

Dillon Eustace
Regulatory and
Compliance Services

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DUBLIN CORK BOSTON TOKYO

Contents

Dillon Eustace Regulatory and Compliance Services

1. Dillon Eustace Regulatory and Compliance Services

Page 3

2. Start Up Authorisations

Page 3

3. Compliance Programmes

Page 3

4. Day to Day Issues

Page 4

5. On Site Inspections

Page 5

6. Training Programmes

Page 5

7. Regulatory Updates

Page 6

8. Resources

Page 6

9. Contact Us

Page 7

DILLON EUSTACE REGULATORY AND COMPLIANCE SERVICES







Dillon Eustace provides a comprehensive regulatory and compliance service for a wide range of clients including international and domestic investment services firms, fund administration and custody providers, banks, insurers, distributors, pension fund trustees, brokers and intermediaries, corporates and public bodies.

Whether you are a start up operation requiring support through an authorisation process, an existing operation requiring an overhaul of your compliance programme or simply require specific advice on a particular regulatory or compliance matter, our experienced Regulatory and Compliance Team, made up of lawyers, accountants and other compliance industry professionals, can provide you with a tailored service.

Start Up Authorisations

For start-up operations we can advise you on the Irish regulatory regime applicable to your business sectors, interact with the relevant regulatory authorities on your behalf throughout the authorisation process, assist in the preparation of business plans and prepare and tailor internal policies, procedures and controls covering, for example, best execution, conflicts of interest, outsourcing, risk management, client money/assets, anti-money laundering and data protection.


Recent projects advised upon include:

-  new fund custody and administration operations;
-  insurance brokerage and mediation operations;
-  domestic spread betting firm;
-  an EU bank establishing a branch in Ireland;
-  a private equity firm applying for MiFID authorization;
-  entity seeking authorisation as a Qualifying Fund Manager.

Compliance Programmes

For both established firms and those applying for authorisation for the first time we can deliver a tailored compliance programme with a specific client focus dealing with matters relevant for that industry sector.

Depending on the level of support required we can provide a:

-  **Compliance matrix** which provides an overview of the legislation affecting your business including company law, employment law, health and safety, money laundering, data protection as well as primary/secondary law, regulations and guidance notes relevant to your business.

- ▣ **Compliance manual** which sets out the roles and responsibilities as well as summarizing what steps need to be put in place in your business to meet the various legislative and regulatory obligations that affect your business.
- ▣ **Compliance monitoring programme** which outlines the checking and frequency of same which needs to be conducted to address the various compliance and regulatory obligations relevant to your business.

We have recently delivered compliance programmes to a number of clients subject to the new MiFID regime, including preparation of a full suite of compliance documentation (matrix, manual and monitoring programme) to assist its MiFID application to the Financial Regulator.

We have also assisted life assurers as well as life and non life insurance intermediaries in relation to ongoing compliance matters.

Depending on your needs, creating such a programme may involve a detailed review of existing management processes through, for example, on-site meetings with relevant executives and operations personnel or more limited interaction with the client Compliance Officer.

Day to Day Issues

A significant element of our service involves advising on day to day issues relating to capital adequacy, anti-money laundering, data protection, consumer protection, codes of

conduct, passporting and other similar issues.

The Regulatory and Compliance Team also liaises on behalf of clients with regulatory bodies in relation to matters such as minimum competency requirements, acquisitions/disposals of qualifying holdings, board and senior management changes, advertising and promotional material and product documentation.

Some examples of the types of queries we have recently advised on include:

MiFID Firms

- ▣ preparation/review of client classification letters, best execution, conflicts of interest and other relevant policies,
- ▣ review and revision of existing client compliance manuals for new MiFID requirements,
- ▣ review of client's compliance with organisational and control requirements and advice on gaps identified,
- ▣ advice to client on new Client Asset Requirements and review of updated procedures manual,
- ▣ advice on what activities constitute a branch as distinct from a representative office, and
- ▣ update of Employee Handbook for changes in legislation.

Insurance/Insurance Mediation

- ▣ review of proposed inter group outsourcing proposals and advising when such activity would give rise to a regulatory establishment in another jurisdiction,
- ▣ advice as to whether certain assets would qualify as technical reserves,
- ▣ advice on fit and proper requirements including handling appointments and departures and notification obligations when a firm's only activity is passporting services to other countries outside Ireland,
- ▣ advice on minimum competency requirements including review of curriculum vitae for proposed appointments and review and update of telephone script to meet the minimum competency exemption,
- ▣ review of distribution agreements for life/non life insurance companies and intermediaries,
- ▣ update of Employee Handbook following health and safety audit.

Data Protection

- ▣ advice on registration requirements,
- ▣ review of data processing and data transfer agreements,
- ▣ review and drafting of data privacy policies across all sectors,

- ▣ advice regarding anonymising data and data encryption, and
- ▣ advice with respect to the data protection implications of entering into internal corporate whistle blowing arrangements.

On Site Inspections

We can also advise clients prior to on-site inspections by relevant regulatory bodies as to what to expect, how best to prepare and how to present information.

Where required, we are available to attend inspections or periodic meetings with regulators.

Training Programmes

We run specific training programmes for client management, staff and boards of directors on a wide range of compliance topics.

Examples of recent in house training programmes we have run include:

- ▣ Director's training to investment services companies, fund administrators and an airline company covering duties and responsibilities, corporate enforcement and current developments such as the Companies Consolidation and Reform Bill, 2007.
- ▣ Anti money laundering training to fund administrators and trustees covering the legislative framework, definitions and examples of money laundering and terrorist financing, obligations to identify clients,

reporting suspicious transactions, maintaining records, understanding other country regimes FATF and Non FATF and client specific queries relating to, for example, trust accounts, bank secrecy and swift receipt messages.

- ▣ Audit Committee training to a state commercial body covering the legislative requirements, audit committee responsibilities, terms of reference, composition and how to assess effectiveness.
- ▣ Compliance Officer training to fund administrators, fund managers, insurance intermediaries covering the role of the Compliance Officer pursuant to a wide range of legal and regulatory obligations such as the code of conduct, Financial Regulator notices (where relevant), client money and data protection.
- ▣ Data Protection training to companies including a fund administrator covering registration, definitions and principles, common compliance issues and penalties.
- ▣ Trustee training to trustees and custodians covering the law, Financial Regulator Guidance and Notices, IFIA guidance, fund structures, trustee duties and procedures.

Regulatory Updates

We also provide regular newsletters, industry briefings, board pack updates as well as regular topical industry specific seminars. We run a free breakfast briefing seminar once a quarter

on current topics affecting our clients. Past seminars include:

- ▣ MiFID - December 2007,
- ▣ Audit Committees - February 2008,
- ▣ Third Anti Money Laundering Directive - May 2008,
- ▣ MiFID one year later - September 2008.

Resources

The Regulatory and Compliance Team has access to the full resources of the relevant practice teams across Dillon Eustace both in Dublin and Cork, including specialist financial services, corporate and M&A, tax, listing, human resources and dispute resolution teams.

For clients looking abroad, the firm's network of relationships with leading law firms in key markets is available, together with assistance from our Boston and Tokyo offices and our alliance partner, Arendt & Medernach, in Luxembourg.

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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.

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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.

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