



# Intermediary Times

## Welcome to the Intermediary Times

Welcome to the first edition of the Intermediary Times for 2019.

This edition contains information on many important and interesting topics, including:

- The Withdrawal of the United Kingdom from the European Union.
- Investment Firms' Update – Transferable Securities.
- Errors Reporting and Complaints Resolution.
- Reporting Obligations.
- What's New.

For queries on any of the topics outlined in this newsletter, or any other queries you may have, please see the main contact points on page 7. We hope that you find this newsletter useful and as always, we welcome your [feedback](#).



*Helena Mitchell*  
Head of Consumer Protection  
Supervision Division

### Contents

The Withdrawal of the United Kingdom from the European Union	2
Investment Firms' Update – Transferable Securities	3
Errors Reporting and Complaints Resolution	4
Reporting Obligations	5
What's New	6
Contact Us	7

## The Withdrawal of the United Kingdom (UK) from the European Union (EU) (Brexit)

The Central Bank of Ireland's (the Central Bank) mandate and mission of safeguarding monetary and financial stability by working to ensure that the financial system operates in the best interest of consumers and the wider community underpins our approach to dealing with Brexit, in respect of contingency planning for:

- Irish registered insurance intermediaries undertaking cross-border insurance mediation (passporting) into the UK/Gibraltar.
- UK/Gibraltar registered insurance intermediaries passporting into the Republic of Ireland (Ireland).

After the withdrawal date of 29 March 2019, the UK will become a third country (non-EU) for the purposes of applying the Insurance Distribution Directive (Directive 2016/97/EU) (the IDD).

In the event of a "hard" or "no deal" Brexit, UK insurance intermediaries must put in place the necessary registration in order to continue operating in Ireland. Where the required registration is not in place by 29 March 2019, those firms must cease providing services into Ireland on a Freedom of Establishment and/or Freedom of Services basis. The ability of UK insurance intermediaries to continue performing certain obligations and activities, for example the provision of sub-broking services to EU registered intermediaries, may also be affected, as well as their ability to ensure service continuity of insurance contracts concluded before the withdrawal date. The Central Bank expects all firms to ensure that they have considered all risks to their business and customers, including data protection and data transfer.

On 24 January 2019, the Government published the General Scheme of the Miscellaneous Provisions (Withdrawal of the United Kingdom from the European Union on 29 March 2019) Omnibus Bill (the Bill).

Part 8 of the Bill provides for a temporary run-off regime, which, subject to a number of conditions, will enable registered UK intermediaries which have carried on business in Ireland via passporting rights, to continue to administer insurance contracts entered into before the withdrawal date. This will be for a period of three years after the date of the withdrawal of the UK from the EU. Intermediaries subject to the temporary run-off regime will no longer be able to continue insurance distribution in respect of new insurance contracts in Ireland, until they obtain a registration under the IDD.

*Did you know?*

After the withdrawal date of 29 March 2019, UK insurance intermediaries will lose their right to pursue business in EU Member States on a Freedom of Establishment and Freedom of Services basis.



On 24 January 2019, draft legislation was published, which provides for a temporary run-off regime.

UK intermediaries who avail of the temporary run-off regime will be able to continue to administer insurance contracts entered into in Ireland before the withdrawal date, for a period of three years after this date.



Details on the notification process for the temporary run-off regime will be made available once the relevant legislation has been enacted.

## Investment Firms' Update – Transferable Securities

On 8 October 2018, the Central Bank published the fifth edition of the [Investment Firms Questions & Answers](#) containing an additional question, ID 1039.

Question ID 1039 relates to the scope of the term “transferable securities” and addresses circumstances where securities have restricted transferability, for example, loan notes and shares in private companies.

The response to Question ID 1039 reiterates the understanding of the term “transferable securities”, set out in the European Commission’s Questions & Answers on the Markets in Financial Instruments Directive (MiFID).

In circumstances where firms are providing services in relation to securities with restrictions on transferability, firms should assess, on a case-by-case basis, whether those securities are “transferable securities” under:

- the European Union (Markets in Financial Instruments) Regulations, 2017 (MiFIR) or
- the definition of investment instruments in Section 2 of the Investment Intermediaries Act, 1995 (IIA).

Based on that assessment, a firm must provide its services in compliance with the applicable regulatory requirements.



*Did you know?*

The fifth edition of the [Investment Firms Questions and Answers](#) was published on the 8 October 2018.

Question ID 1039 relates to the scope of the term “transferable securities”.

Investment Firms should assess whether “transferable securities” fall under MiFIR or IIA, as services provided must be in compliance with the applicable regulatory requirements.

## Errors Reporting and Complaints Resolution

Chapter 10 of the Consumer Protection Code 2012 (the Code) sets out the minimum requirements in relation to the resolution of errors and the handling of complaints.

### Error Reporting

Firms must have written procedures in place for the effective handling of errors which affect consumers. All errors should be resolved speedily and no later than six months after the date the error was first discovered.

