

The NED

Independent intelligence on fund director issues

Issue 6 • February 2012

'Reform or we're off' investor threat to Cayman

Speaking at The NED's London seminar Luke Dixon from the Universities Superannuation Scheme said that, "we are laying the groundwork to shift our business elsewhere," if director reform in Cayman does not materialise.

USS, amongst other institutions, has asked the Cayman Islands Monetary Authority to create a searchable database for investors that links directors to fund boards. Luke Dixon mentioned that CIMA has this information, including data on individuals' previously held directorships. He believes that past directorships should also be made available to investors.

"We are hopeful that there will be a loud enough voice from the investor community to make this a reality." Asked what he would do if this investor initiative fails to move CIMA he said that USS will move out of Cayman and into a jurisdiction "that is much more understanding and accommodating."

Luke Dixon added that there are a number of large institutional investors involved in this initiative from different parts of the world.

[Continued on page 2 >>](#)

Irish authorities clamp down on director service companies

Ireland's Central Bank and its Inland Revenue service have decided to clamp down on directors' service companies. The Central Bank of Ireland has said that it will no longer approve funds that are appointed by a management service (or conduit) company.

The Central Bank also stated that all existing arrangements through conduit companies must be unwound by the end of the 2012.

At the same time the Irish Inland Revenue has decreed that Irish directors' fees must have payroll taxes and social insurance deducted. The obligation to deduct Irish income tax at source applies even where the director's services are provided through a management services company, says Compliance Ireland.

[Continued on page 3 >>](#)

Contents

'Reform or we're off' threat <i>Investors demand changes in Cayman</i>	1
Irish authorities clamp down <i>Director service companies are being targeted by the Irish authorities</i>	1
NED news	7
Irish law firms in control <i>The new code won't do anything to undermine the dominant position Irish law firms enjoy in the country's fund director business</i>	10
First NED roundtable <i>The NED is running a series of roundtables in 2012. The first of these took place in London in late January</i>	12
Are insurance premiums about to go up? <i>The soft insurance market for directorships may be about to change</i>	14
Can directors add value? <i>William Jones of ManagementPlus asks whether directors can add value to funds</i>	16
NED Opinion: What Price Fund Governance? <i>John Prout says that nothing much will change until investors take governance matters more seriously</i>	18
The NED Directory <i>(information on how to join the database)</i>	19

Companies and Associations mentioned in this issue:

AIMA	Foreign & Colonial
Ashmore	Jersey Finance
AJG	Jupiter
Barclays Bank	ManagementPlus
Barclays Wealth	Group
Baronsmead	Merchants Trust
Bear Stearns	Ogier
BNY Mellon	Payden & Rygel
CIMA	Saguenay Strathmore
Compliance Ireland	Capital
Dechert	USS
Ernst & Young	US Treasury
Eversheds	Walkers Global
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FQS Capital	

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Prama House, Banbury Road
Summertown
Oxford OX2 7HY

Bank Account No: 41444530
Sort Code: 40-35-35
IBAN: GB58MIDL40353541444530
SWIFTBIC: MIDLGB2148J

By Cheque

Make cheque payable to:
IFI Global Ltd.
10 Arthur Street
London EC4R 9AY

For additional information please contact Tamara Sims at sims@ifiglobal.com
IFI Global Ltd, 10 Arthur Street, London EC4R 9AY Tel: +44 (0) 207 220 9077

The NED is published by IFI Global Ltd, 10 Arthur Street,
London EC4R 9AY Tel: 44 207 220 907

Editorial & research enquiries:

Simon Osborn e-mail: osborn@ifiglobal.com

Directory & event enquiries:

Tamara Sims e-mail: sims@ifiglobal.com

Subscription enquiries:

Alan Hallett e-mail: hallett@ifiglobal.com