



Banking & Payments  
Federation **Ireland**

Response to Review of the Minimum Competency  
Code 2011

Banking & Payments Federation Ireland

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# Contents

Introduction	3
Response to Questions:	
Question 1	5
Question 2	8
Question 3	9
Question 4	10
Question 5	10
Question 6	10
Question 7	11
Question 8	11
Question 9	11
Additional Information	12
Appendix	17

## 1. Introduction

Banking & Payments Federation Ireland (BPFI) represents over seventy domestic and international institutions. We welcome the opportunity to respond to the Central Bank of Ireland review of the Minimum Competency Code 2011 (MCC).

We note from the Consultation document that MCC is being amended in order to satisfy European Union (EU) requirements arising from:

- Mortgage Credit Directive as transposed into Irish law by the European Union (Consumer Mortgage Credit Agreements) Regulations 2016 (MCR)
- Insurance Distribution Directive (IDD)
- Markets in Financial Instruments Directive II (MiFID II) and associated ESMA Guidelines for the assessment of knowledge and competence (ESMA Guidelines) required under Article 25 (9) of MiFID II

We welcome the proposed consolidation of competency requirements arising from various new and existing regulations, into a single overarching framework. This is a positive development, which will assist firms in meeting their domestic and EU regulatory obligations. We believe, however, that it is important that the distinctions between the various knowledge and competence regimes are retained within the overarching framework for different activities. These regimes have been developed in accordance with the objectives of their individual frameworks and the specific risks and complexities of the relevant products and services.

In particular, we do not agree with the proposal to extend the scope of MCC to require a mandatory minimum period of experience similar to that proposed by ESMA for MIFID products and services. Based on the experience of our members across the financial services industry, we believe this approach is dis-proportionate and will have a range of unintended consequences. These would include:

- Increased barriers to entry to the Irish market due to the introduction of additional competence requirements overlaid on the current robust regime incorporating MCC, 'Guidelines on the Variable Remuneration Arrangements for Sales Staff' (GVR) and Fitness and Probity (F&P)
- A more extensive set of requirements in this area than those of other jurisdictions in the European Union particularly in the context of the 'Better Regulation' agenda. In this context, we are not aware of any evidence available which has identified issues / gaps with the current oversight regime but we welcome the opportunity to engage further on this matter
- Conflict with the current passporting regime in operation across the EU
- Reduced entry to and movement of staff within the retail financial sector due to the restrictions which would result in the loss of qualified and experienced employees
- Focus on the management of a significant administration burden rather than on the development of well-rounded staff

- Review of the viability of current retail locations and product offerings, due to administration and supervisory requirements, particularly impacting smaller outlets which would have a negative impact on customers.

In addition, we believe it is important that the scope of the ESMA Guidelines is consistent with the scope of MCC when carrying on relevant MiFID II activities. Unless these are consistent, firms could be required to comply with different requirements under the ESMA Guidelines and the MCC in respect of the same activities which will lead to unnecessary confusion and complexity. Some of these differences in scope arise from the differences in definitions used by both regimes some of which are outlined in the Additional Comments section.

In preparing our response, we are also cognisant of the *G20 High-Level principles on Financial Consumer Protection*<sup>1</sup>. We note that the requirements of '**Principle 6: Responsible Business Conduct of Financial Services Providers and their Authorised Agents**' includes the assumption that firms 'have appropriately qualified and trained staff to sell the products concerned and / or provide advice to consumers and execute the contract / transaction'. In our view, the current CBI framework which includes MCC, GVR and F&P as well as the Consumer Protection Code (CPC) requirements regarding; conflicts of interest, 'knowing the customer' and suitability work together to meet the G20 goals ensuring financial consumer protection.

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<sup>1</sup> <http://www.oecd.org/daf/fin/financial-education/G20EffectiveApproachesFCP.pdf>

## 2. Response to Consultation

### Question 1:

*Do you agree that persons carrying out a relevant function in respect of any retail financial product that falls within the scope of the MCC should obtain a minimum level of experience prior to working without supervision? Please outline the reasons for your view.*

We have been operating under the present and previously revised MCC for some time now. The existing MCC regime is comprised of a tailored, robust qualification for each retail product category and is supported by mandatory CPD requirements which ensure staff awareness of relevant regulatory developments. In addition, firms also provide effective and on-going training (including product knowledge), support and oversight to staff members in their roles. Looking at the European regulatory framework, the recently introduced Mortgage Credit Directive (MCD) stipulates minimum competency requirements which required many Member States to establish new procedures and oversight. As the Irish system already included the majority of the competency related requirements of MCD it provided evidence to support the view that the Irish regime is considered as best in class in this area.

