which relate to UCITS. The aim of the document is to help reduce any uncertainty that may exist.	There were several new 2022 updates relating to PRIIPS regulations. There were three new questions and answers with the following ID: 1107, 1108, 1109. • **ID 1107:** Where a UCITS produces a PRIIPs KID and not a UCITS KIID, it shall submit the PRIIPs KID to the Bank prior to the authorisation of each UCITS or approval of a new sub-fund. The PRIIPs KID must be accompanied by a written confirmation from the responsible person or legal adviser to the UCITS setting out that (i) the KID complies with the PRIIPs Regulation and (ii) the information in the KID does not conflict with the content of the prospectus. In the case of a UCITS authorised after 1 January 2023 which only produces a PRIIPs KID, every new or amended PRIIPs KID thereafter should be submitted by the Responsible Person as per the same processes for UCITS KIIDs. • **ID 1108:** Where the UCITS produces both a PRIIPs KID and UCITS KIID, prior to the authorisation of each UCITS or approval of a new sub-fund, the Responsible Person should submit the UCITS KIID (and relevant confirmations) to the Central Bank. • **ID 1109:** States that where an existing UCITS produces a PRIIPs KID, there is no requirement to submit the PRIIPs KID to the Central Bank on 1 January 2023. The first reporting/submission of these PRIIPs KIDs to the Central Bank is expected to take place in 2024. Periodic updates to such PRIIPs KIDs will only be required to be filed with the Central Bank after the first reporting exercise. Once finalised, the Central Bank will publish further details of reporting requirements for PRIIPs KIDs.	Link

PwC Ireland AWM regulatory services

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

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

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