



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Retail Intermediary Roadshow 2024

Dublin & Athlone
21 & 22 November 2024

Welcome to the 2024 Retail Intermediary Roadshow!



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Agenda for the Day

	Name & Division	Topic
1	Des Ritchie, Head of Division, Consumer Protection: Investment Firms, Intermediaries and Client Assets (CPIC)	Central Bank Updates
2	Lyndsey Smyth, Supervision Manager, CPIC Joe Donnelly, Supervision Manager, CPIC	Retail Intermediary Supervision
3	Katie O'Callaghan, Authorisations Manager, CPIC Richard Donnelly, Authorisation Associate, CPIC Maria Gorman, Authorisation Associate, CPIC	Retail Intermediary Authorisation
4	Panelists	Q&A
Tea / Coffee Break		
5	Edel O'Brien, Information Security Awareness Manager, Information Management & Technology	Cybersecurity
6	David O'Brien, Protected Disclosure Desk Manager, Enforcement Advisory	Protected Disclosures
7	Clíona Howley, F&P Authorisation Manager, Regulatory and Business Services Division	Fitness and Probity
8	Panelists	Q&A
Close		



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Central Bank Updates

Des Ritchie,
Head of Division

Regulatory & Supervisory Outlook Report

- Sets out the Central Bank's perspective on the *key trends and risks* that are shaping the financial sector operating landscape; and the regulatory and supervisory priorities for 2024 & 2025;
- Identifies **11 Key Risk Areas** under 3 broad themes; and
- Highlights that firms can do a lot at a practical level to make improvements to customer service.

Risk Theme A

Drivers: Macroeconomic and geopolitical environment

1

Risk Area 1: Inflation and interest rate risks

2

Risk Area 2: Asset valuation and market risks

3

Risk Area 3: Liquidity and leverage risks

4

Risk Area 4: Credit and counterparty risks

Risk Theme B

Drivers: How regulated entities are responding to today's changing world

5

Risk Area 5: Consumer and investor detriment risks

6

Risk Area 6: Operational risks and resilience

7

Risk Area 7: Risk management practices and risk transfer

8

Risk Area 8: Data deficiencies and modelling risks

Risk Theme C

Drivers: Longer term structural forces at play

9

Risk Area 9: Climate and other environmental-related risks

10

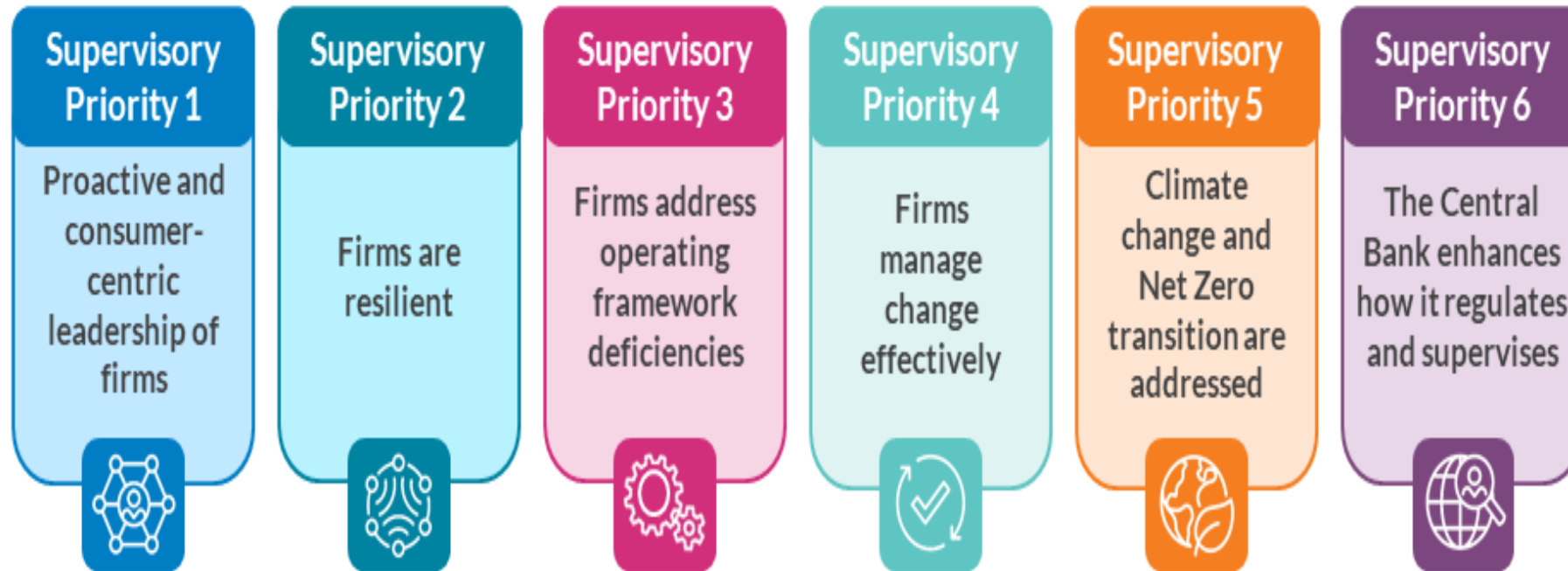
Risk Area 10: Financial crime risks

11

Risk Area 11: Strategic risks

Regulatory & Supervisory Outlook Report

- Leading from the Key Risk Areas are **6 Supervisory Priorities**.
- The priorities reflect the outcomes the Central Bank seeks in order to meet its statutory mandate.
- These apply across all sectors and frame the detailed supervisory strategies for each firm.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Third Party Reviews

Review of the Fitness & Probity Regime

- The review involved engagement with firms and industry bodies.
- Recommendations from Mr Andrea Enria published in July; all were accepted by the Central Bank.
- More on this later today.

OCED Review

- The OECD are also undertaking a review of the Central Bank's consumer protection supervisory functions.
- The review covers the updated G20 / OECD high-level principles.
- OECD met with firms, industry bodies and consumer groups.
- Public report expected to be published on December 16.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Transforming Regulation and Supervision

- To address the challenges of a more complex and interconnected financial landscape, we have been working to transform our approach to regulation and supervision.
- The *new supervisory model*:
 - Recognises *the inter-related nature of our mandate* – in particular our four safeguarding outcomes of consumer and investor protection, financial stability, safety and soundness of firms and integrity of the system;
 - Leverages and aligns with *international best practice* in terms of integrated supervision;
 - *Maximises our resources* through integrated supervision, planning and engagement; and
 - Takes an *integrated view of risks* – reflecting how risks manifest themselves in the system and firms.
- Consumer Protection remains a core part of the Central Bank of Ireland’s mandate. Our *focus on the protection of consumers will be strengthened* by integrating and embedding it explicitly in the supervisory responsibilities of all the directors in financial regulation.
- Alongside the revised Consumer Protection Code and the IAF the new supervisory model will allow us to do more, not less, to protect consumers.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Central Bank Core Expectations of Retail Intermediaries

The Central Bank's supervisory objectives are to protect consumers and financial stability by seeking to ensure that regulated firms:

- Act in the best interests of consumers
- Are financially sound and safely managed with sufficient staff and financial resources and PII
- Are governed and controlled appropriately, with clear and embedded risk appetites, which drive an appropriate culture within them

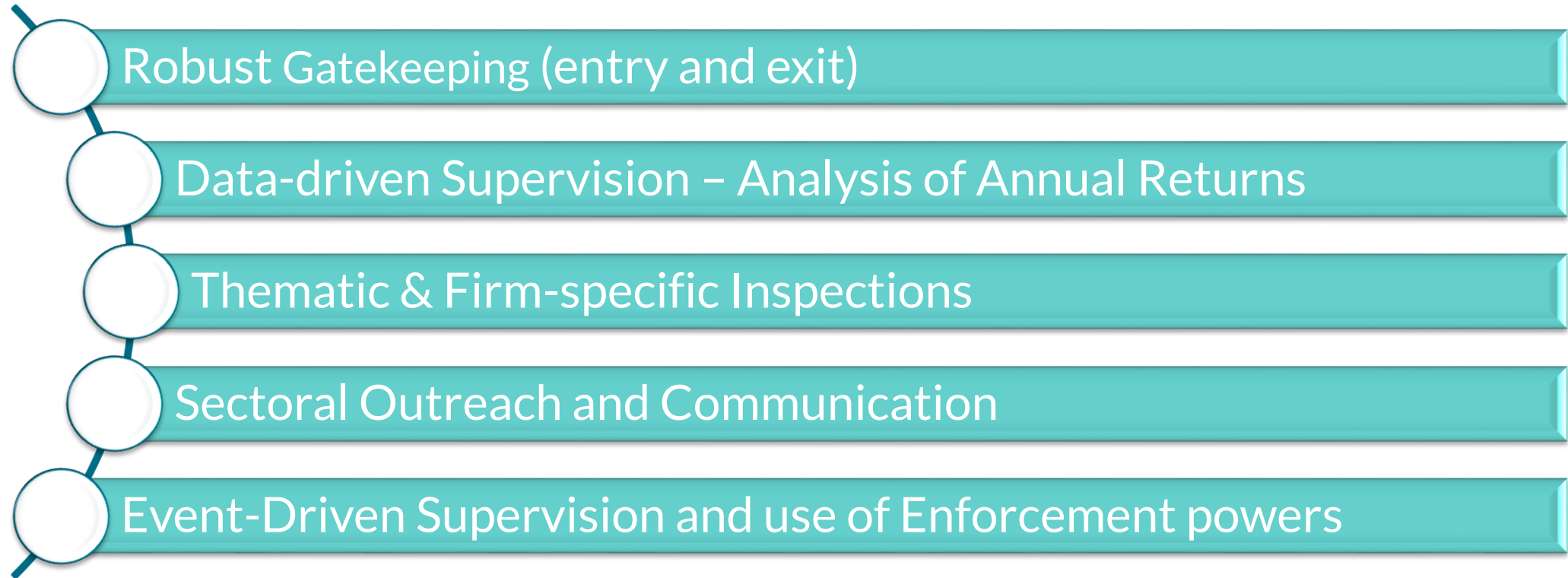


Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Core Supervisory Processes

To implement the RI strategy, the Central Bank will continue to implement our risk-based supervisory approach:



