



FINANCIAL REGULATOR
Rialtóir Airgeadais

Stakeholder Protocol

July 2007

About us

The Financial Regulator was established on 1 May 2003. We are the regulator for most financial services in Ireland which gives us an important role in the protection of the consumers of those services. Our vision is to be a top tier financial regulator for consumer protection and prudential supervision. Our overall mandate is to:

- Help consumers make informed decisions on their financial affairs in a safe and fair market; and
- Foster sound, growing and solvent financial institutions in Ireland which give consumers confidence that their deposits and investments are secure.

Our contact details for consumers, financial service providers and other stakeholders are detailed inside.

About this Stakeholder Protocol

This Stakeholder Protocol is a statement describing the targets, which we aim to deliver to our stakeholders, and which will help us achieve our purpose and high-level goals. It will introduce certain targets across all areas of our organisation and will complement targets that are already in place. This protocol includes targets for contacts by consumers, financial service providers and other stakeholders in addition to targets for authorisations, inspections and consultations. It is important to point out that this Stakeholder Protocol addresses routine, recurring and straightforward issues. Accordingly, the targets outlined here may not be achievable for non-routine/exceptional issues.

Our commitment to you

Our staff will treat you with respect and courtesy and will at all times endeavour to make sure that the appropriate person deals with your request. Confidential information received from you during the course of our work will be treated in accordance with applicable law and our statutory functions.

We will review our targets and ensure that this document is kept up to date. Furthermore we reserve the right to review and if necessary amend this document on an ongoing basis. However all changes of a material nature will only be made after informing, or consulting as necessary, with relevant stakeholders.

In addition we will measure and monitor certain targets against our delivery and report on these in our Annual Report. The first report on these targets will be in our 2007 Annual Report. In the interim we are committed to introducing systems that will assist us to monitor, measure and publicly report on these targets.

If you are not satisfied that we have met our targets in this document and you wish to bring this to our attention please write to us at Head of Planning & Finance Department, Financial Regulator, 6 – 8 College Green, Dublin 2 or e-mail pfadmin@financialregulator.ie.

Consumer Contacts

This section outlines what to expect from us when we deal with queries from members of the public about personal finance issues.

How you can contact us

Phone in: Consumer help-line, lo-call 1890 77 77 77
Register of Service Providers help-line 1890 20 0469

Log in: Web: www.itsyourmoney.ie,
E-mail: consumerinfo@financialregulator.ie

Drop in: Consumer Information Centre, 6-8 College Green, Dublin 2

Post in: Consumer Information Department
Financial Regulator
P.O. Box 9138
College Green
Dublin 2

These contact points are operated by trained staff, many of whom have extensive knowledge and experience of personal finance issues. Every effort is made to answer a query at the first point of contact. We ask that you treat our staff with courtesy and respect and appreciate that our staff will endeavour to assist you at all times.

It is important to note that addressing individual complaints against financial institutions is the role of the Financial Services Ombudsman. Where your query falls outside the remit of the Financial Regulator we will refer you to other agencies or give you information produced by other agencies as appropriate.

Opening hours

Consumer Information Centre

The centre is open daily Monday to Friday (excluding public and bank holidays) from 9.30am to 5pm. You can make an appointment but we also welcome those who drop in.

Consumer Help-line

The help-line service is available Monday to Friday (excluding public and bank holidays) from 9am to 6pm.

Service Targets

Our service targets aim to give the best possible service to consumers while maintaining the quality of information given.

Callers to the consumer help-line 1890 77 77 77

We will endeavour to answer 80% of calls to us within 20 seconds and where you are holding due to unforeseen circumstances (such as if the help-line is very busy following unexpected media coverage of an issue) we will offer a voice-mail call-back service option if you do not wish to hold. Where your query is complex you will be transferred to a 'subject expert' for a comprehensive reply. Where a particular 'subject expert' is unavailable we will take your contact details and revert to you within 1 working day.

Where we need to conduct further research in order to answer your query fully we will respond within 5 working days. Where your query falls outside the remit of the Financial Regulator we will refer you to other agencies or give information provided by other agencies as appropriate. Calls to the help-line number are recorded and logged to help us monitor the quality of the service.