Taking all of this into account, it is our view that it is unreasonable and lacking in proportionality to impose a minimum level of experience in addition to the existing new entrant supervision process. The consequences for the industry would be significant, with a particular impact on branches or offices where there are small numbers of staff. It would be difficult if not impossible to supervise promoted staff in new roles, especially where only one of that role exists e.g. Branch Manager, team leader etc. There may be negative impacts for consumers if firms find that they are unable to provide a full range of services.

We do not agree with the proposal to introduce a mandatory minimum period of experience for each MCC relevant function, specified function and retail financial product category. We have concerns about this proposal considering the following:

- a) The existing 'experience'/competence minimum standards in place
- b) Its practical application and consequences for individuals and firms
- c) Its comparability with standards/practices in other professions

#### **a) Existing 'experience / competence' minimum standards in place**

- The Central Bank's Fitness and Probity (F&P) regime already includes an 'experience' requirement, which requires that individuals, on an ongoing basis must:
  - 'have obtained the competence and skills appropriate to the relevant function, whether through training or experience gained in an employment context';
  - 'has shown the competence and proficiency to undertake the relevant function through the performance of previous functions...';

- possess 'a sound knowledge of the business of the regulated financial service provider as a whole, and the specific responsibilities that are to be undertaken in the relevant function'.

As such, firms are already obliged to assess the type and quality of experience attained by the individuals under the F&P regime and this is also supported through MCC.

- The F&P regime requires persons to demonstrate competency and proficiency through experience, but recognises that different roles may have different responsibilities and competencies. For this reason, the F&P regime obliges firms to identify and satisfy itself that the experience matches the role competencies. By contrast, the introduction of a 'one-size' six month minimum standard will set a minimum quantitative standard, but in our view it fails to define or support an assessment of the quality of the experience obtained.
- The 'Guidelines on the Variable Remuneration for Sales Staff' issued by the CBI following an industry wide review, introduced best practice in this area with the objective for firms of *'meeting the needs of the consumer and aligning their variable remuneration arrangements with a positive cultural focus on needs based selling'*. These guidelines have been embedded by firms across the financial services industry and are further mitigants to address potential issues of poor practice while also *'encouraging the right culture and behaviours in sales staff'*.
- Under the 'three lines of defence' framework, firms have assurance processes / risk-based checks in place around sales and advisory roles. These processes act as mitigants to address potential issues. In addition, firms have been focussing on embedding a conduct risk culture along with analysis of complaints and errors to support best customer outcomes.

#### **b) Practical application and consequences for individuals and firms**

- Based on a literal interpretation of the proposal, in order for an individual to meet the minimum standards for all retail financial products covered by MCC, that person would need to work under supervision for a period of four years (i.e. six months \* eight retail financial products, not including specified functions). This approach does not seem proportionate, practical or reasonable. The suggested approach would not seem to be consistent with the ESMA Guidelines.
- It is unclear how firms should apply the six month FTE experience requirement in practice. For example:
  - In order to certify compliance with the six month requirement per product should it be assumed that a person can only perform a single activity/MCC function during that period?
  - Alternatively, where the person's role involves arranging more than one retail financial product during the experience period, how should the firm apportion their time? For example, if the staff member mostly arranges savings products, but will also arrange housing loans, how should their time be apportioned between these

product categories? Apportioning time becomes more difficult when applied to specified functions e.g. those managing/supervising others or adjudicating on complaints. How does a person obtain six months FTE experience in complaints where complaints management is only one part of a wider role?

- Are individuals required to achieve a certain level or intensity of experience during the 6 month period? For example, will a minimum number of sales be required during the period in order to meet the FTE requirement?

Lack of clarity may result in divergent applications of the proposal across the industry and have consequences for staff recruitment, retention and mobility.

- Where a qualification is required to demonstrate that the person has the technical knowledge, we believe that experience should be about demonstrating their ability to apply this knowledge. As such, while qualifications may be product specific (i.e. in order to attain the required product technical knowledge), experience should be transferable and relatable to the sale / servicing of other retail financial products. This experience should not be prescribed as firms have their own internal assessment processes to support this.
- The proposal gives no consideration to the quality of the experience attained by the individual nor does it create an incentive for firms to invest in high-quality and on-going training on a continuous basis e.g. product / process training, role playing scenarios, simulated customer scenarios, etc. Firms and individuals should be allowed greater choice and flexibility in terms of how 'experience' is achieved.
- We believe also that the proposal for a minimum period for any retail financial product is overly prescriptive and will result in resourcing issues and unanticipated customer impacts particularly in the context of small branches that offer multiple retail financial products. Ultimately this may impact on the ability of such small branches to remain in operation.