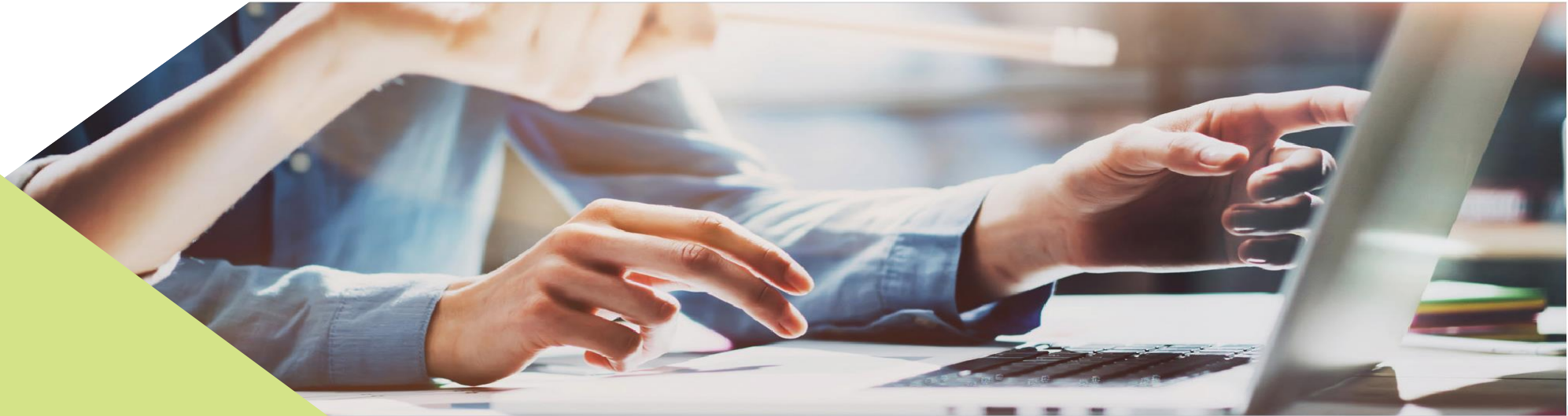
Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Retail Intermediaries Supervision

Lyndsey Smyth, Supervision Manager
Joe Donnelly, Supervision Manager

Key Focus Areas in 2024 - Update

1. **Annual Returns** – On time submission / PII in place / Positive Financial Position
2. **Professionalism Standards** (MCC and Suitability in particular)
3. Risks associated with **Commissions and Disclosures**
4. **Changing Operational Landscape** (including consolidation / M&A activity)
5. **Operational Resilience** (particularly larger firms)



1. **Annual Returns** – Firms failing to submit on time continues to be a concern, with c.15/20% of firms requiring active follow-up.
2. **MCC / KYC Thematic** – Dear CEO issued May 2024, firms should now have an action plan in place to address the findings.
3. **Commissions and Disclosures** – Current thematic review on Fair v Limited Analysis.
4. **Changing Operational Landscape** – M&A activity continues to be monitored.
5. **Operational Resilience** - targeted review of specific firms undertaken and will continue.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Retail Intermediary Strategy out to 2025

- Multi-year RI Sectoral Strategy
- Treat the key drivers of consumer risk in the RI sector
- Deliver positive outcomes for consumers



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Day-to-Day Supervision

- ❑ Firms intending to revoke their authorisation must engage with the Central Bank;
- ❑ Firms are required to maintain PII until the date their authorisation is revoked;
- ❑ Engagement with consumers is critical about the firms plans.

- ❑ Self-reporting of issues by firms;
- ❑ We can be notified by third parties of issues, such as Insurers;
- ❑ Can help to address matters promptly, such as fraudulent emails.

Revocations

Annual Returns

- ❑ C. 80% of firms submit their return on time;
- ❑ Proactive follow-up with non-submitters, up to Enforcement action;
- ❑ Enhancements in 2025 – validations to ensure data is accurate.

Changes in Ownership / Business Models

- ❑ Changes in direct and indirect shareholders requires notification / approval;
- ❑ Significant changes in business model to be notified to the Bank;
- ❑ Transfer of business to another entity must follow Code & legislative requirements.

Engagement with the Central Bank



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Unregulated Products / Services

- Firms are reminded that under the Consumer Protection Code, firms that carry out unregulated activities must clearly distinguish their regulated activities from their unregulated activities on all business stationery, electronic communications and on their website.
- Unregulated activities is a dedicated focus area in the Code review.
- Regulated firms may only use the regulatory disclosure statement (i.e. the statement that the firm is regulated by the Central Bank of Ireland) on communications with a consumer that relates **solely** to regulated activities.
- Firms should also read the [ESMA public statement](#) (May 2023) highlighting the risks arising from the provision of unregulated products and / or services by regulated firms, and make adjustments in light of the following ESMA expectations:
 - take all necessary measures to ensure that consumers are fully aware of the regulatory status of their product / service;
 - ensure terminology used does not imply that the product and / or service is regulated or protected where this is not the case;
 - clearly disclose to clients when regulatory protections (including investor compensation schemes) do not apply to the product or service provided;
 - ensure that the regulated firm's regulatory status is not used as a promotional tool;
 - ensure information on the firm's website related to unregulated activities is clearly distinguished from regulated activities.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Thematic Inspection of MCC & Suitability

- The Central Bank completed a thematic review of Retail Intermediaries' compliance with the Minimum Competency Code (MCC) and Suitability / Know your Consumer (KYC) requirements.
- A Dear CEO letter was issued in May to all firms.

Key Findings

Good Practices

- ✓ Statements of Suitability that included all relevant information in a single, easy-to-read document.
- ✓ Firms clearly advising customers of the remuneration they would receive from the Product Producer over the lifetime of the product.
- ✓ Regular scheduled reviews of MCC registers.
- ✓ Variable Remuneration policies which were easily understandable and clearly set out metrics to determine staff remuneration.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Thematic Inspection of MCC & Suitability

Key Findings(continued)

Areas for Improvement

- KYC Fact Finds insufficiently detailed or out of date.
- Generic Statements of Suitability issued to consumers.
- Accredited Persons Registers not meeting requirements.
- Variable Remuneration Policies (required only in certain circumstances) not meeting requirements.
- Placing the onus on consumers to opt to be treated as vulnerable.

Actions for Firms

- 1) Review existing practices against the expectations set out in the Dear CEO and **document an action plan** to address any deficiencies. The action plan was to be in place by 31st August 2024.
- 2) Implement any changes required in future customer engagements.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Thematic Inspection on Fair v Limited Analysis

Currently conducting a thematic review focussing on whether firms operate on the basis of a **Fair** or **Limited** analysis of the market.

A key focus of the review is to better understand the **nature of services provided to customers** and how relevant key information is disclosed.

Completed to Date

- **August** – A brief survey was issued to all Retail Intermediaries.
- **September** - A more detailed questionnaire was issued to a sample of firms; the focus was as at a product level and the number of product providers used for fair or limited analysis, as well as disclosures and commissions received.
- **November** – A further sample of firms will be involved in the next phase of the review, which will involve meetings with firms to discuss their approach and their responses to the questionnaires.

Next Steps

- The firm meetings will continue into early **Q1 2025**.
- Firm specific and industry feedback will follow later in **2025**.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Policy Updates

Consumer Protection Code Review

- **What is it?** The Code in its current format is being reviewed. Public Consultation closed in June.
- **What's changing?** Widespread review of the current version of the Code, including updating the topics of vulnerable customers, digitalisation and unregulated business. The Code will change to become **statutory legislation**.
- **Next Steps?** Intention is to have the **feedback statement, final regulations and guidance** published in Q1 2025.

Professional Indemnity Insurance (PII) Changes

- **What is it?** EIOPA reviewed the level of PII required to be held by IDD firms; the Central Bank mirrored the changes to apply to IIA firms also.
- **What's changing?** Since October 9th the required **cover increased to €1,564,610 per claim and €2,315,610 for aggregate cover**.
- **Next Steps?** As existing policies expire, firms must update the amount of cover they have in place.