Visitors to the Information Centre

The nature of your query will be noted and you will be dealt with as soon as the appropriate staff member is available. Our staff have the knowledge and expertise to deal with the vast majority of queries received and will call on other expertise if needed. Where we need to conduct further research in order to fully answer your query, we will respond within 5 working days.

Your written information queries

We will acknowledge your written information queries (letter/e-mail) within 2 working days of receipt. We will include in our acknowledgement a named individual/section who will deal with your query. We will revert with either a full response or, where appropriate, an interim reply within a further 5 working days.

Your complaints about financial services firms

Complaints against financial institutions or complaints about financial services should first be discussed with the financial institution concerned. These complaints may come within the remit of the Financial Services Ombudsman (FSO) or Pensions Ombudsman, which are statutory independent bodies, separate from the Financial Regulator. If you wish to make a formal complaint, we will advise you of the procedures involved, help you with any questions you might have and supply you with all the appropriate contact details for the institutions in question.

Financial Service Providers and Other Stakeholders

This section outlines what to expect from us when we deal with financial service providers and other stakeholders.

How you can contact us

Phone:	Main line (01) 224 4000 Register of Service Providers help-line 1890 20 04 69
Log in:	www.financialregulator.ie
Post:	Financial Regulator P.O. Box 9138 College Green Dublin 2
E-mail:	Credit Institutions: bsdadmin@financialregulator.ie Authorisations: fifa@financialregulator.ie Insurance and Reinsurance Undertakings: insurance@financialregulator.ie Credit Unions: rcu@financialregulator.ie Investment Service Providers Supervision: ispsadmin@financialregulator.ie Markets Supervision: marketsadmin@financialregulator.ie Levy: funding.PFD@financialregulator.ie Registers: registers@financialregulator.ie

What you can expect from us

Our offices

Our offices are open daily Monday to Friday (excluding Public and Bank Holidays) from 9:30am to 5pm.

Your phone calls

Telephone calls to our main switchboard are answered between the hours of 9:00 am to 5.30pm, Monday to Friday (excluding Public and Bank Holidays). All calls will be answered promptly. If we are unable to deal with your query at the time you call we will take your contact details and revert to you promptly.

Your written information queries

We will acknowledge your written information queries (letter/e-mail) within 2 working days of receipt. We will include in our acknowledgement a named individual/section who will deal with your query. We will revert with either a full response or, where appropriate, an interim reply within a further 20 working days.







Complaints against our Regulatory Decisions

Under legislation, specified decisions of the Financial Regulator (e.g. revocation of an authorisation) may be appealed to the Irish Financial Services Appeals Tribunal, and a formal statutory procedure exists for such appeals. If you consider that you may wish to appeal a decision of the Financial Regulator to the Irish Financial Services Appeals Tribunal, you should contact the tribunal at The Irish Financial Services Appeals Tribunal, First Floor, Fredrick House, 19 South Fredrick St, Dublin 2 and we recommend that you obtain legal advice.

How Stakeholders can assist us

We ask you to ensure that correspondence to us is addressed correctly and sent to the most appropriate person. In addition we ask that you treat our staff with courtesy and respect and appreciate that our staff will endeavour to assist you at all times. Our efficiency is enhanced if approaches to us are fully researched and professional in nature. We would ask regulated firms, who are requested to provide information, to respond in a timely fashion and if not in a position to meet the response date indicated by us, to revert explaining the position. There is an onus on financial service providers to make complete, informed and proper submissions to us.

Financial Service Providers and Other Professionals

-  Please ensure that your financial returns and any documentation submitted to us are valid, fully completed, accurate and are submitted to us on a timely basis to the correct addressee, if known.
-  When paying your annual levy, please pay promptly and we suggest you pay by direct debit to minimise costs.
-  Please use our web-site www.financialregulator.ie to find the information you want.
-  When applying for an authorisation, please ensure all forms are completed fully, addressed correctly and all information that has been requested is supplied.
-  Any requests should be submitted on a timely basis to allow our staff sufficient time to consider the request.
-  Please acknowledge our correspondence where requested. Where we do not receive a response to correspondence, we will assume the matter is closed.

