

# The NED

Independent intelligence on fund director issues

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## CP 86: final Guidance published

On December 19 Central Bank of Ireland published its long awaited and final Guidance on CP 86, in follow up to its consultation on this topic. The Guidance is a major part of the CBI's review of fund management company effectiveness, which began in September 2014.

This is the second Guidance on CP 86. The first was published in November 2015 addressing delegate oversight, the organisational effectiveness role and directors' time commitments. The Guidance published this December covers managerial functions, operational issues and procedural matters.

The Guidance has confirmed that fund management companies may appoint as a 'Designated Person' an individual outside Ireland, who is not a director of the fund management company, to discharge any of the six managerial functions. The six managerial functions are as follows: fund risk management; operational risk management; investment management; regulatory compliance; capital and financial management; and distribution.

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## Significant shifts in '16

The NED reviews the most notable trends in fund governance this year



Whilst there was nothing especially striking in terms of news this year 2016 was still a particularly interesting 12 months for fund governance. Trends that began before the year started came into plain sight. In 2017 they will very likely become yet more pronounced.

The NED looks at what is happening in fund governance in the EU and in private equity as well as noting changes in director fee structures in Cayman and the growing importance of risk supervision for fund boards.

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