Policy Updates

Retail Investment Strategy (RIS)

- **What is it?** A package of legislative proposals intended to *strengthen the EU's rules on retail investor protection*.
- **What's changing?** Currently, investor protection rules are sector-specific and can change from one financial instrument to another. The RIS aims to *provide investors with the same level of information and protection regardless of the type of product and the distribution channels* used. Of relevance to retail intermediaries is that it is expected that there will be changes to the IDD.
- **Next Steps?** Development of the final text of the RIS is being progressed by the EU Parliament and Council. For now firms should maintain a watching brief.

Digital Operational Resilience Act (DORA)

- **What is it?** DORA brings together provisions regarding *digital operational risk in the financial sector* in a consistent manner in a single legislative act.
- **What's changing?** Rules focus on Information & Communication Technology (ICT) risk-management, management of third-party ICT risk and operational resilience.
- **Next Steps?** DORA applies from January 2025. There are exemptions for insurance intermediaries that are considered micro, small or medium-sized (as set out in the legislation). However, *DORA will apply to some larger intermediaries*.



Key Focus Areas in 2025

Annual Returns – Timely, quality submissions

Risks associated with **Commissions and Disclosures** – the Fair v Limited Analysis thematic will continue into early 2025.

Code Review – Expected publication in Q1 2025.



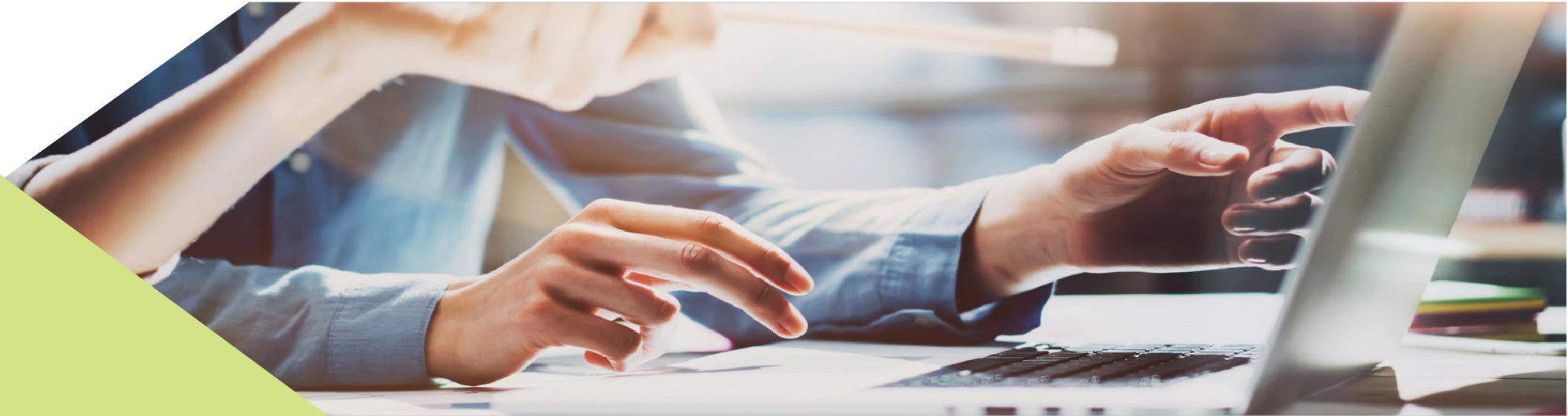
Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Retail Intermediary Authorisations

Katie O'Callaghan, Authorisations Manager

Authorisation Updates

- Authorisations Hub on the Central Bank website –
 - <https://www.centralbank.ie/regulation/how-we-regulate/authorisation>
- Authorisation and Gatekeeping Report published in June 2024
 - Seeks to provide increased transparency and predictability regarding our authorisation expectations and processes
 - The report will be published annually going forward
 - Retail Intermediary specific information in Section 3.2
- Regulatory Service Standards Performance Report 2023
- Authorisations Expectations – to be published shortly



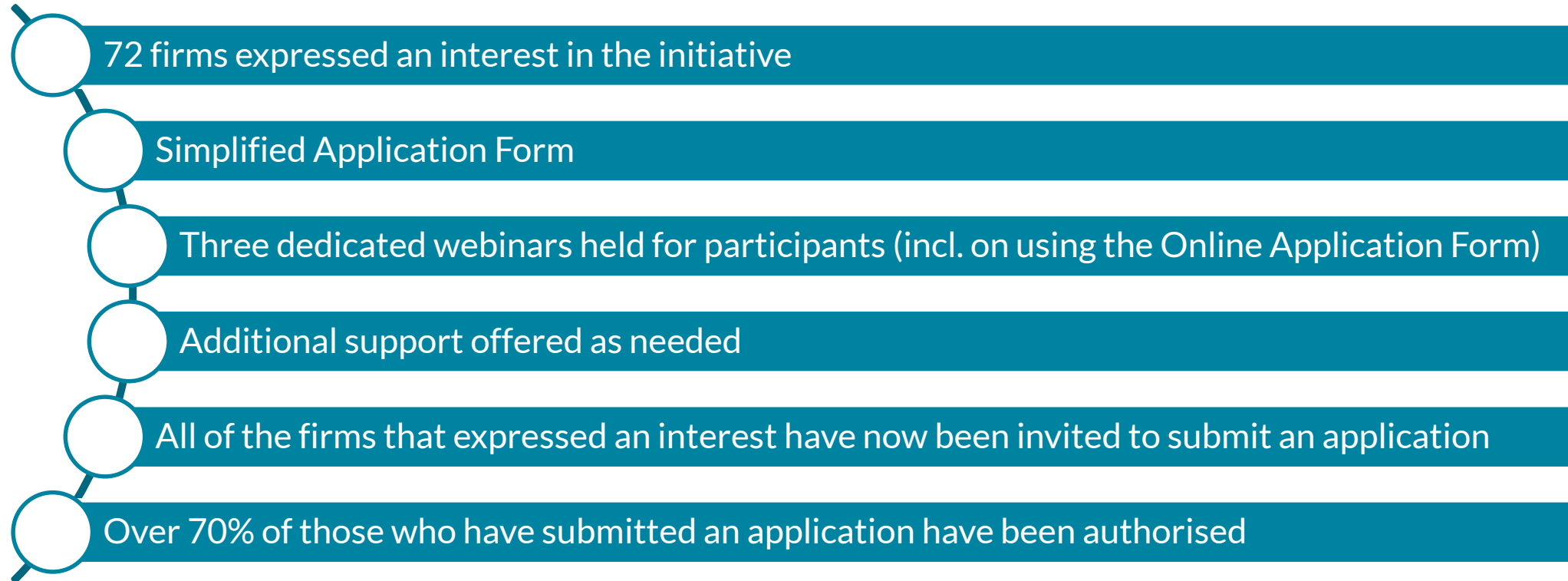
Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Authorisation Updates

■ Mortgage Intermediary Renewals Initiative

Initiative aimed to replace licences which have expiry dates with evergreen licences.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Online A-Form Retail Intermediary Application Form

■ When?

- Launch of the Online A-Form Retail Intermediary Application in September.

■ Where?

- Available in the Central Bank Portal.

■ Why?

- Basic errors in completing the A-Form application remains an issue – almost a third of applicants fail the Key Information Check; and
- Basic mistakes continue in the Assessment Phase.

■ Benefits of using the online form:

- Inbuilt validations - Prevent common errors and omissions;
- Shorter form - Only questions relevant to the applicant displayed;
- Key Information Check - Application cannot be submitted without the minimum information required; and
- Individual Questionnaires – Can be submitted immediately after the application.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Submitting an A-Form Application Using the Central Bank Portal & FAQs

Assessment of proposed Pre-Approval Controlled Functions +

Submitting an A Form Application using the Central Bank Portal

The online Application Form for Authorisation as a Retail Intermediary - A Form (Application Form) is available on the [Central Bank of Ireland Portal](#) under 'Authorisation Applications'.

How do I get access to the A Form Application Form on the Portal?

The first step is to email rlauthorisations@centralbank.ie with the following information:

- > Full legal name of firm (the name of company or sole trader);
- > Authorisation type(s) being sought i.e. Insurance Intermediary, Investment Intermediary, Mortgage Credit Intermediary, Mortgage Intermediary;
- > Contact Details.

You will then be issued with a C-Code. This is an identification number which you will need in order to register as a user for the Central Bank Portal (Portal). The process for registration is available on the Central Bank website.

The firm can add the application form to its profile through the Portal by going to 'My Institution Profile' and 'My Permissions'. The application form is available under 'Authorisation Applications'.

What documents do I need to have ready to include with my application?

Do I have to use the online form to submit an A Form Application Form?

Can a third party help me with my application?

How long will I have to complete my application?

