



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Fitness and Probity Review

Report on Implementation of Recommendations

April 2025

Contents

1. Executive Summary	3
2. Introduction	4
3. Implementation of Recommendations	5
4. Progress and Continued Focus	8
Appendix - Review Recommendations and Implementation	9

1. Executive Summary

This report (the Implementation Report) provides an update on the progress made on implementing the recommendations contained in the Fitness and Probity Gatekeeping Review (the Review) conducted by Mr. Andrea Enria in 2024. Following the publication of the Review on 11 July 2024, the Central Bank of Ireland (the Central Bank) has undertaken substantial work to enhance its fitness and probity gatekeeping process. The Review emphasises a commitment to fairness, transparency, and efficiency, aiming to ensure that the fitness and probity gatekeeping process operates with high levels of professionalism; and it underscores the need for continuous improvement and advocates for a balance between supervisory judgment and adherence to clear, consistent processes.

The Implementation Report details the actions taken to date, highlighting key achievements in strengthening fitness and probity gatekeeping processes. These actions form part of our strategic plan which is committed to transforming our approach to regulation and supervision.¹

The Central Bank has made substantial progress on implementing the recommendations of the Review, including identifying areas where we could simplify our processes. All of the recommendations have been enabled and work will continue to embed and strengthen them during the course of 2025 and beyond, ensuring the Review is implemented both in practice and in spirit. In the remainder of this document the intention is to provide an understanding of how the Central Bank has implemented the recommendations, including the interconnection of the various recommendations, highlighting how they collectively address the critiques and commentary presented in the Review.

¹ <https://www.centralbank.ie/regulation/transforming-regulation-and-supervision>

2. Introduction

In 2024, the Central Bank commissioned Mr. Andrea Enria, former Chair of the European Central Bank's Supervisory Board, to conduct an independent review of its fitness and probity gatekeeping framework. The Review, which is publicly available [here](#), was commissioned to assess the effectiveness of this framework.

The primary drivers for the review were (a) a decision by the Irish Financial Services Appeals Tribunal which raised issues regarding the Central Bank's handling of an individual application, and concerns about the effectiveness, fairness and transparency of the process; and (b) the fitness and probity regime was over a decade old and it was appropriate and timely to conduct a review.

The Review endorsed the importance of fitness and probity gatekeeping and confirmed that the standards operated by the Central Bank broadly align with international good practice. However, it also identified several areas for improvement and made a number of recommendations designed to strengthen the framework. The Central Bank welcomed the Review and undertook to fully implement its recommendations.

This Implementation Report demonstrates the Central Bank's firm commitment to fully embracing and embedding the Review, both in substance and in spirit. We have translated the Review's recommendations into concrete actions, as detailed within this document. The Implementation Report aims to both outline the progress made in implementing each recommendation, highlighting key achievements and current statuses, and also serves as part of our continued transparency with all stakeholders.

While fully implementing the spirit of the Review will require sustained action, we believe that the measures outlined represent a full and faithful implementation and enablement of the recommendations in the Review. We are resolved to continuing this important work throughout 2025, ensuring that our fitness and probity gatekeeping framework not only supports supervisory judgement, but unequivocally delivers a fair and transparent process, fully reflecting the integrity and approach advocated by the Review.

3. Implementation of Recommendations

Since implementation work commenced, significant efforts have been made to implement the recommendations across the three areas of focus specified within the Review: (a) clarity of supervisory expectations; (b) internal governance of the process; and (c) fairness, efficiency and transparency of the process.

a) Clarity of Supervisory Expectations

Guidance on Fitness and Probity Standards

While recognising that the Fitness and Probity Standards (the Standards) were comparable to peer regulators, the Review found that “*they were fragmented across different documents and not user-friendly in their presentation.*”²

The Central Bank acknowledges the significance of the findings within the Review concerning fragmentation of guidance.

Recognising the importance of clarity, the Central Bank is therefore proposing to update and consolidate the guidance on the Standards. This will aid navigation and clarity for all and assist with consistent application of this guidance. In addition we have incorporated and addressed feedback that the Central Bank should provide greater certainty on its expectations for persons performing key roles at board level.³ Where consolidated the Central Bank would then remove obsolete or otherwise redundant guidance from its website.

The above work has progressed and has recently been issued for public consultation.⁴ The closing date for submissions is 10 July 2025.

b) Internal Governance of the Process

The fairness and effectiveness of a fitness and probity gatekeeping process relies significantly on its decision making processes and internal governance. The Review highlighted critical areas for improvement, notably the need for enhanced seniority

² Fitness and Probity Gatekeeping Review, Andrea Enria, p7.

³ The Central Bank has designated 60 roles as requiring pre-approval by the Bank before a Proposed Appointee’s appointment. In essence, however, four of those roles account for 60% of all fitness and probity applications received by the Central Bank.