Where an error affecting consumers has not been fully resolved within 40 business days of the date that the error was first discovered, a firm must inform the Central Bank within five business days of that deadline. An [Error Notification Template](#) is available on the Central Bank's website, and all related correspondence should be sent to [brokers@centralbank.ie](mailto:brokers@centralbank.ie).

All errors affecting consumers must be logged and a record of all steps taken to resolve the error must be kept.

### Complaints Resolution

Firms must have a written procedure in place for the proper handling of complaints, and must seek to resolve all consumer complaints received.

Where a complaint has been received and has been resolved to the complainant's satisfaction within five business days, the written complaints procedure need not apply. However, a record of this complaint must be kept.

Where a complaint has not been resolved to the complainant's satisfaction within five business days, the complainant must be provided with a regular update on the progress of the investigation, at intervals of not greater than 20 business days.

If a complaint is not resolved within 40 business days, a complainant must be provided with an estimated timeframe for resolution of the complaint.

The complainant must be informed of their right to refer the complaint to the Financial Services and Pensions Ombudsman. Firms must also maintain up to date and comprehensive records for each complaint received from a consumer.

*Did you know?*

**A Firm must inform the Central Bank if an error has not been resolved within 40 business days.**



**A complainant must be informed of the right to refer their complaint to the Financial Services and Pensions Ombudsman.**



## Reporting Obligations

### Annual Return

All retail intermediaries have a statutory obligation to submit an annual return no later than six months after their financial year-end. Annual returns must be submitted to the Central Bank through the Online Reporting System (the ONR).

Failure to submit an annual return may result in enforcement action by the Central Bank.

Any queries in relation to the ONR can be sent to [onlinereturns@centralbank.ie](mailto:onlinereturns@centralbank.ie).



### Annual Pre-Approval Control Function (PCF) Confirmation Return

As part of a firm's obligations in relation to the Fitness & Probity Regime (the F&P regime), it is required to submit an annual PCF confirmation return to the Central Bank via the ONR.

The annual PCF confirmation return confirms the list of all active PCF holders within the firm as at the 31 December. Firms must also confirm that each active PCF holder is compliant with the F&P Standards and that they continue to agree to abide by those Standards.

The submission date for the most recent annual PCF confirmation return is 28 February 2019.

For further information, please refer to the [Fitness & Probity](#) section of the Central Bank's website.



### Did you know?

Firms are required to submit their annual return to the Central Bank, no later than six months after their financial year-end.



The annual PCF confirmation return confirms the list of all active PCF holders in the firm.



The 2019 Submission deadline for the annual PCF confirmation return is 28 February.

## What's New

- On 15 February 2019, the Central Bank published the ['Innovation Hub 2018 Update'](#), setting out the initial findings from the Central Bank's Innovation Hub.
- On 12 February 2019, Gráinne McEvoy, Director of Consumer Protection gave a [speech](#) to students of the Institute of Banking's Professional Diploma in Leading Cultural Change and Ethical Behaviours in Financial Services.
- On 5 February 2019, Philip R. Lane, Governor of the Central Bank published an [Economic Letter](#) in relation to Climate Change and the Irish Financial System.



Central Bank Query	Central Bank Division	Central Bank Contact
<b>Consumer Protection – Retail Intermediaries:</b> Authorisation queries Supervision queries Revocation queries Post Authorisation queries Brexit related queries	Consumer Protection	<a href="mailto:RIAuthorisations@centralbank.ie">RIAuthorisations@centralbank.ie</a> <a href="mailto:brokers@centralbank.ie">brokers@centralbank.ie</a> <a href="mailto:revocations@centralbank.ie">revocations@centralbank.ie</a> <a href="mailto:postauthorisations@centralbank.ie">postauthorisations@centralbank.ie</a> <a href="mailto:ribrexitcontingency@centralbank.ie">ribrexitcontingency@centralbank.ie</a>
<b>Consumer Protection: Policy</b> Policy queries Minimum Competency Code	Consumer Protection	<a href="mailto:code@centralbank.ie">code@centralbank.ie</a> <a href="mailto:competency@centralbank.ie">competency@centralbank.ie</a>
<b>Queries for other Central Bank Divisions:</b>		<a href="#">Website</a>
Anti-Money Laundering/Countering Terrorist Financing	Anti-Money Laundering	<a href="mailto:AMLpolicy@centralbank.ie">AMLpolicy@centralbank.ie</a>
<b>Fitness and Probity:</b> Individual Questionnaire queries	Regulatory Transactions	<a href="mailto:fitnessandprobity@centralbank.ie">fitnessandprobity@centralbank.ie</a>
Funding Levy	Financial Control	<a href="mailto:funding@centralbank.ie">funding@centralbank.ie</a>
Online Reporting queries	Regulatory Transactions	<a href="mailto:onlinereturns@centralbank.ie">onlinereturns@centralbank.ie</a>