- Credit Unions
- Crowdfunding Service Providers
- Debt Management Firms
- Electronic Money Institutions
- Funds Service Providers
- Funds
- High Cost Credit Providers
- Insurance & Reinsurance
- Investment Firms
- Money Transmission Businesses
- Payment Institutions
- PEPP Provider
- Retail Credit & Home Reversion Firms
- Securities Markets
- Anti-Money Laundering and Countering the Financing of Terrorism
- Consumer Protection
- Markets Update
- Protected Disclosures & Whistleblowing
- Markets in Crypto Assets Regulation (MICAR)
- Digital Operational Resilience Act (DORA)
- Unauthorised Firms
- Enforcement
- PSD2
- Central Securities Depository Regulation (CSDR)
- Outsourcing Registers
- Transforming Regulation and Supervision

Type here to search

09:47 11/11/2024

Industry Engagement and Outreach Activities

■ Retail Intermediary Authorisations Webinar

- Completing an Application Form for Authorisation as a Retail Intermediary - B Form on the 10 December 2024 at 10.00am;
- Any applicant interested in attending the webinar should email their contact details to RIAuthorisations@centralbank.ie

■ Any questions on the Online A-Form application can be sent to RIAuthorisations@centralbank.ie

■ Team members available to answer questions at the break



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Overview of the Online Application Form

Richard Donnelly, Authorisation Associate

Maria Gorman, Authorisation Associate



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



CBI00050001 International Small Companies Equity Fund

- Home
- Institution Details
- My Institution Profile
- Pending Actions
- Messages
- CBDIF Passporting
- Portal Administration
- Securities & Markets
- Help
- Authorisations

Home



AIFMD File Processing Delays - Please do not attempt to re-upload until a file is accepted/rejected

Please be advised, we are aware of file processing delays and IT are working on a solution. Historical files, periods up to and including Q2 2024, are being worked on by IT and will process in due course. Please do not re-upload these files until it has been accepted/rejected.

My Pending Actions

Action Id	Type	Status	Created On	Due Date
There are no open pending actions to display.				

[View More](#)

Institution's Portal Administrator(s)

Contact your Portal Administrator for questions on portal functionality, including your permissions

- David Verdon
- Padraig Foley
- Kevin O'Reilly
- System Analyst CBI GK
- Rebecca Mosurski

Recent Messages

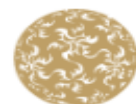
From	To	Subject	Sent On
No results			

[View More](#)

CBI00050001 International Small Companies Equity Fund

Home > Authorisations

Survey



Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Q1.1.

PART 1 - Notes on Completion

THE APPLICANT SHOULD NOT COMPLETE THIS APPLICATION FORM UNTIL IT HAS READ AND IS FAMILIAR WITH:

The "[Guidance Note on Completing an Application Form for Authorisation as a Retail Intermediary – A FORM](#)" (the Guidance Note) (many terms used in this application form are described in the Guidance Note); and

The relevant legislation under which the applicant is seeking authorisation as a retail intermediary i.e., the:

- Investment Intermediaries Act 1995 (IIA); and/or
- European Union (Insurance Distribution) Regulations 2018 (IDR); and/or
- European Union (Consumer Mortgage Credit Agreements) Regulations 2016 (CMCAR); and/or
- Consumer Credit Act 1995 (CCA), as appropriate.

CBI00050001 International Small Companies Equity Fund

Home > Authorisations

 Survey

- In particular, in respect of an application for authorisation as a **mortgage credit intermediary**, under the CMCAR: the wilful provision of any information, which is false or misleading, is a criminal offence punishable by, on summary conviction, a fine and/or a maximum of 12 months' imprisonment and, on conviction on indictment, a fine and/or a maximum of 3 years' imprisonment; and in the event that authorisation is granted, the Central Bank may subsequently suspend the operation of, or revoke, the authorisation where it was obtained by the provision of false or misleading statements by the applicant or any other irregular means.
- In particular, in respect of an application for authorisation as a **mortgage intermediary** under the CCA, a person shall not wilfully give any information, which is false or misleading.

 **The firm must confirm that it has read and it understands part 1**

Q1. I confirm that I have read and understand Part 1.


Yes

No

Next

CBI00050001 International Small Companies Equity Fund

[Home](#) > [Authorisations](#)

 Survey

PART 2 - Applicability of this Application Form
All applicants must complete all questions set out below

Respond to the questions below to confirm that the applicant satisfies the criteria to use this application form:

Q2.1. Confirm the legislation under which the applicant is seeking authorisation:

Investment Intermediaries Act 1995 (IIA)

European Union (Insurance Distribution) Regulations 2018 (IDR)

Q2.1.1. Confirm other legislation under which the applicant is seeking authorisation:

European Union (Consumer Mortgage Credit Agreements) Regulations 2016 (CMCAR)

Consumer Credit Act 1995 (CCA)


N/A

[Back](#)

[Next](#)

CBI00050001 International Small Companies Equity Fund

[Home](#) > [Authorisations](#)

 Survey



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Q3.1.

PART 3 - Applicant Information
All applicants must complete all questions set out below

Q3.1. Full legal name of the applicant

International Small Companies Equity Fund

 Your response must be at least 2 characters.

Q3.2. Previous legal name(s) of the applicant (if applicable, or else enter 'N/A')

Q3.3. Trading name(s) the applicant will use, if different from response to question 3.1 above, and relevant Irish Companies Registration Office Business Name Registration Number(s) (if applicable, or else enter 'N/A')

CBI00050001 International Small Companies Equity Fund

Home > Authorisations

 Survey

7			
Entity 8	Avantcard DAC	Avant Money	Ireland
Entity 9	Broker Assist Limited	Broker Assist	Ireland
Entity 10	Permanent TSB plc	PTSB, PTSB Asset Finance	Ireland


Q5.3.4. For the undertakings identified in response to question 5.3.3 above, provide at least one Letter of Appointment in place (signed by the applicant and the relevant undertaking, but not yet effective).

Please note, for CMCAR renewal applications the applicant is required to provide Letters of Appointment for all appointments the applicant wishes to be recorded on its Certificate of Authorisation as at authorisation date.

Drop files or click here to upload

CBI00050001 International Small Companies Equity Fund

Home > Authorisations

 Survey



End of application.

Below is a summary of your responses

[Download PDF](#)

Q1.1.

PART 1 - Notes on Completion

THE APPLICANT SHOULD NOT COMPLETE THIS APPLICATION FORM UNTIL IT HAS READ AND IS FAMILIAR WITH:

The "[Guidance Note on Completing an Application Form for Authorisation as a Retail Intermediary – A FORM](#)" (the Guidance Note) (many terms used in this application form are described in the Guidance Note); and

The relevant legislation under which the applicant is seeking authorisation as a retail intermediary i.e., the:

- Investment Intermediaries Act 1995 (IIA); and/or

Key Tips

- Please use the Back button at the bottom of the Online Form. Using the Back button in your browser or refreshing the page will lose all progress on the application
- The application must be completed in one sitting
- Please have all necessary supporting information/documents at hand before beginning the application
- In circumstances where there is more than one director, a declaration signed by both directors will be requested at a later stage in the application process



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Q & A



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



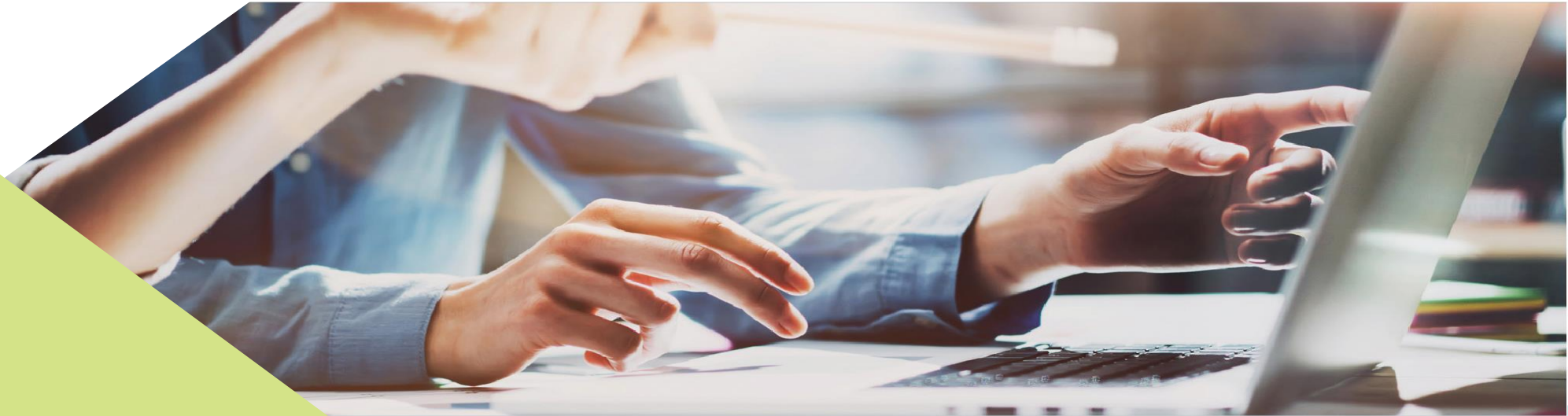
Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Anatomy of a Spear Phishing Attack

Edel O'Brien,
Information Security Awareness Manager



Amateurs hack systems,
professionals hack people.

