

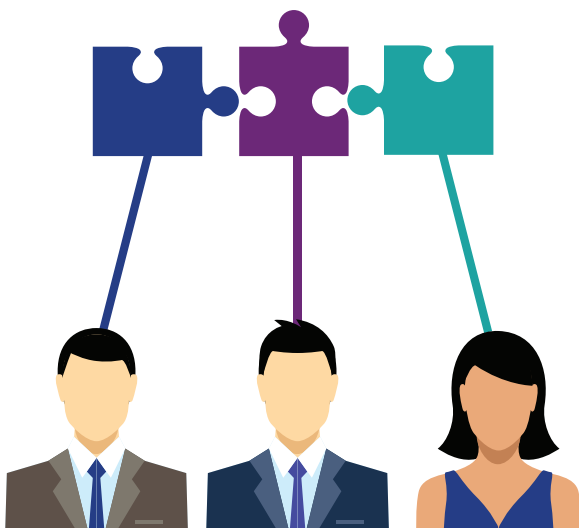
# Directors' Compliance Statement

## Impact on UCITS Regulated Funds

**The Companies Act 2014 imposed a new requirement on directors to include a Directors' Compliance Statement in the annual Directors' Report.**

**Whilst most Irish regulated fund vehicles are outside the scope of the Directors' Compliance Statement requirement, UCITS regulated funds which are legally constituted as plcs are in scope.**

**In most cases, an investment fund will outsource its relevant tax and legal compliance obligations to a variety of service providers. In order to sign off on the Directors' Compliance Statement, directors should consider the extent to which they have adequate oversight in relation to such service providers, and the potential need to document the tax and legal procedural framework adopted by the fund.**



### What must Directors confirm?

The directors are required to confirm their responsibility for securing the fund's compliance with certain legal obligations and to confirm that certain actions have been taken, or if not, explain why they have not. The legal obligations involved encompass all Irish tax law obligations and certain Companies Act 2014 obligations, the breach of which give rise to serious criminal sanctions.

In the context of an investment fund, foreign investment level taxes such as withholding taxes and capital gains tax are therefore outside the scope of the Directors' Compliance Statement.



### What actions must be taken?

In relation to the Irish tax and company law obligations in scope, the directors must confirm that:

1. The fund has a compliance policy statement;
2. Processes have been put in place to secure material compliance; and
3. An annual review of the compliance processes has been carried out during the year.

Both the compliance policy and the compliance processes should be, in the opinion of the directors, appropriate to the fund.



### Which Irish regulated funds are in scope?

All UCITS regulated investment funds which are legally constituted as plcs are in scope. Other Irish regulated investment funds are currently outside the scope of Directors' Compliance Statement requirements.



### When does the requirement commence to apply?

The requirement applies for accounting periods commencing on or after 1 June 2015.



### Is there a penalty for failure to make a Directors' Compliance Statement?

Yes. A fine of up to €5,000 may be imposed and/or a prison sentence of up to 6 months (summary conviction only).



### How can KPMG Tax & Legal Services assist?

KPMG has an integrated team of tax and legal professionals who can assist with all aspects of the Directors' Compliance Statement arrangements. Our integrated team can assist the board of a UCITS plc understand and appropriately manage their obligations.

# What are the key relevant issues for fund directors?



# How can KPMG Tax and Legal Services assist?



## Compliance policies

- Provision of best practice recommendations
- Policy documentation



## Compliance processes

- Tax and legal compliance workshops
- Governance and control frameworks
- Gap analysis of existing controls
- Compliance process documentation
- Board reporting
- Remediation
- Process improvements



## Annual reviews

- Effectiveness testing
- Risk reviews
- Data interrogation and e-Audit
- Health checks
- Legal workshops

## Contact us

For more information, please contact your usual KPMG client service team or:



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