BUSINESS VENTURE PARTNERS

Funding Consultation Reponses

Question 1: Do you agree with the target Fund Reserves for Fund A?

Answer 1: Yes – However, we feel that the short timeframe to meet these targets are causing undue financial distress on the contributors. Some element of risk analysis is required to ensure those firms at higher risk of failure and higher potential claim costs to the scheme contribute appropriately.

Question 2: Do you agree with the target Fund Reserves for Fund B?

Answer 2: Yes – it should be noted that the cost of contributing to these scheme is spread out across a far larger pool of contributors which results in annual contributions being less of a burden.

Question 3: Do you support the continued placement of Excess of Loss Insurance for Fund A?

Answer 3: Yes. The ICCL should investigate a lower policy excess

Question 4: Do you support the continued placement of Excess of Loss Insurance for Fund B?

Answer 4: Yes.

Question 5: Do you support the current borrowing arrangements?

Answer 5: Yes.

Question 6: Do you have any observations on the proposals to amend the ICSD as outlined in paragraph 35?

Answer 6: While the idea of increasing the protection available to investors, the increased burden imposed on contributing firms will result in less investment opportunities due to investment firm closure.

The proposal has not in any way taken heed of the contributing firms ability to finance the proposed increases in compensation available and decrease in the length of time required to establish target funds.

Question 7: Do you support the implementation of E-Invoicing?

Answer 7: Yes.

Question 8: Besides the current payment methods, are there other methods that you believe merit consideration?

Answer 8: No

Question 9: Do you believe the assumptions set out in paragraph 56 are reasonable?

Answer 9: No. Given the current trend of business closures, it is likely that further small/medium business will close and result in higher than anticipated bad debts.

Question 10: Do you support the implementation of Proposal A1 or A2?

Answer 10: A1. It should be noted that we are against any increase to the ICCL contribution given the significant strain it puts on our financial position.

Question 11: Do you believe the assumptions set out in paragraph 65 are reasonable?

Answer 11: See Answer 9 above

Question 12: Do you support the implementation of Proposal B1 or B2?

Answer 12: Not applicable to out firm

General Comment: While we understand the political and legislative drive which underpins the requirement to implement the investor compensation funds we believe that the scheme should not put undue financial hardship on companies. Increasing contributions to the scheme will reduce a firms spending in other areas. This will ultimately reduce the ability of the firm to grow and increase its' investor base. Increasing the investors will result in more firms in higher bands and increasing contributions to the fund.

Secondly, an investor should be fully aware of the risks when making an investment. This not only includes investment risk but also the business risk of the firm in which they are investing with. It could be argued that the scheme is compensating investors for an element of bad decision making.

There is a disproportionate level of cover for our investors relative to the investors of the other investment managers.

- i.e. our average investment of €20,000 equals the compensation limit of €20,000 (100%)
- Other managers average investment is €500,000 versus the compensation limit of €20,000 (4%)

Is the other manager twenty five times less risky? Probably not. We feel that contributions to the fund should be assessed based on the risk per investor rather than the number of investors