Bruce Schneier

Meet Louise Dennehy
- Chief Information Officer (CIO)
- Central Bank of Ireland



- But I think you all “met” her in March



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

The CIO Impersonation Phishing Email



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

The CIO Impersonation Phishing Email (External entities)

Begin forwarded message:

From: Louise Dennehy <louise.d@mail-cbie.com>

Date: 14 March 2024 at 3:18:10 p.m. GMT

To: PADDY MCMURPHY

Subject: PADDY MCMURPHY FINANCE LIMITED

Reply-To: Louise.dennehy@mail-cbie.com



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

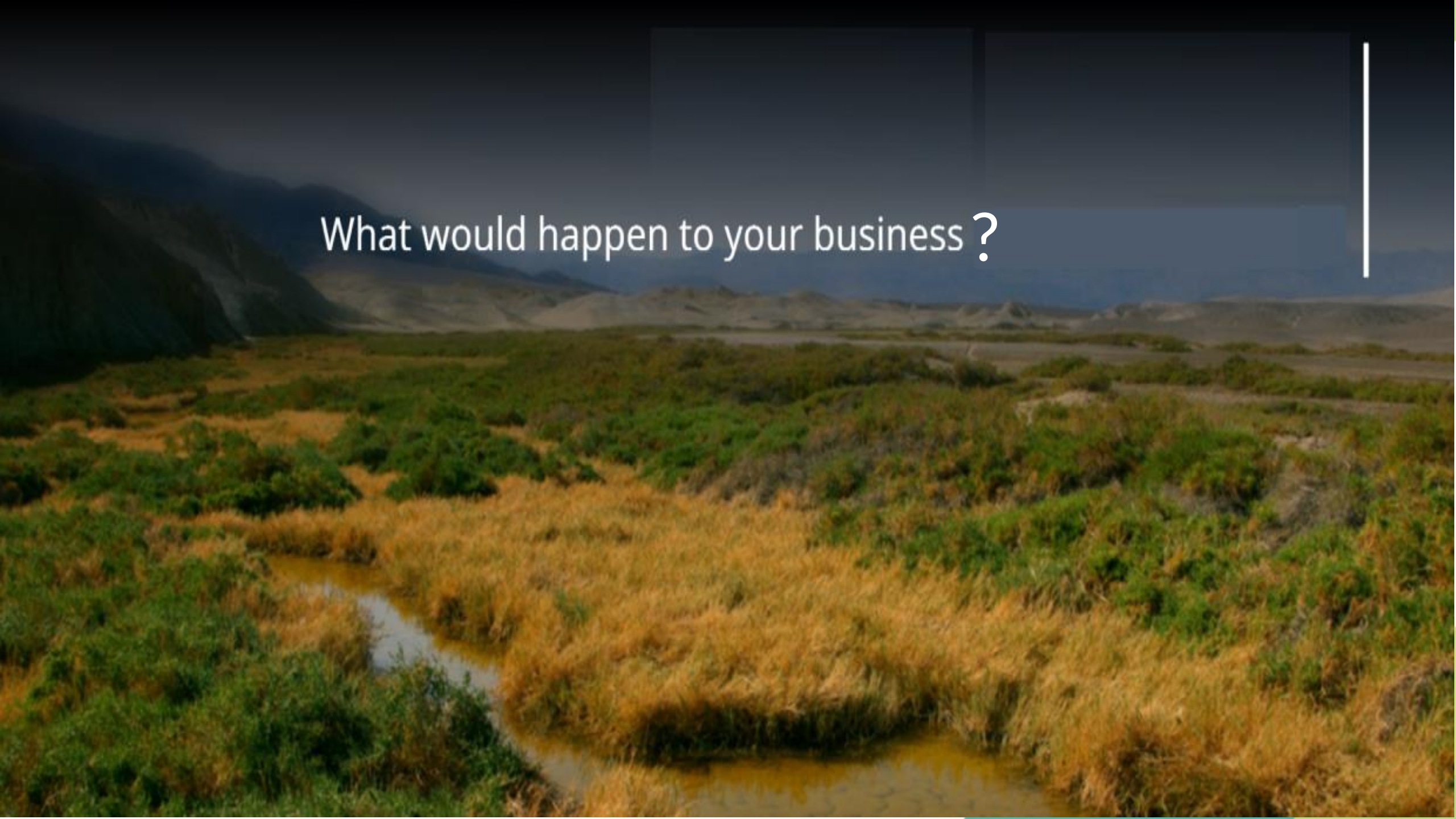
Standard Technical 1st Steps for a cyber attack

- 1. Email Header Analysis:
- 2. IP Address Investigation:
- 3. Domain Analysis:
- 4. Email Content Analysis:
- 5. Assess if legal reporting is necessary:
- 6. Report to Email Service Providers:
- 7. Report to Domain Registrar:
- 8. Follow Up: & Monitor:
- 9. Assess Preventive Measures:



**I CAN'T COMMENT ON AN
ONGOING INVESTIGATION**

What would happen to your business ?



human

The Top Three Risks



Credential
Theft

Phishing

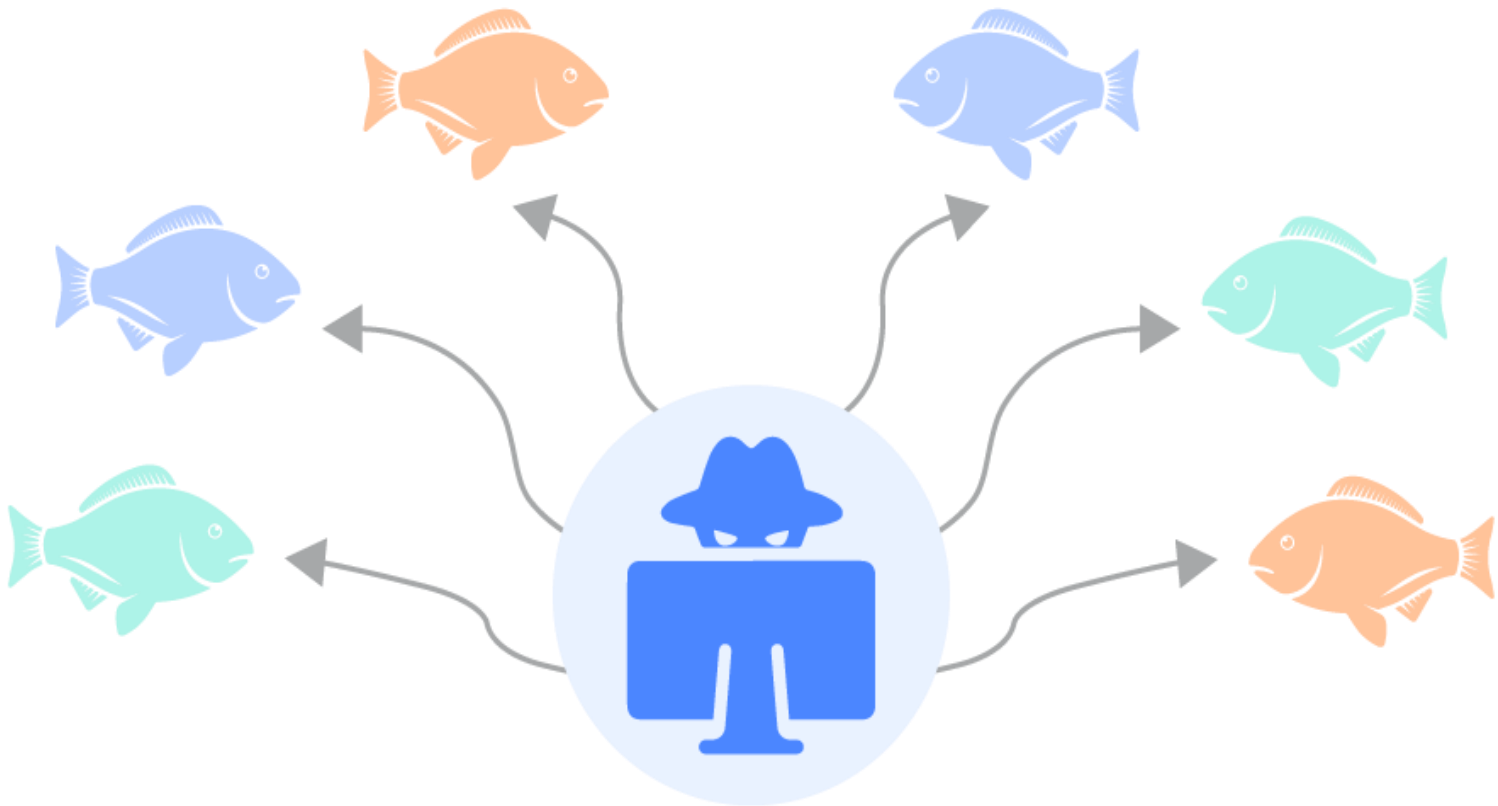
Exploiting
Vulnerabilities



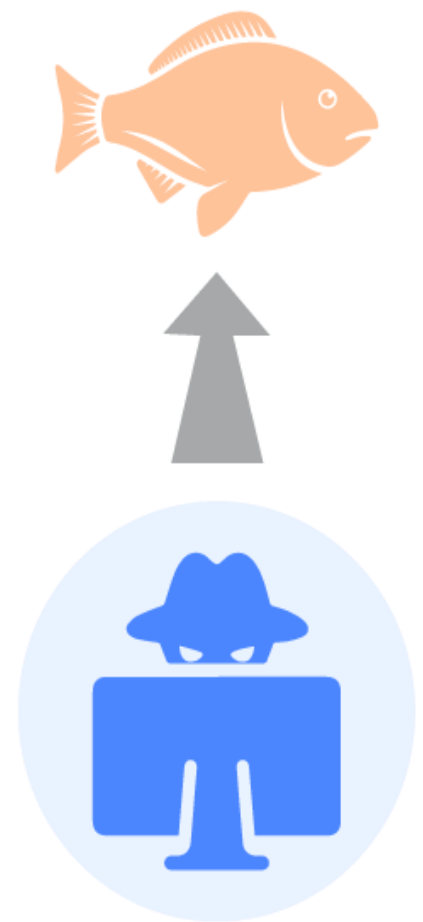
Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

One more before
I leave



Phishing



Spear-phishing



Where it originated

Linked in®



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Lessons learned

- Social media is a risk, even the professional ones!
- Be wary of what you share - and with whom.
- You can never tell/remind people too often.
- Policies, processes and procedures work.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

What must we all do?