⁴ <https://www.centralbank.ie/docs/default-source/publications/consultation-papers/cp160/cp160-consultation-paper-on-amendments-to-the-fitness-and-probity-regime.pdf>

and independence in the final decision making stages and the fragmentation of governance across multiple divisions and directorates in the Central Bank. These points underline the importance of streamlined, cohesive internal structures and a robust decision making process to ensure that the Central Bank operates with high standards of fairness, transparency and consistency.⁵

The Central Bank acknowledges and has accepted the validity of these views and has taken the following key steps to address same.

New Fitness and Probity Unit

In recognition of the potential risks associated with fragmented governance, a new Fitness and Probity Unit (the Unit) has been established within the Central Bank effective from 1 January 2025. It is located within the Supervisory Risk, Analytics and Data Directorate of the Central Bank. The Unit has ownership of fitness and probity gatekeeping assessment work within the Central Bank. It has the following core responsibilities:

- i. conduct assessment work across all fitness and probity gatekeeping applications with a view to enhancing consistency of assessments. Close engagement with sectoral supervision teams will occur;
- ii. approve fitness and probity applications;
- iii. for cases of potential refusal, the Unit will refer cases to a senior committee, the Gatekeeping Decisions Committee (see below on Decision Making), within the Central Bank for consideration. The Gatekeeping Decisions Committee will not have been directly involved in the assessment process;
- iv. deliver and ensure adherence to established process and the progression of decisions in a timely manner.

Decision Making

As regards decisions on a fitness and probity gatekeeping application, these decisions will be taken by the Unit.

In relation to cases of potential refusal, the Central Bank has established a Gatekeeping Decisions Committee which will decide on all cases of refusal. This Committee is chaired by the Deputy Governor, Financial Regulation.

⁵ Fitness and Probity Gatekeeping Review, Andrea Enria, pp 8 & 9.

c) **Fairness, Efficiency and Transparency of the Process**

Fitness and Probity Gatekeeping Process

The Review emphasises the importance of a fitness and probity gatekeeping process to uphold rigorous standards of fairness, efficiency and transparency. In particular, the Review noted “*there are improvements which the Central Bank can make to ensure the appropriate standards of fairness, efficiency and transparency are consistently achieved.*”⁶

This emphasis reflects the fundamental principle that regulatory assessments, particularly those concerning key roles in a regulated entity, must be conducted with the utmost integrity.

Consistent with this, the Central Bank has sought to address same by developing and publishing an assessment process document.⁷ The Central Bank has not awaited the formal publication of the process document to address the underlying matters and has been implementing process enhancements in recent months. The process document aims to codify and reflect the above principles and practice, ensuring that all applications are treated equitably. This process document clarifies each stage of the fitness and probity process, including the process that regulated entities and proposed appointees can expect from the Central Bank, including:

- i. notifications for interview;
- ii. duration of interviews;
- iii. a commitment to a 90 day timeframe for the fitness and probity gatekeeping process. Regulated entities and proposed individuals will have clear visibility of the current stage of their assessment; and
- iv. the provision of feedback post interview.

In addition, the process document reiterates and emphasises the Central Bank’s expectations of the financial services industry in the context of industry’s primary role in the fitness and probity process and the proportionate due diligence that

⁶ Fitness and Probity Gatekeeping Review, Andrea Enria, p 10.

⁷ <https://www.centralbank.ie/docs/default-source/regulation/how-we-regulate/fitness-probity/fitness-and-probity-gatekeeper-process-manual.pdf>

should be completed by regulated entities prior to submitting fitness and probity applications to the Central Bank.

The Review recommendations extend beyond internal governance, emphasising the role of quality assurance, training and industry stakeholder engagement in maintaining a sound approach to fitness and probity gatekeeping. In response, the Central Bank is undertaking a number of initiatives to address these areas. As regards the importance of consistent and fair interview practices, the Central Bank has delivered enhanced training to supervisors, complemented by the development of an online training tool to support ongoing professional development for supervision teams.

Furthermore, the Central Bank has engaged with industry stakeholders, launching a consultation paper on the Standards guidance and designated pre approval controlled functions (PCFs), and will host an industry stakeholder meeting on fitness and probity gatekeeping in Q2 2025, alongside ad hoc sectoral engagements when required. Quality assurance, while acknowledged as essential, will be implemented after allowing the changes identified to embed, ensuring a thorough and meaningful review of their effectiveness and identifying any further changes or enhancements required.

4. Progress and Continued Focus

The preceding implementation details reflect the Central Bank's acceptance of the Review's recommendations and the tangible steps undertaken to address them. We acknowledge that sustained focus is crucial to fully realise the intended outcomes, and we are dedicated to embedding the Review's principles throughout our processes and in our continued engagement.

