



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

AMENDMENTS TO THE LIST OF PRE-APPROVAL CONTROLLED FUNCTIONS (PCFs)

December 2023

As of December 2023, the Central Bank of Ireland will:

(a) introduce three new PCF roles as follows:

- 1. PCF-54 Head of Material Business Lines for Insurance Undertakings**
- 2. PCF-55 Head of Material Business Lines for Investment Firms**
- 3. PCF-53 Head of Client Asset Oversight; and**

(b) amend PCF-16 Branch Manager of branches established outside the State.

Section 22 of the Central Bank Reform Act 2010 enables the Central Bank to prescribe pre-approval controlled functions by regulation.

Further to Consultation Paper 153 on the Individual Accountability Framework and the [related Feedback Statement](#) on the proposed new roles and in order to ensure that the list of PCF roles is appropriate to capture the present and future changes to the nature, scale and complexity of the firms, the Central Bank is introducing the Head of Material Business Line role for insurance undertakings and investment firms as follows: .

PCF-54 Head of Material Business Line for insurance undertakings:

The Head of Material Business Line in an insurance undertaking, is one that has a significant influence over the performance of a material line e.g. oversees the performance of that business line and the business line in question satisfies either of the following quantitative criteria:

- a) has gross total technical provisions (whether positive or negative) equal to or in excess of €10 billion; or
- b) accounts for 25 per cent or more of the insurance undertaking's gross earned premium, if that gross earned premium is above €1bn per annum.

PCF-55 Head of Material Business Line for investment firms:

The Head of Material Business Line in investment firms, is one that has significant influence over the performance of a material line e.g. oversees the performance of that business line and the business line in question satisfies either of the following quantitative criteria:

- a) has gross total assets equal to or in excess of €5 billion; or
- b) accounts for 10 per cent or more of the investment firm's gross revenue.

The role of Head of Material Business Line would typically include responsibility for management of a material business line at a firm (including Balance Sheet and Profit & Loss management) which would be considered capable of having an impact on the firm due to commercial or strategic importance of that business line.

It is anticipated that this role would usually be held by a senior individual with a direct reporting line to the Executive Officer (PCF-1).

Individuals who are already pre-approved as PCF-17 -Head of Retail Sales or PCF-18 - Head of Underwriting, will not be required to also seek pre-approval as a Head of Material Business Line. After an individual has been approved and is performing the role that individual remains in place until such time as they leave their role, even if there are fluctuations in the quantitative criteria post approval.

For individuals that are deemed to be already performing these roles within the firm, an in-situ process will be implemented and the Central Bank will not require submission of an IQ.

For new entrants, the PCF application form (Individual Questionnaire – IQ) will be updated so that from the effective date they will be able to submit a new IQ through the Central Bank of Ireland Portal.

PCF-53 Head of Client Asset Oversight

Further to Consultation Paper 133 on ‘Enhancements to the Central Bank Client Asset Requirements, as contained in the Central Bank Investment Firms Regulations’, the Head of Client Asset Oversight is being introduced for credit institutions.

Amendment to PCF-16 Branch Manager of branches established outside the State

Further to Consultation Paper 153 on the Individual Accountability Framework and the [related Feedback Statement](#), a materiality threshold such that the SEAR would only apply to managers of larger outgoing branches is being introduced. Given the application of the SEAR to managers of outgoing branches stems from the inclusion of the role within the F&P Regime, the introduction of a threshold requires an amendment to the PCF Regulations¹ and, as such, PCF-16 is being amended to:

“Branch Manager of a branch established outside the State but only where the business arising from the branch amounts to 5% or more of, as applicable, the assets or revenues or gross written premium of the regulated financial service provider”

An Information Note addressing this change will be published in January 2024.

¹ Section 22 of the Central Bank Reform Act 2010 enables the Central Bank to prescribe by regulation PCFs

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