- Build resilience
- Embed a security culture
- Consistent vigilant behaviours



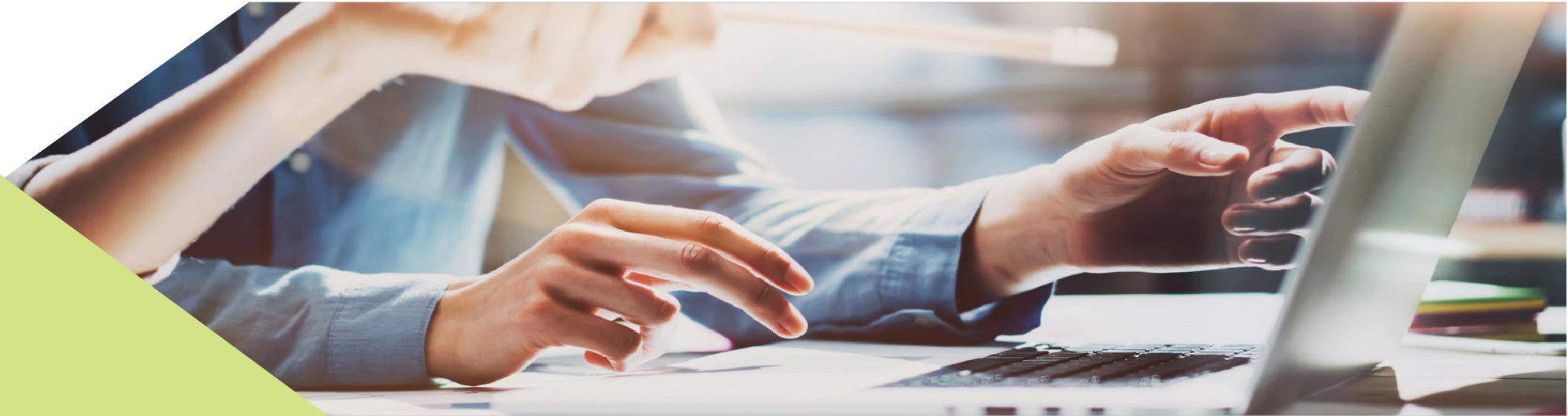
Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Protected Disclosures

David O'Brien,

Protected Disclosures Desk Manager

What is a Protected Disclosure

A disclosure of information to the Bank which a person believes on reasonable grounds shows a breach or a potential breach of financial services legislation.



➤ *Workers - Protected Disclosures Act 2014*

CONSUMERS

➤ *Members of Public and Consumers - Central Bank (Supervision and Enforcement Act) 2013*



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Firms – *Internal Whistleblowing*

Protected Disclosure Act 2014

Employers are required to establish internal channels and procedures for their workers to report wrongdoing.

More Information: <https://www.gov.ie/en/publication/e20b61-protected-disclosures-act-guidance-for-public-bodies/>



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Making a Protected Disclosure

Things to Consider

- Raising concerns internally – if you are comfortable and confident
- Transparency International Ireland – Support for whistleblowers: <https://transparency.ie/helpline>

Contacting the Central Bank - Protected Disclosures Desk



confidential@centralbank.ie



1800 130 014



Protected Disclosures Desk, Central Bank of Ireland, PO Box 559, Dublin 1



Workers can make a protected disclosure anonymously. However, it can be difficult to fully assess and follow-up on such Reports.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Making a Protected Disclosure

As much information as possible

- The name of the firm or individual
- What is the suspected wrongdoing
- How long has the issue been going on and is the issue still ongoing
- Who is involved
- What is the impact
- Have you reported the matter to your employer, or have you reported it anywhere else
- Evidence



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Making a Protected Disclosure

Engagement

- Queries in writing
- Meeting with the Central Bank

Feedback

- Provision of feedback within 3 months
- Closure

Confidentiality

- The Central Bank cannot provide any details on any actions taken as a result of disclosures received



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Investigation



Confidentiality

The Central Bank must protect the identity of reporting persons – save for certain prescribed limitations. All information received is carefully controlled.



Assessment & Investigation

Every protected disclosure received, that falls within our remit, is assessed and investigated by the relevant supervisory experts.



Outcomes

Protected Disclosures provide a valuable source of information which might not otherwise be available. Investigations conducted on foot of protected disclosures received have led to a variety of outcomes...



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Outcomes and Themes

Outcomes

Enhanced Supervision, Publication of Warning Notices, Implementation of Risk Mitigation Programmes and Enforcement Actions.

Themes

The top three overarching themes associated with investigations in to protected disclosures which were completed during 2023 were:

- Fraud and other criminal offences
- Governance
- Fitness and probity

Looking specifically at the Brokers sector, other notable themes include **Advertising, Failure to Disclose Information, Complaints Handling and Systems and Controls**



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Please feel free to take a business card



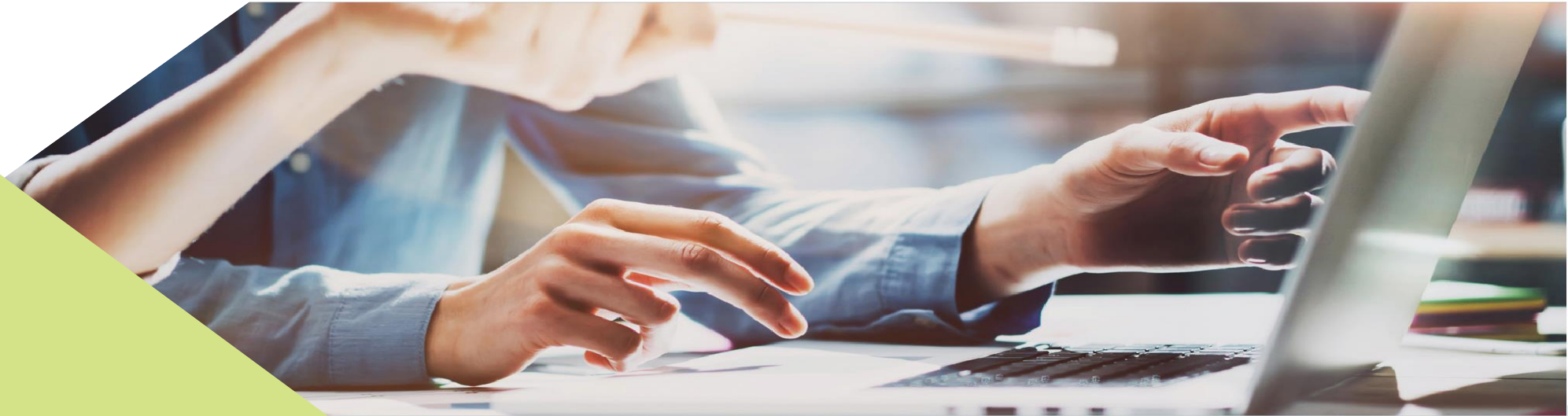
Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Fitness & Probity

Clíona Howley,
F&P Authorisations Manager

Independent External Review

An independent review of the F&P process was completed in July 2024, by Mr. Andrea Enria, to ensure the process remains effective into the future.

- the transparency, efficiency and effectiveness of the CBIs operation of F&P.
- the manner in which the CBI exercises its statutory functions in relation to F&P.
- Meetings with internal and external stakeholders.
- Report Published.

The review concluded that the CBI F&P process is broadly aligned with other peer jurisdictions across a number of areas, one area the timeline of processing applications was identified as well aligned with target service standards and generally faster than other countries.

Having been introduced following the **Central Bank Reform Act 2010**, the F&P process has significantly improved the monitoring and assessment of individuals in key positions in RFSP. The report made 12 recommendations that can be broken into 3 broad categories:

- Clarity of supervisory expectations;
- Internal governance of the process, and;
- Fairness, efficiency and transparency of the process.