Appendix - Review Recommendations and Implementation

Review Recommendation	Focus	Implementation Output
1	Fostering industry role in fitness and probity gatekeeping	<p>To implement Recommendation 1, which emphasises fostering a clearer industry understanding of its role in the fitness and probity gatekeeping process, the Central Bank is taking a multi-faceted approach.</p> <ul style="list-style-type: none"> • Developed and published a Fitness and Probity Gatekeeper Process document which emphasises the roles and expectations of the Central Bank for industry during the gatekeeping process. • Integrating key messages into public engagements: The Unit has responsibility for industry stakeholder engagement. Commitment to host industry workshop each year. An element of such workshops is to include, amongst other matters, the role of industry and expectations of the Central Bank.
2	Enhance Fitness and Probity Standards and guidance issued by the Central Bank.	<p>Guidance on Fitness and Probity Standards is currently at public consultation.</p> <p>This consolidates and proposes enhancements in the areas specifically referred to in the Review.</p> <p>The Central Bank has also considered the overall number of PCFs which it has designated and its approach in this respect is</p>

		<p>also at public consultation. An initial refinement of the categorisation of PCFs to make the list simpler and clearer is currently the subject of consultation with industry.</p> <p>The Central Bank is further reviewing the overall number of roles that have been designated as requiring pre-approval. We will continue this in-depth review with a view to identifying possible changes to the roles designated as PCFs.</p>
3	Establish a single Fitness and Probity Unit	<p>The Unit was established in January 2025. The creation of the Unit marks a critical step towards streamlining operations and ensuring a more cohesive assessment framework. By centralising fitness and probity gatekeeping responsibilities, the Central Bank is enhancing its ability to maintain high process standards.</p>
4	Decision making	<p>The Central Bank has established a Gatekeeping Decisions Committee, to consider cases of potential refusal. This Committee, chaired by the Deputy Governor, Financial Regulation, directly addresses the recommendation. By placing senior leadership at the helm of this Committee, the Central Bank ensures that critical decisions are made with the requisite experience, authority and independence, thereby strengthening the fairness of the fitness and probity gatekeeping process.</p> <p>The Central Bank has outlined the role of the Gatekeeping Decisions Committee within the Process document published.</p>

5	Enhance stakeholder engagement	<p>Active industry engagement fosters transparency, clarity and mutual understanding.</p> <p>The Unit will host an industry stakeholder engagement during Q2 2025. Ad hoc engagements have and will continue to occur throughout the year.</p> <p>In addition, the Central Bank has published a consultation paper which focuses on the Guidance on Fitness and Probity Standards and the roles which have been designated as PCFs.</p>
6, 7 & 8	Gatekeeping assessment improvements	<p>These recommendations are focussed on refining the fitness and probity gatekeeping assessment process, specifically addressing improvements to interview procedures, handling of withdrawals and provision of feedback. Consistent with the Review, the Central Bank has responded by enhancing its own process and has published a Fitness and Probity Gatekeeping Assessment Process document. This document clearly articulates the Central Bank's approach to these important areas, ensuring that interviews are conducted appropriately. By standardising these procedures the Central Bank aims to enhance the overall quality of the fitness and probity gatekeeping assessments. Specifically the Fitness and Probity Gatekeeping Process document includes the following enhancements:</p> <ul style="list-style-type: none"> • detailed invitations to interview; • commitment to 90 minute interviews; • provision of feedback after interviews;

		<ul style="list-style-type: none"> • cessation of “meet and greet” interviews as part of the fitness and probity application assessment; • commitment to removing off record discussions with regulated entities on applications. Going forward the process will be that any discussions are on record.
9	Management information	<p>Management and statistical information is vital for monitoring and evaluating the fitness and probity gatekeeping process. The Central Bank understands the importance of this recommendation and has taken steps to enhance the management information and statistics that it shares externally. Specifically, the information shared through the Authorisations and Gatekeeping Report in 2024 was a significant step forward. The Central Bank has continued to refine our approach in this area and the Authorisation and Gatekeeping Report for 2025 will include further insights and information consistent with the recommendations from the Review.</p>
10	Quality assurance	<p>Quality assurance will be conducted once the changes identified have been embedded, ensuring a thorough and meaningful review of their effectiveness and identifying any further changes or enhancements required. In addition the assessment process involves four eye scrutiny at key points to ensure consistency of approach.</p>
11	Complaints	<p>The Central Bank will apply a complaints procedure to the fitness and probity gatekeeping assessment. A third party will be involved to consider these complaints.</p>
12	Training	<p>The Central Bank has undertaken initiatives to enhance training for sectoral supervisors and the teams within the Unit. This enhanced training has primarily focused on</p>

		<p>undertaking interviews in a fair and consistent manner.</p> <p>This training is complemented by the development of online training modules to ensure ongoing professional development. In addition, further training will be provided periodically to the Unit, relevant teams within the Central Bank and to the members of the Gatekeeping Decisions Committee.</p>
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