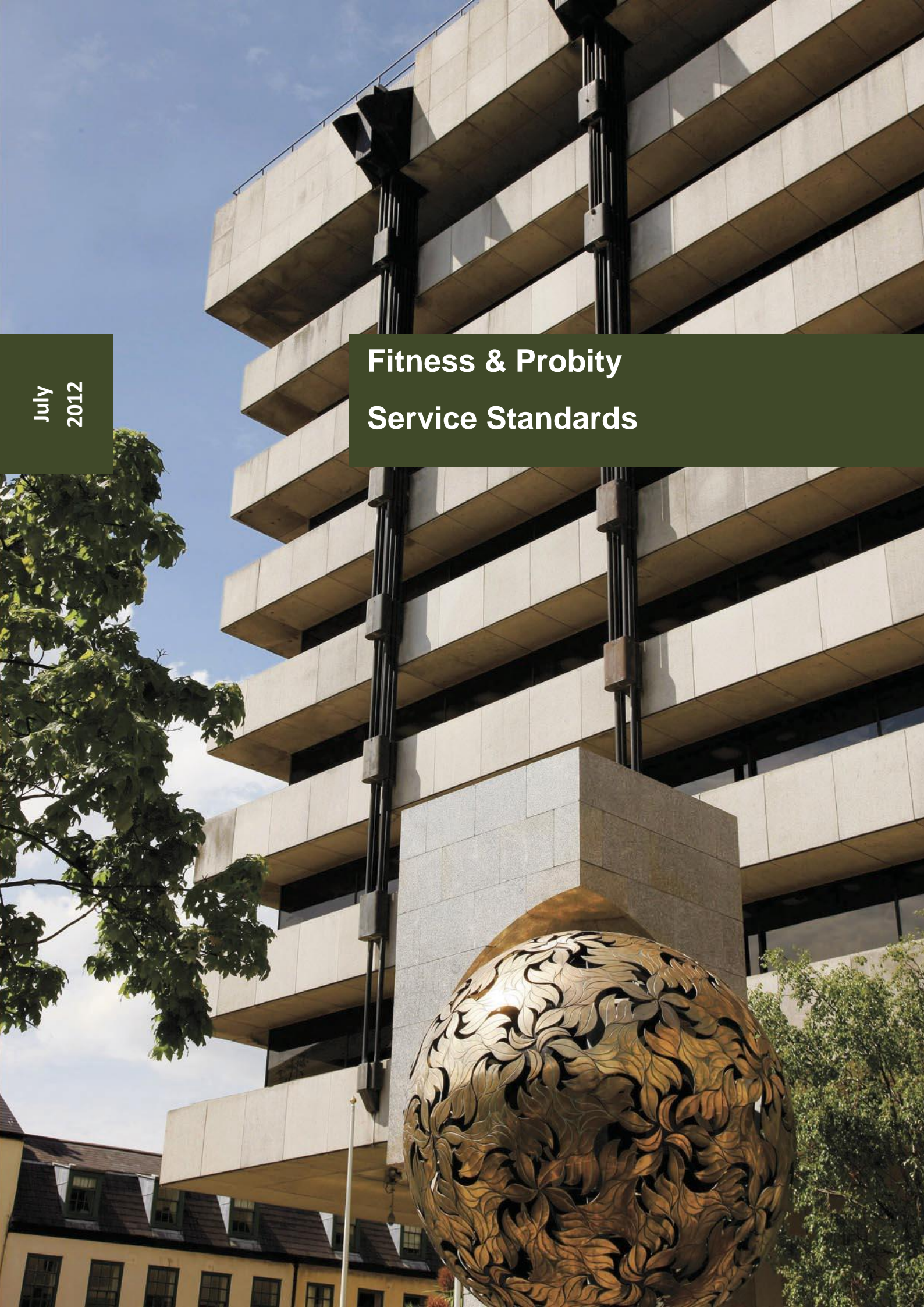


July  
2012

# Fitness & Probity Service Standards



**Target turnaround times for processing Individual Questionnaires in respect of persons proposed for Pre-Approval Controlled Functions (PCFs)**

**1. Summary Targets**

| <b>Category</b>   | <b>Turnaround Time (business days)</b> |
|---|--|
| Incomplete IQ Response  | 5                                      |
| Qualifying Investor Fund IQ   | 5                                      |
| Central Bank of Ireland or EEA Financial Services Regulator Previously Approved Individual  | 12                                     |
| Standard IQ   | 15                                     |
| These turnaround times do not apply to applications (a) where another regulator has to be contacted, (b) which are subject to interview, (c) form part of an authorisation, (d) form part of an acquiring transaction or (e) are in respect of qualifying shareholders. |  |

Effective 1 December 2011, the Central Bank of Ireland (“Central Bank”) implemented a new fitness and probity regime for, *inter alia*, persons proposed to hold pre-approval controlled functions (directors and senior managers) within regulated financial service providers.