The CBI has committed to implement the recommendations of the report.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Central Bank Reform Act 2010, Gatekeeper Function

- Gatekeeper Function is to assess the suitability of individuals proposed for pre approval control functions (PCFs) with in regulated financial service providers and those seeking authorisation.
- Firms are not permitted to appoint an individual to perform a PCF role without prior written approval of the Central Bank.
- PCF applicants expected to demonstrate how they meet with F&P Standards
 - Competent & capable
 - Relevant sector experience
 - Relevant experience to specific PCF role
 - Relevant qualifications and MCC compliance where applicable
 - Honest & ethical
 - All relevant information is disclosed in section 5
 - Financially sound
 - Full details of any judgements and/or bankruptcies declared
- Firms are expected to have performed relevant due diligence in advance of the submission of an IQ for PCF approval and evidence of this may be requested as part of the assessment.



Pre-submission Considerations

- PCF role selection
- Firm sector
- Firm Authorisation
- Appropriate proposer
- Appropriate point of contact

Due Diligence

- CV
- Previous employer references
- Internet checks
- Evidence of qualifications
- MCC compliance where applicable and CPD compliant



[The Fitness and Probity Individual Questionnaire \(IQ\), Application and PCF Roles Guidance](#)
updated in June 2024.



Three F&P Standards applicable to RFSPs, Credit Unions and holding companies

Competent & capable

- Professional or other Qualifications
- Training and/or Experience/Proficiency through performance of previous functions
- Knowledge of the business of the firm and of the responsibilities of the role
- Comprehensive understanding of the regulatory and legal environment
- No personal conflicts of interest
- Concurrent Responsibilities do not impair ability to perform the role
- Compliant with MCC, if applicable

Honest, ethical & act with integrity

- Sole trader, director, partner of legal entity - refused, prohibited, restricted or suspended licence
- Subject of complaint to Central Bank, Financial Services and Pensions Ombudsman or equivalent body
- Dismissed or asked to resign and did resign from any profession
- Been director of a company struck off the register of companies on involuntary basis
- Been convicted of an offence relevant to persons ability to perform the relevant function

Financially Sound

- Defaulted upon payment due arising from a compromise or scheme of arrangement with creditors
- Subject to a judgement debt which is unsatisfied, either in whole or part
- Subject of bankruptcy petition
- Adjudicated a bankrupt and the bankruptcy is undischarged
- Director of an entity which has been the subject of insolvency

Continuing obligation to comply



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Overview of F&P Assessment Process

IQ submitted to CBI

- Proposing firm conducts due diligence and assesses the individual's fitness and probity.
- Proposing firm submits PCF application to Central Bank via the CBI Portal.
- Initial triage for completeness, IQ may be returned as incomplete (SLA <5 days)

Desk based assessment

- Desk based assessment for compliance with F&P Standards, including:
 - **competence and capability** for PCF role in proposing firm, e.g. specific sectoral experience, relevant qualifications, transferrable skills/experience.
 - **Honest & ethical** - Review any matters disclosed in section 5, sanction information with previous employment.
 - **financial soundness** – judgements, insolvencies.

Additional information

- RBSD may request further supporting information such as;
 - External regulator reference and/or employer reference.
 - Garda vetting.
 - Further competency demonstration or supporting information from Firm.
 - Details of due diligence completed by Firm.
 - Invitation to assessment interview in collaboration with relevant SD

Decision

- PCF application approved, letter issues to Firm via secure message
- Where linked to an authorisation, PCF application will be noted as “on hold pending authorisation” when cleared of comment. Approval may only issue once Firm is authorised.

Applications can be withdrawn at any stage of the process by the proposing firm or the applicant

Applications can be returned as incomplete at any stage in the assessment for failure to comply with requests for information in a timely manner.

IQ's are now completed and submitted via the [Central Bank Portal](#)

Step 1

- Register on the Portal (if the user has not already done so)
- Complete Account Settings (applicants only) / Portal User Details - Name, Address, Email address.
- To be performed by Proposer, Applicant and Point of Contact

Step 2

- Portal Administrator will ensure that you have the correct permissions for your role - Proposer / Applicant / Point of Contact

Step 3

- Applicant completes F&P Profile - Enter details from their CV – Personal Details, Work experience, Qualifications, Training, Other Positions.

Step 4

- Proposer completes Section 1.A of IQ – Preliminary Questions relating to Legal status of firm / PCF role / Sector
- Submit to Applicant

Step 5

- Applicant completes Section 1.B to 10 of IQ - Preliminary Questions / Minimum Competence Code / Reputation / Conflicts of Interests / Declaration
- Submit to Proposer

Step 6

- Proposer completes Section 11 of IQ – Declaration
- Return to Applicant to provide additional information / Submit to Central Bank

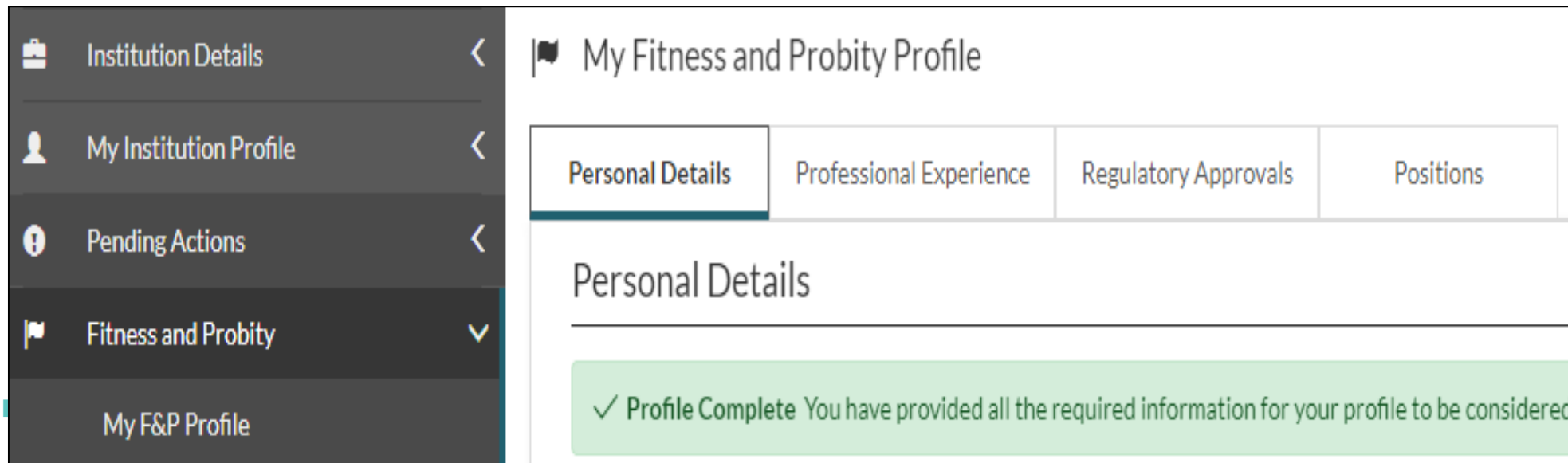


Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Fitness and Probity PCF profile

- F&P Profile completion **prior** to new application
- Personal details – personal details and address is accurate
- Professional experience – employment history and training is up to date
 - **Tip:** include sufficient detail in “key responsibilities”
- Regulatory approvals – check for accuracy and update time commitments where applicable
- Positions – Other directorships or senior positions in executive positions including non-regulated roles

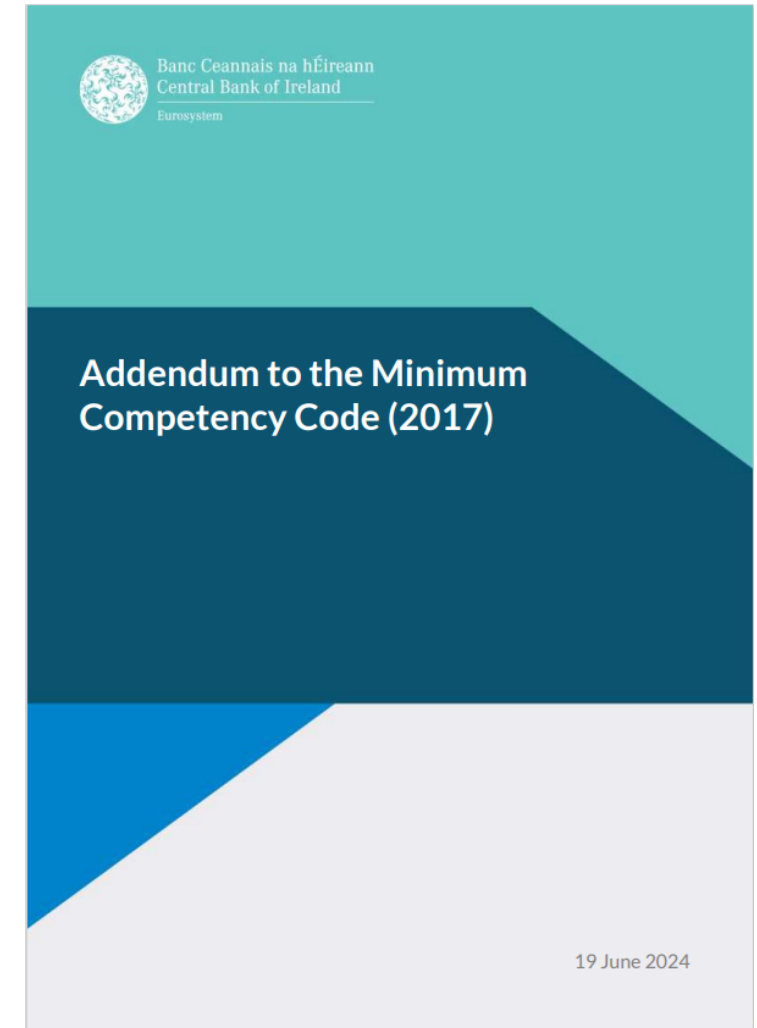


The screenshot displays a mobile application interface for 'My Fitness and Probity Profile'. On the left is a dark sidebar menu with options: 'Institution Details', 'My Institution Profile', 'Pending Actions', 'Fitness and Probity', and 'My F&P Profile'. The main content area is titled 'My Fitness and Probity Profile' and features four tabs: 'Personal Details', 'Professional Experience', 'Regulatory Approvals', and 'Positions'. The 'Personal Details' tab is selected and highlighted. Below the tabs, the text 'Personal Details' is displayed. A green banner at the bottom of the main area contains a checkmark icon and the text: 'Profile Complete You have provided all the required information for your profile to be considered'.



