



Listed Funds
Obligations
Update







DILLON  EUSTACE

DUBLIN CORK BOSTON NEW YORK TOKYO










Irish Stock Exchange Updates Continuing Obligations Requirements

The Irish Stock Exchange has issued an updated set of requirements which include specific amendments to the reporting obligations imposed on listed open ended funds. These changes are positive and reflect market practice, incorporate legislative changes and clarify anomalies between the previous guidelines and evolved practice. The changes affect Chapter 5 - "Financial Information" and Chapter 8 – "Continuing Obligations" of the Listing Requirements and Procedures rulebook for open ended funds.

Summary of changes to Interim Reports

-  The interim report must include a condensed balance sheet or statement of net assets (including a statement of realised gains and losses) instead of an income statement.
-  The interim report must include details of the net asset value per unit at the period end.
-  Existing requirements for interims to include an explanatory report on the results in the period, special factors and an outlook for the current financial year remain unchanged.
-  Comparative figures for the interim period are no longer required.
-  The requirement for consistency of accounting policy and presentation for interim and annual reports has been removed.
-  Funds authorised by the Irish Financial Regulator (the "Financial Regulator") are deemed to have complied with the content requirements for interim reports.

Summary of changes to Annual Reports

-  The commentary on the results and performance may be provided by either the directors or the investment manager.
-  The requirement to disclose directors' fees has been removed.
-  The requirement to name any subsidiaries has been removed.
-  The requirements to disclose fee or dividend waivers have been removed.
-  The requirement to disclose material contracts has been removed.
-  The requirement to disclose small related party transactions has been removed.
-  The requirement to disclose service contracts with directors has been removed.
-  Provisions relating to closed ended funds have been removed.
-  Other existing requirements remain unchanged.

Summary of changes to Financial Information

- ▣ Annual and Interim accounts may be circulated to shareholders and the ISE electronically. Where prudent due to the size of the attachment, this notification may include a link to where the report is available on the Issuers website. The ISE must continue to receive all reports as attachments to electronic communications or in hard copy.
- ▣ In the case of an umbrella fund - where a sub-fund benefits from a legal segregation of liability within the umbrella, the accounts of the listed sub-funds alone may be published.
- ▣ Where a fund has subsidiaries, the annual reports and accounts may be prepared in single or consolidated form, at the funds discretion, or both where one form contains significant additional information.
- ▣ References to qualified auditors reports and associated requirements have been removed.
- ▣ Provisions relating to closed ended funds have been removed.

Summary of changes in Reporting Requirements

- ▣ Circulars may now be circulated to Unitholders 10 business days, or such shorter period as allowed under the fund's constitutive documents, prior to the date of the proposed vote. This replaces the previous 15 business day timeline.
- ▣ References to the Market Abuse Directive, and resulting amendments to directors' dealings provisions have been included. Further details on the specific requirements are set out in Dillon Eustace's Market Abuse publication.
- ▣ Clarifications and guidance have been included in relation to the equal treatment of Unitholders and the use of fee rebates and side letters.
- ▣ Material changes in a funds trading strategy require prior ISE approval and announcement.
- ▣ Proposed changes or appointments of prime brokers require prior ISE approval and announcement
- ▣ Proposed delistings require prior ISE approval
- ▣ In specific circumstances the ISE may require prior shareholder approval for a proposed delisting where the delisting may lead to a substantial change in the nature or substance of the listed fund.
- ▣ Changes in a funds redemption policy must be announced.
- ▣ Announcements relating to changes in directors must state whether the relevant director acts in an independent capacity.
- ▣ Any change in the name of a fund, sub-fund or class must be announced.
- ▣ Provisions relating to closed ended funds have been removed.

The changes are effective on 23rd September 2009, with the exception of the changes to the content of interim reports which is effective for funds with financial years after 1st October 2009.

Date: 7 October 2009
Author: Tara O'Callaghan

CONTACT US

Our Offices

Dublin

33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.
Tel: +353 1 667 0022
Fax.: +353 1 667 0042

Cork

8 Webworks Cork,
Eglinton Street,
Cork, Ireland.
Tel: +353 21 425 0630
Fax: +353 21 425 0632

Boston

26th Floor,
225 Franklin Street,
Boston, MA 02110,
United States of America.
Tel: +1 617 217 2866
Fax: +1 617 217 2566

New York

245 Park Avenue
39th Floor
New York, NY 10167
United States
Tel: +1 212 792 4166
Fax: +1 212 792 4167

Tokyo

12th Floor,
Yurakucho Itocia Building
2-7-1 Yurakucho, Chiyoda-ku
Tokyo 100-0006, Japan
Tel: +813 6860 4885
Fax: +813 6860 4501

e-mail: enquiries@dilloneustace.ie
website: www.dilloneustace.ie

Contact Points

For more details on how we can help you, to request copies of most recent newsletters, briefings or articles, or simply to be included on our mailing list going forward, please contact any of the team members below.

Tara O'Callaghan

e-mail:
tara.ocallaghan@dilloneustace.ie
Tel : +353 1 673 1831
Fax: + 353 1 667 0042

Helen McGowan

e-mail: helen.mcgowan@dilloneustace.ie
Tel : +353 1 673 1830
Fax: + 353 1 667 0042

Moira O'Rourke

e-mail: moira.orourke@dilloneustace.ie
Tel : +353 1 673 1832
Fax: + 353 1 667 0042

DISCLAIMER:

This document is for information purposes only and does not purport to represent legal advice. If you have any queries or would like further information relating to any of the above matters, please refer to the contacts above or your usual contact in Dillon Eustace.

Copyright Notice:

© 2009 Dillon Eustace. All rights reserved.

DILLON  EUSTACE

DUBLIN CORK BOSTON NEW YORK TOKYO

33 Sir John Rogerson's Quay, Dublin 2, Ireland.
www.dilloneustace.ie

In alliance with Arendt & Medernach