In accordance with the Central Bank Reform Act 2010, it is the responsibility of regulated financial service providers to satisfy themselves on reasonable grounds that the proposed person complies with the [Fitness and Probity Standards](#) and that the person has agreed to abide by the Standards before seeking the approval of the Central Bank for the appointment.

As part of the pre-approval process the Central Bank undertakes its own due diligence in respect of proposed approved persons. A record of the due diligence undertaken by regulated financial service providers may be requested by the Central Bank.

Regulated financial service providers must ensure that the proposed person has fully and accurately completed the Individual Questionnaire (IQ); and that the firm has endorsed the declaration in the online IQ confirming that it is satisfied to make the appointment. The online IQ must be submitted through the [Online Reporting System \(ONR\)](#). The [fitness and probity](#) section of [www.centralbank.ie](http://www.centralbank.ie) contains guidance and a procedural manual on how to submit applications. The Central Bank wishes to stress the importance of attaching the appropriate documentation with the IQ, as this will reduce the probability of the IQ being returned – see table below:

| Reason why IQ may be returned |   |
|-------------------------------|---|
| Section of IQ                 | Reason  |
| 1                             | Incorrectly answering yes to questions 1.4 and 1.5 (1.3 or 1.4 for credit unions) and not completing Reputation and Character Section (Section 5 of the IQ).  |
| 4                             | Incomplete documentation relating to compliance with the Minimum Competency Code, such as evidence of qualifications, grandfathering status, new entrant status, and / or continuing professional development.  |
| 5                             | Lack of documentation to demonstrate that an issue disclosed in Reputation and Character section does not have a material impact on the person's ability to perform the role.   |
| 6                             | For persons performing a PCF outside Ireland, who are proposed to perform a similar PCF role within the same industry sector in Ireland: <ul style="list-style-type: none"> <li>Lack of documentation to demonstrate that the person is entitled under the laws of an EEA / EU member state to perform the equivalent to the PCF function.</li> </ul> |
| 11 and 12                     | IQ completed by and / or submitted by a person whose name does not match the name of the applicant or the name of the proposer.   |
| 12                            | The proposer is not an approved person within the entity with the authority to submit the IQ, namely: PCF1 Executive Director, PCF2 Non- Executive Director, PCF3 Chairman, PCF 9 Partner, PCF 12 Head of Compliance, PCF 39  |

|    |  |
|----|--|
|    | Designated person in a Self-Managed Investment Company, CUPCF1 Chair of the Board of Directors, CUPCF2 Manager, Chair of the Nomination Committee. |
| 13 | Data Protection Disclosure issued by an Garda Siochana has not been attached to applications from sole traders.                                    |

## 2. Targets

- 1 Confirmation of the receipt of applications is communicated via the ONR system. Where applications are incomplete, the application will be returned to the proposing entity together with the reasons why, within 5 business days.
- 2 The Central Bank aims to complete its assessment of IQs within 5 business days for applications from persons who are proposed as PCFs for Qualifying Investor Funds.
- 3 The Central Bank aims to complete its assessment of IQs within 12 business days for applications received from persons who are currently approved for a PCF role in Ireland and who wish to take up a similar role within the same sector in Ireland.
- 4 The Central Bank aims to complete its assessment of IQs within 12 business days for applications received from persons who are currently approved for a PCF role within a specific sector in another EEA country and who wish to take up a similar role within the same sector in Ireland.
- 5 In all other cases, where a complete application has been received, the Central Bank aims to complete its assessment of IQs within 15 business days.
- 7 Where an applicant is requested to attend for interview, this will be communicated to the proposing entity and the applicant within 15 business days.
- 8 Requests for further information will be issued within 15 business days.
- 9 Where approvals are sought as part of the authorisation of a new entity, they will be treated as part of the authorisation process and approval will be linked to authorisation. Therefore the targets outlined above do not apply.
- 10 Where approvals are sought as a qualifying shareholder, they will be treated as part of that approval process. Therefore the targets outlined above do not apply.

- 11 In cases where responses are awaited from third parties, it may not be possible to meet the targets outlined above. This is particularly the case where overseas regulators are contacted. In those cases, we would recommend that proposed appointees notify their home regulator of their application to the Central Bank and that the Central Bank may make enquiries with the regulator.

It should be noted that the measurement of the target turnaround times will commence once the Central Bank has received an application completed in accordance with the procedural manual referred to above.

In the interests of our stakeholders it is vital that we make the right regulatory decisions and sometimes this will mean that the assessment of applications may take longer than our target timescales.

The Central Bank aims to meet these targets 85 per cent of the time and will publish metrics on a half yearly basis, commencing in January 2013 (for the period July – December 2012).





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