MCC Documentation

- **Minimum Competency Code (MCC) for Applicant PCFs**
- Applicant's availing of Qualified Person or Grandfathering arrangements, are required to upload documentary evidence of compliance with MCC in their IQ application. This includes copies of recognised qualifications or grandfathering statements and evidence of CPD compliance. Failure to upload sufficient documentation may result in your IQ application being returned as incomplete.
- It is strongly recommended that applicants read the [MCC](#) in full before completing the questions in Section 4. Please see [guidance](#) beginning on page 23, for further information regarding the MCC evidence requirements.
- Recently published [Addendum to the MCC](#) in June 2024.



What may delay a PCF assessment



- Invalid proposer
- Incorrect roles or sector selected
- Employer references incomplete
- Insufficient information in F&P profile
- Unexplained gaps in employment history
- Poor responses in professional experience summary (section 3) where detail provided does not align with role applied for
- Insufficient documentation demonstrating compliance with MCC
- Omission of detail or lack of supporting documentation in respect of any matter disclosed in relation to Reputation and Character (section 5)
- Insufficient due diligence has been performed by the proposer or where queries regarding key aspects of the applicant's Fitness & Probity are unable to be answered or not answered in a timely manner.
- *Please note, if the IQ application is linked to a new firm authorisation application, the proposing entity should follow up with their relevant authorisations team as the returned IQ will have an impact on the progression of the authorisation application.*



Banc Ceannais na hÉireann
Central Bank of Ireland

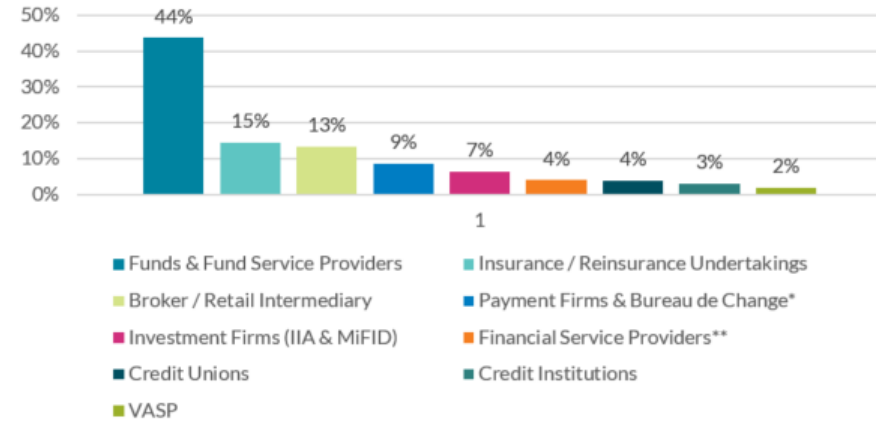
Eurosystem

PCF Assessment Trends – H1 2024

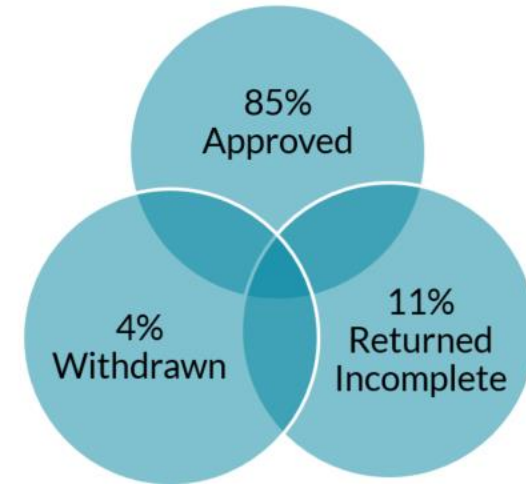
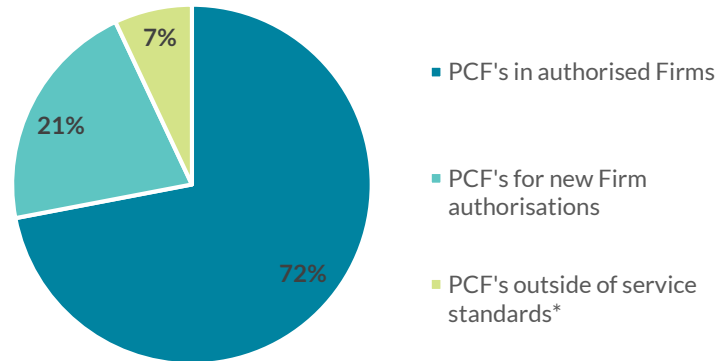
PCF Service Standards H1 2024



2023 Total PCF Applications by Sector

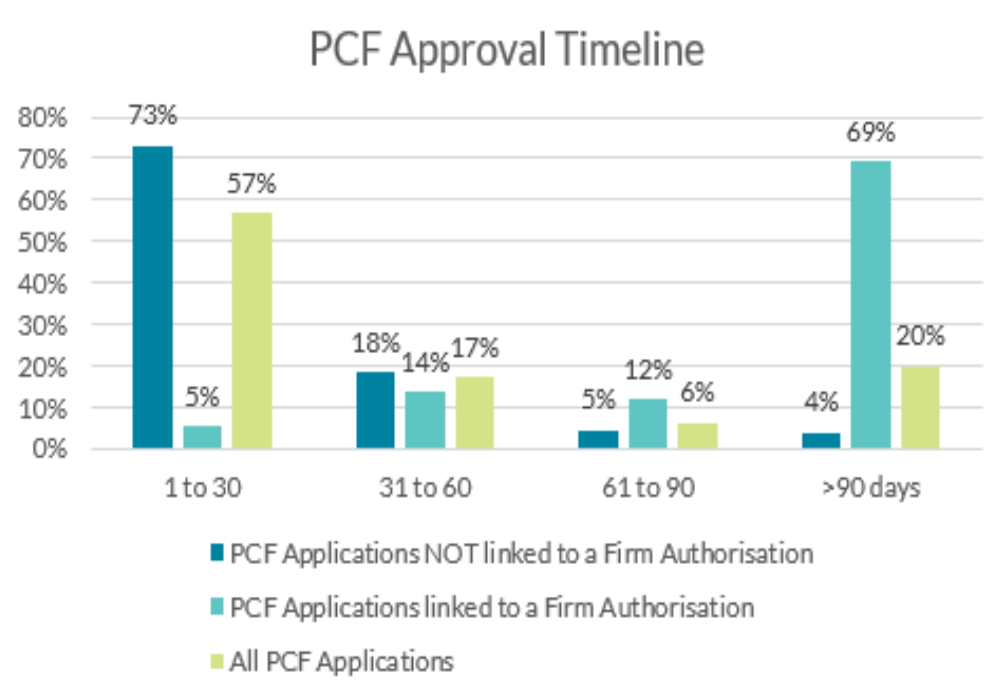


PCF Service Standards H1 2024



How long does a PCF assessment take?

- The Central Bank have measured timelines to approve PCF applications.
- Calendar days measured from date of submission of IQ.
- No **“Stop the Clock”** included.



H1 2024 PCF timeline data					
Type of Application	Approved	Minimum Days	Maximum Days	Average Days	% < 90 Days
PCF Applications NOT linked to a Firm Authorisation	975	1	236	28	96%
PCF Applications linked to a Firm Authorisation	314	7	343	131	31%
All PCF Applications (excluding SSM)	1289	1	343	53	80%



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

PCF Annual Confirmation & CF Certification 2025

- Enhancements to the current Fitness & Probity (F&P) Regime under IAF (Individual Accountability Framework) require Regulated Firms, Holding Companies and Credit Unions to proactively certify that individuals carrying out CF and PCF roles meet the Central Bank's standards of F&P.
- The Certification Regulations have applied since 8 January 2024 and the first submission will be required in 2025.
- Both the PCF Annual Confirmation and CF Annual Certification functionality will be open on the Portal from 1st Jan 2025 to facilitate your submissions for 2024. The CF Certification process will follow the same system steps as the PCF Annual Confirmation and will **not** require a document upload.
- This [guidance](#) on how to submit your PCF Annual Confirmation will be updated to include the CF Annual Certification process and will be available on our [website](#) in December.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Q & A



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Thank You!!



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem