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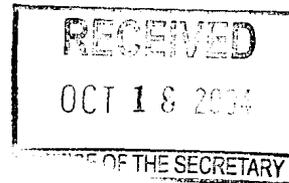


DUBLIN
FUNDS
INDUSTRY
ASSOCIATION

Mr. Jonathan D. Katz,
Secretary,
United States Securities and Exchange Commission,
450 Fifth Street, N.W.,
Washington, D.C. 20549-0609,
U.S.A.

1 Gandon House
Mayor Street
IFSC
Dublin 1

Tel: 670 1077
Fax: 670 1092
Email: dfia@dfia.ie



20 September 2004

Dear Mr. Katz,

The Proposed New Rule to Require Registration Under the Advisors Act of Certain Hedge Fund Advisers – File No. S7-30-04

As the representative body of the investment funds industry in Ireland we are grateful for the opportunity to comment on the Securities and Exchange Commission's proposed rules on registration of certain fund advisers under the Advisors Act. The Dublin Funds Industry Association (DFIA) represents the custodian banks, administrators, managers, transfer agents and professional advisory firms involved in the international fund services industry in Ireland. Our members are responsible for in excess of 5000 funds with an asset value of approximately Euro 600 billion.

As a member of FEFSI, the European Fund and Asset Management Association, we share their concerns relating to the need to clarify the scope of the exemption for funds that are not considered to be private funds and therefore do not have to register with the SEC. We are also aware of submissions by IMA the Investment Management Association in the UK and AIMA, the Alternative Investment Management Association again based in the UK, and we fully support the views expressed in both these submissions.

While we do not believe there is a need to repeat the views/comments already expressed, we believe it import to emphasize the manner in which investment funds and advisors are already regulated in Ireland. It is important to highlight that in Ireland both the fund and the manager are subject to the highest levels of corporate governance, regulation and independence. As part of the authorisation process, investment funds, their Directors and all service providers to the investment fund (fund administrator, trustee/custodian and investment manager) must be approved, authorised and supervised by IFSRA, the Irish Financial Services Regulatory Authority. The regulation of a scheme consists of a detailed assessment by IFSRA of

the promoter and other parties related to the scheme. IFSRA must authorise all firms (or individuals) registered or operating in Ireland before they can provide investment advice or investment services, unless the firm is appropriately authorised by an equivalent authority in another EU Member State or is exempt from the provisions of the Investment Intermediaries Act, 1995 or the Stock Exchange Act, 1995. It should also be noted that it is an offence to operate as an investment firm without appropriate authorisation.

IFSRA's authorisation process involves submission of an application form, certain prescribed documentation and individual questionnaires for directors, shareholders and senior management. The Financial Regulator, if necessary, may request additional information. Firms are only authorised where they satisfy the Financial Regulator that they meet the necessary criteria for authorisation. These criteria include organisational structure, conduct of business, fitness and probity of individuals and financial resources. Authorisations are granted for specific investment services, in respect of specific investment instruments and subject to regulatory requirements imposed by the Financial Regulator. The requirements can be categorised as follows:

- general supervisory and reporting requirements;
- financial requirements, including capital adequacy requirements;
- requirements regarding the safe keeping of clients' money and assets;
- advertising requirements;
- conduct of business requirements;
- books and records requirements;
- premium handling requirements.

Subsequent amendments can be made to a firm's authorised activities subject to the prior approval of the Financial Regulator. Changes in the firm's ownership or management structure are also subject to the Financial Regulator's prior approval. In considering all such requests for approval, firms must satisfy the Financial Regulator that the firm will continue to meet the criteria for authorisation.

We hope this provides an insight into the regulation of investment advisers by IFSRA, the Irish Financial Services Regulatory Authority. Should you require any further, more detailed information, please feel free to contact me.

Yours sincerely,



Gary Palmer
Chief Executive