Detailed targets for

1) Authorisations/Approvals

- Collective Investment Schemes
- Authorisation of Financial Service Providers
- Approval of Persons
- Approval of Prospectuses

2) Inspections (review meetings are not included)

3) Consultations

The targets set out in the following sections apply to routine and straightforward authorisations, inspections and public consultations. These targets will not apply in exceptional circumstances.

Authorisations

This section applies only to authorisations to conduct regulated business for which an authorisation by, or registration with, the Financial Regulator is required by law.

The authorisation process involves an assessment of applications across a range of criteria including the risks and proposed controls to be put in place, the acceptability and transparency of the ownership structure and the competence and experience of all proposed directors and senior management. This complex process is reflected in the timeframes set out below.

Target timeframes may be affected where there is an exceptional volume of applications being processed. However, it should be noted that it may be possible in some cases to meet shorter timeframes than those detailed below. Authorisation will only be granted where we are satisfied that the applicant complies in full with the authorisation requirements.

We expect all applicants to be fully informed of the detailed authorisation requirements which are available on our website and the relevant legislation. All documentation submitted to us should be accurate and complete. The committed timeframes set out below apply to fully completed routine applications. Incomplete applications will be returned.

We are acutely aware that timeliness/speed of approval is key to competitiveness. However, we must point out that we do not provide legal advice for applicants. Professionals who contact us for information should be familiar with current legislation and keep themselves informed of current developments. The timeframes set out in this protocol do not apply where correspondence from us to applicants has not been replied to within 3 months.

The total time for authorisation (including the time to respond to each subsequent draft) will depend on:

- the time taken by the applicant to respond to comments issued on each draft;
- the quality of the responses received addressing all issues raised;
- any further changes made by the applicant during the authorisation process, and
- the time taken by any relevant third parties to respond to queries in relation to the application.

Collective Investment Schemes

Qualifying Investor Funds

Applications for authorisation for qualifying investor funds, which are fully complete and filed with us no later than 3pm on the day before the proposed date of authorisation, will be authorised by close of business on the day of authorisation.

Fast Track

- We aim to confirm receipt of complete applications (i.e. clone fund and sub-fund applications and non-complex sub-funds established by way of supplement) within 3 working days and we will identify a named individual who will be the point of contact for the application;
- We aim to issue first comments within 10 working days, and
- We aim to issue second and subsequent comments, where necessary, within a further 5 working days of receipt of response.

Other Collective Investment Schemes

- We aim to confirm receipt of complete applications within 3 working days and we will identify a named individual who will be the point of contact for the application;
- We aim to issue first comments within 15 working days, and
- We aim to issue second and subsequent comments where necessary within a further 10 working days of receipt of response.

Post authorisation changes to documentation

- We aim to issue first comments on any changes to collective investment scheme documentation within 15 working days.

UCITS Management Companies

- We aim to confirm receipt of complete applications within 3 working days and we will identify a named individual who will be the point of contact for the application, and
- We aim to issue first comments within 25 working days.

Self-Managed Investment Companies (SMIC)

A UCITS investment company which does not appoint a management company is subject to an additional in-depth review of its organisation structure. In order to avoid this review resulting in a delay of the UCITS authorisation, applicant SMICs should submit documentation relating to compliance with organisation structure rules 10 working days in advance of the submission of the UCITS application.

- We aim to confirm receipt of complete proposals within 3 working days and we will identify a named individual who will be the point of contact for the application, and
- We aim to issue first comments within 25 working days.

Non-UCITS Management Companies

- We aim to confirm receipt of complete proposals within 3 working days and we will identify a named individual who will be the point of contact for the application, and
- We aim to issue first comments within 15 working days.

Authorisation of Financial Service Providers

Credit Institutions, Insurance/Reinsurance Companies, Investment Firms/Trustee Companies

- At the first meeting to discuss the application, an indication of the length of time the authorisation process will take will be given together with your responsibilities in helping us achieve this target;
- We aim to confirm receipt of complete proposals within 3 working days and we will identify a named individual who will be the point of contact for the application, and
- We aim to issue first comments within 25 working days.

