



# ISA (Ireland) 570 Revised

## Management's Going Concern Assessment

*Your Partner For What's Next*

### Investment Funds - Aide Memoire

ISA (Ireland) 570 Revised is effective for accounting periods beginning on or after 15 December 2019. The new revised standard has increased scrutiny over managements going concern assessment, in particular, there is now an expectation that management will have prepared a going concern assessment in all cases. The detail of the assessment is dependent on the specific facts and circumstances of the investment fund.

Outlined below are key indicator questions for Management ahead of documenting the assessment of the Going Concern assumption.

#### Financial

- ▶ Has the fund seen a significant deterioration in the value of its investment portfolio as a result of performance?
- ▶ Has the fund seen a significant reduction in investment earnings resulting in reduced distributions to shareholders?
- ▶ Are significant redemption requests anticipated and does the fund have sufficient liquid resources to settle?
- ▶ Has the fund breached any of the terms of the Prospectus or reported any regulatory breaches?
- ▶ Has the fund been denied credit or had credit lines removed during the year?
- ▶ Has the fund drawn down credit facilities to meet liquidity shortfalls regarding fulfillment of redemption requests?
- ▶ Has the fund needed to put in place any redemption restrictions permitted by the fund prospectus?
- ▶ Are the liquidity stress testing assumptions made for the fund sufficiently challenging the appropriately conclude on the liquidity position of the fund?
- ▶ Has the fund notified the regulator of an instance where liquidity stress testing revealed a material risk to liquidity?

#### Operating

- ▶ Has a key person event occurred during the year?
- ▶ Have there been any significant changes to the operating environment of the fund?
- ▶ Has there been fundamental and significant changes in the industries in which the fund invests during the year?
- ▶ Are there any regulatory inquiries into the funds operations or financial reporting?
- ▶ Are there pending legal or regulatory proceedings against the fund that may if successful require the fund to cease trading?
- ▶ Is Brexit likely to have significant impact on the funds operation

#### Covid 19

- ▶ Is the funds investment strategy active in one of the most affected sectors? (e.g. Hospitality/ Entertainment/Sports, Tourism, Retail, Airline)
- ▶ Are the funds investors concentrated in one of the most affected sectors? (e.g. Hospitality/ Entertainment/Sports, Tourism, Retail, Airline)
- ▶ How have the current events impacted the portfolio and the Manager's ability to execute the investment strategy?
- ▶ Has the Fund had any difficulty meeting the required settlement of derivatives or other positions under contractual provisions?
- ▶ Has there been any significant interruption at key service providers?
- ▶ How have travel restrictions impacted the Fund's ability to monitor portfolio companies?

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