



17 November 2023

## Central Bank of Ireland finalises its Individual Accountability Framework

On 16 November 2023, the Central Bank of Ireland (**Central Bank**) published finalised [guidance \(Guidance\)](#) and [implementing regulations \(Implementing Regulations\)](#) which will give further effect to the individual accountability framework (**IAF**) introduced under the Central Bank (Individual Accountability Framework) Act 2023 (**Act**). It also published a [feedback statement](#) to its consultation paper 153 on the IAF<sup>1</sup>.

### Key Elements of the IAF

The below table sets out the key elements of the IAF along with details of the scope of obligation and relevant application dates.

Key Elements	Scope of obligation	Application Date
<b>Common Conduct Standards</b>	Applicable to all personnel and directors within an Irish regulated firm who perform controlled functions ( <b>CF</b> ) or pre-approved controlled functions ( <b>PCF</b> ), including Irish externally managed funds	29 December 2023
<b>Additional Conduct Standards</b>	Applicable to all PCFS within Irish regulated firms, including Irish externally managed funds	29 December 2023
<b>Revisions to Central Bank's Fitness &amp; Probity Regime</b>	All regulated firms, including Irish externally managed funds	29 December 2023
<b>SEAR</b>	Applicable to all Irish credit institutions <sup>2</sup> , certain Irish insurance undertakings <sup>3</sup> , certain Irish investment firms <sup>4</sup> and incoming third country branches of such entities. Not applicable to Irish fund management companies or externally managed funds	1 July 2024 for in-scope firms and 1 July 2025 for (independent) non-executive directors of in-scope firms

<sup>1</sup> Please refer to our separate [briefing](#) on CP153.

<sup>2</sup> This excludes credit unions

<sup>3</sup> This excludes reinsurance undertakings, captive re(insurance) undertakings and Insurance special purpose vehicles.

<sup>4</sup> This includes all investment firms which underwrite on a firm commitment basis and/or deal on own account and/or are permitted to hold client assets.

## Action to be taken before 29 December 2023

In order to ensure compliance with the common conduct standards and the additional conduct standards (together the **Individual Conduct Standards**) and the Central Bank's revised fitness and probity regime by 29 December 2023, Irish regulated firms (including externally managed funds) should consider taking the following steps:

- ▣ Conduct Standards Policy – Prepare and implement a conducts standards policy in order to comply with the obligation introduced under the Act to establish, maintain and give effect to polices on how the Individual Conduct Standards are integrated into the conduct of the affairs of the relevant entity;
- ▣ Notification of application of Individual Conduct Standards – Ensure that all individuals performing CF and PCF roles are notified of the statutory obligation imposed on them to comply with the Individual Conduct Standards introduced under the Act and how they apply to their role before 29 December 2023. Firms may also want to review and, if considered necessary, update existing employment contracts and/or letters of appointment in place with PCFs/CFs ;
- ▣ Training on Individual Conduct Standards – Under the Act, all regulated firms are required to provide training in respect of the Individual Conduct Standards and how they apply to the relevant role being performed by the PCF / CFs. Accordingly, regulated firms should now start considering how and when training will be provided on the Individual Conduct Standards to PCF/CF role holders in situ on 29 December 2023;
- ▣ Revised Fitness & Probity Policy – The Act introduces a new “certification” regime relating to those individuals performing CF roles. The Guidance also revises the provisions relating to ongoing due diligence which must be carried out on in-situ PCF/CFs. Therefore, firms should update their fitness & probity policy to address the changes being introduced to the fitness & probity regime under the Act, the Implementing Regulations and the Central Bank's Guidance in advance of 29 December 2023; and
- ▣ Fitness & Probity and Conduct Standards Register – Under the Guidance, the Central Bank has indicated that it expects firms to maintain an up-to-date and accurate register of all PCF/CF role-holders and the specific role performed by them. This should be prepared and finalised in advance of 29 December 2023 and kept up-to-date on an ongoing basis thereafter.

## How can Dillon Eustace help?

We are currently assisting a wide range of regulated clients in implementing their IAF compliance frameworks. If you have any queries on the obligations arising under the IAF

framework or require our assistance in meeting your obligations under the Act, please do not hesitate to contact any member of the Dillon Eustace IAF team listed below or your usual contact in Dillon Eustace.

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