Retail Intermediaries (including Mortgage Intermediaries)

- We aim to confirm receipt of complete applications within 3 working days and we will identify a named individual who will be the point of contact for the application;
- We aim to issue first comments within 15 working days, and
- We aim to issue second and subsequent comments where necessary within a further 10 working days of receipt of response.

Insurance (Captives and Special Purpose Reinsurance Vehicles)

- We aim to confirm receipt of complete proposals within 3 working days and we will identify a named individual who will be the point of contact for the application;

- We aim to issue first comments within 15 working days, and
- We aim to issue second and subsequent comments where necessary within a further 10 working days of receipt of response.

Money Transmitters/Bureau de Change

- We aim to confirm receipt of complete applications within 3 working days and we will identify a named individual who will be the point of contact for the application, and
- We aim to issue first comments within 15 working days.

Approval of Credit Union additional Services under Section 49 of the Credit Union Act 1997

- We aim to confirm receipt of the formal application for approval within 3 working days and we will identify a named individual who will be the point of contact for the application, and
- We aim to issue a first response within 20 working days from receipt of the formal application.

Approval of Persons

We have implemented from January 2007 a new common fit and proper test for directors and managers of most financial services firms subject to our regulation. (The exceptions are Credit Unions, (in respect of which a separate regime is to be developed) Moneylenders and Mortgage Intermediaries, in respect of whom other regimes apply).

It is the responsibility of firms to assure themselves that a proposed director or manager is fit and proper before seeking the agreement of the Financial Regulator to the appointment. We reserve the right to carry out our own checks in respect of proposed approved persons and we may do so on a spot check basis. In such cases, where responses may be awaited from third parties, it may not be possible to meet the targets outlined below. Where approvals are sought as part of the authorisation of a new entity, they will be treated as part of the authorisation process and approval will be linked to authorisation.

We ask you to ensure that where you are seeking our agreement to the appointment of an approved person you will ensure that the proposed person has fully completed the Individual Questionnaire (IQ) and that your firm has signed the declaration in the IQ that it is satisfied to make the appointment. You will find the IQ and instructions as to how the common fit and proper test works on our website, www.financialregulator.ie.

- We aim to acknowledge receipt of your applications within 3 working days of receiving it.
- We aim to provide a full response within 20 working days.
- Where a full response cannot be issued within 20 working days, we will issue an interim reply and indicate a timescale within which an update on the matter can be provided.

Approval of Prospectuses

The Prospectus (Directive 2003/71/EC) Regulations 2005 (the Regulation) came into force on 1 July 2005 which implemented an EU Directive. We have been appointed the competent authority for the purpose of the Regulation and have chosen to exercise our functions by delegating certain tasks to the Irish Stock Exchange Limited.

It is not our policy to provide legal advice. It is a matter for any relevant person to seek legal advice regarding their particular set of circumstances. However, even with the benefit of legal advice, an issuer may be uncertain how to proceed. For this reason, the Financial Regulator and the Irish Stock Exchange (on our behalf) enter into the process of dialogue with issuers and their agents prior to the final submission of a prospectus for approval. We do this in the public interest to facilitate the efficiency of the market. Review timelines (overleaf) will be met on our behalf by the Irish Stock Exchange.

Prospectus Review Process

The total time for the prospectus review process will depend on:

- The level of completeness of the initial draft prospectus;
- The complexity of the securities;
- Compliance issues arising with the Regulation, Commission Regulation (EC) No 809/2004 (the Prospectus Regulation), the CESR Recommendations (CESR Guidance Ref: 05-054b) and the Prospectus Rules of the Financial Regulator;
- The time taken by the issuer to respond to comments issued on each draft and the extent to which comments are addressed in the next draft of the prospectus; and
- The extent to which substantive new text is inserted into second and subsequent drafts of the prospectus.

Nevertheless, we aim to assist issuers within the following timelines:

Review of Draft Debt Prospectuses

- We aim to issue comments on the initial draft prospectus within 3 working days; and
- We aim to issue comments on second and subsequent drafts of the prospectus within 2 working days.

Review of Draft Prospectuses for Collective Investment Undertakings (Closed End)

- We aim to issue comments on the initial draft prospectus within 5 working days; and
- We aim to issue comments on second and subsequent drafts of the prospectus within 2 working days.

Review of Draft Equity Prospectuses

- We aim to issue comments on the initial draft prospectus within 10 working days. This timeline will normally be extended to 20 working days if the public offer involves securities issued by an issuer which does not have any securities admitted to trading on a regulated market and who has not previously offered securities to the public; and
- We aim to issue comments on second and subsequent drafts of the prospectus within 10 working days.

Approval of Prospectuses

Where a Prospectus has previously been through the review process, we aim to approve the Prospectus on the day of receipt, and will generally do so if received by 10.00am.

Passport Notifications:

To Other Member States

We will generally passport a prospectus, together with a “certificate of approval” and any relevant summary translations to the other Member State within the following timeframes:

- Within 1 working day after the approval of the prospectus if the request is submitted together with the draft prospectus; or
- Within 3 working days of receiving the request if the request is submitted after the approval.

From Other Member States

We will aim to process a passport notification from other Member States within 2 working days of receipt.

Publication of documents

We will publish the following documents in electronic form on our website (www.financialregulator.ie):

- (a) Prospectuses;
- (b) Final Terms;
- (c) Final Offer Price and Amount of Securities Announcements; and
- (d) Annual Information Documents.

Where a relevant person does not wish us to publish any of the above named documents on our website the relevant person must request non-publication in compliance with our Prospectus Rules.

We will maintain a list of the passport notifications received from the competent authorities of other Member States on our website.

Publication of Prospectuses

We aim to publish Prospectuses approved by us within 2 working days of approval.

Publication of Final Terms

We aim to publish Final Terms within 5 working days of receipt.

Publication of Final Offer Price and Amount of Securities Announcements

We aim to publish Final Offer Price and Amount of Securities Announcements within 5 working days of receipt.

Publication of Annual Information Documents

We aim to publish Annual Information Documents within 5 working days of receipt.

Publication of Passport Notifications from other Member States

We aim to publish Passport Notifications from other Member States within 2 working days of receipt.

We prioritise the publication of Prospectuses and publish other documents within the timelines set out only where that is consistent with the timely approval and publication of Prospectuses.

Inspections

Our supervision teams visit the premises of selected financial service providers to confirm compliance with regulatory requirements, assess the corporate governance structures and internal controls and risk management systems in place. It should be noted that the duration of an inspection will vary significantly between financial service providers.

The following are general guidelines of how we expect to conduct on-site inspections in the normal course of events and only covers routine inspections¹. **We reserve the right to carry out an inspection on any regulated financial service provider at any time.** In normal circumstances, there are a number of ways a financial service provider can be selected for inspection including:

- The nature, size, complexity and risk profile of the financial service provider;
- As a result of consumer queries or issues referred to the Financial Regulator by the Financial Services Ombudsman (the Financial Regulator does not deal with consumer complaints);
- Market intelligence;
- Off-site analysis and on-going monitoring
- As part of themed inspections;
- Time since last inspection, or
- Random selection.

¹ A protocol for consumer focused intermediary inspections was introduced on 1 November 2006 and is still applicable to intermediaries covered by that protocol. While this current protocol is more generic and covers all entities it is meant to complement rather than replace the protocol for intermediaries. In the event of any conflict between this protocol and any other subject specific protocol (including the above Intermediary Protocol) that subject specific protocol prevails.

Pre Inspection

- We aim to provide a notification period of at least 10 working days before an inspection is due to commence to enable institutions to prepare for the inspection;
- Notification will include the names of the inspectors, details of the inspection's objectives, documents required or forms to be completed prior to the inspection and the timeframe for submission to the Financial Regulator, documentation required during the inspection, and the anticipated duration;
- For financial service providers who have not previously been subject to an inspection, a brief explanation of the process will be included, where possible, and
- The inspectors reserve the right to request additional information at any time during or after the inspection and to increase the scope of the inspection, if necessary.

On-site inspection

- On the morning of the inspection Financial Regulator staff will aim to arrive at the approximate time advised in the pre-inspection letter;
- Authorised officers will produce their original Certificates of Appointment/Authority and some form of personal identification, and these may be photocopied by the financial service provider;
- Normally a brief initial meeting with the appropriate personnel will take place to outline the scope of the inspection and any other requirements not already communicated prior to the inspection (it should be noted that the focus of the inspection could alter following this meeting);
- During this meeting the financial service provider will be asked to confirm who the liaison officer will be for the duration of the inspection (this is usually the Chief Financial Officer or Compliance Officer in the larger organisations);
- Financial service providers may be required to outline their business,

systems, structure, key risks and strategic issues, if requested by the inspection team. Where an inspection team is familiar with the operation of a particular financial service provider they may not request this outline, and

- Access to a room which can be locked and access to the financial service provider's computer system and photocopying facilities should also be available where possible.

Conclusion of on-site inspection

- We aim to conclude on-site inspections with a close-out meeting and verbal report of findings including advising of any significant issues which need to be immediately addressed by financial service providers;
- Follow up bilateral discussions of the draft findings may also take place;
- We aim to conclude post inspection research and issue a post-inspection letter, in which the findings of the inspection will be set out, within 30 working days² after the close-out meeting has taken place. Where this target cannot be achieved on routine inspections the firm will be advised of the potential delay;
- A formal response from the inspected entity will normally be required;
- We aim to issue a final close-off letter advising the post-inspection process is complete, and
- As mentioned previously, confidential information received during the course of our work will be treated in accordance with applicable law.

² It is not possible to give a definitive time frame for issuing the post-inspection letter for themed inspections. In these types of inspections the letter will issue only after **all** the themed inspections have been fully conducted and the data analysed. This letter is likely to be an industry letter in which the Financial Regulator sets out key messages that it wants regulated financial service providers to take on board in relation to certain issues.

Consultations³

We recognise that an effective consultation process is key to effective regulation. We value the exchange of views and the effort our stakeholders put into this process. We must point out, however, that we reserve the right that, on occasions, rules may have to be implemented outside the commitments given in this Stakeholder Protocol. In such cases we will aim to clarify the position. The consultation process is a flexible one which has developed over time to take into account, inter alia, the needs of stakeholders. Consultation periods for all issues are not fixed and timing will depend on the nature of the issue and the need in some cases for early implementation due to the commercial needs of industry. In other cases, where the issue is of major significance the consultation period may be longer.

Commitments on Consultations

- Consultations and Regulatory Impact Analysis (RIA), where relevant, will be undertaken on significant new regulatory requirements;
- Competitiveness issues will be considered where appropriate;
- We will publish a schedule of proposed consultations that are known at the start of the year in our online magazine "Regulatory Connection". Regular updates of proposed consultations will also be published here during the year;
- Consultation Papers will be published on our web site;
- Before publishing a consultation paper, pre-consultations with key stakeholders may take place;
- For proposals we consider significant, the period for making submissions on the consultation paper will be a minimum of 1 month, and

³ Please also note that the procedure below does not apply to the imposition of requirements, or any course of action, relating to an individual firm or group of firms, or by reference to an individual set of circumstances.

- In the interests of transparency and openness, it is our intention to issue a public response document to all public consultations.

Legal Notice

The timelines and targets set out in this document represent best practice standards to which the Financial Regulator aspires. The Financial Regulator does not hereby represent to any person that it will meet a timeline or target in every case, or in your individual set of circumstances, and any expectation you may have to the contrary is hereby denied. The Financial Regulator does not accept responsibility for any loss or cost arising, whether directly or indirectly and whether by virtue of alleged legitimate expectation or otherwise, from a timeline or target set out in this document not being met. Any action referred to in this protocol is without prejudice to any other action the Financial Regulator may take in respect of any matter arising in the course of the performance of its functions, including without limitation any condition, direction or administrative sanction that might be imposed, or proceedings that might be taken.



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Rialtóir Airgeadais

PO Box No 9138
College Green,
Dublin 2, Ireland

T +353 1 224 4000

Consumer help-line

lo call 1890 77 77 77

Register of Financial Service Providers help-line

lo call 1890 20 04 69

F +353 1 671 6561

www.financialregulator.ie

www.itsyourmoney.ie

Information Centre: 6-8 College Green, Dublin 2

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