### **c) Comparability with standards in other professions**

Looking beyond the financial industry, it would appear that the proposed requirements are inconsistent with those applied in other professions. Taking the accountancy and legal professions as an example, it is our understanding that there are no requirements for a mandatory supervisory period when undertaking a new function post-qualification. The focus of these professions is on the attainment of qualifications to the appropriate standard with a continuous professional development requirement post-qualification. Therefore the skills of each profession are transferable and flexible. The experience requirement could also inhibit the recruitment of new staff to the financial services industry and prevent progression within the sector particularly when comparing requirements with that of other professions.

In conclusion, our view is that the current F&P, GVR and MCC processes are sufficiently robust and there is no requirement for the creation of a mandatory experience period.

## **Question 2**

*If you agree with 1) above, do you consider a minimum six-month period to be sufficient? Or should the length of experience depend on the role(s) being carried out, the complexity of the product or a qualification already held by a person? Please outline the reasons for your view.*

We do not agree that a minimum period should be specified and we do not agree that a six-month period for each retail financial product, relevant function and specified function is warranted. The application of such a standard appears disproportionate when existing experience / competence standards are considered.

We also query the requirement for six months experience because the following factors would impact on the measurement of experience: the complexity of the product, the volume of sales completed, the role being carried out, and the qualification of the person carrying out the role. It is our view that the regulated entity is best placed to determine the appropriate training/induction programme to be completed by the relevant department in line with the nature and complexity of the product or service.

A significant difficulty which we foresee with the current proposal is in the ability for staff to move roles, both internally and externally, and for development opportunities/ promotional prospects (i.e. talent management). There needs to be a common sense approach as to how experience is determined by a firm and maintained by a person, and to take account of individual aptitudes and adaptabilities.

We believe the existing approach facilitates ongoing learning and 'well rounded' financial services staff with experience in multiple areas / products rather than applying an experience criteria which could potentially result in staff being 'locked in' in one product or department. The proposed experience requirement could restrict and effectively penalise the employment prospects of existing staff who have taken the initiative to become MCC qualified - such staff would be on a level playing field with staff who have no MCC qualifications due to a six month supervision period. It could also severely restrict a firm's ability to place the right people in the right roles where both a recognised qualification and appropriate experience (albeit in a different product category) has already been attained by staff members.

It is our view that this proposal for a six months experience requirement will lead to a number of unintended consequences which will have a negative impact on the consumer and the market for financial services. As stated above, we believe the existing regime is particularly robust and any further additions would result in 'gold plating' especially in light of the objectives of the EU Better Regulation agenda.



### Question 3

*Do you agree with the proposal on how the experience requirement should be evidenced, i.e., that a regulated firm should sign a 'certificate of experience' and retain supporting documentation to support the certificate? Please outline your views.*

We do not agree with the proposal on how the experience requirement should be evidenced. Our concerns with this proposal are summarised as follows:

- There is a lack of detail / clarity around the 'Certificate of Experience' process in the consultation document. It is unclear what this certification process would involve, the level of granularity required and what supporting documentation might be deemed appropriate. It is not clear either as to how this would work if it was to be implemented. Without more detail, it is unlikely that a consistent level of 'certification' across the industry would be achieved. Unless consistency is achieved, the introduction of this requirement will affect the mobility of staff i.e. firms will not be able to employ outside staff unless they can rely on the experience certified by the other firm.
- The existing MCC requirements already contain sufficient controls regarding oversight of the staff qualification process while consistency levels across the sector are achieved through the attainment of the recognised qualification. Accordingly, we believe that this proposal would introduce unnecessary complexity and administration. However, we recognise that an experience certification process will be required for MiFID impacted roles and would welcome clarity on this requirement to enable consistent application across the industry.
- We are also conscious of existing Data Protection and employment legislation requirements which would need to be assessed in advance of any changes in this area. As an example, we are aware that the information included in an employee reference is carefully considered in the context of the legislative requirements and the 'duty of care' to employees
- It is unclear how staff from other jurisdictions, who will not have a 'certificate of experience', should be treated. Should these individuals be treated as new entrants and be subject to supervision, regardless of their experience?
- The challenges that existed in certifying compliance with the 'grandfathering' requirements are equally relevant here. Significant work was undertaken during the project but once completed, Grandfathering was a finite process with a set end date which recognised business and staff needs.

In our view, this proposal does not give flexibility to staff or the business in the provision of financial services and would result in a continuous administration overhead with on-going impacts. This would result in significant resources being allocated to the administration of the process rather than the development of suitably trained and appropriately qualified staff.

## **Devising or otherwise Creating Products**

### **Question 4**

*Do you agree with the proposal set out above? Please set out the reasons for your view.*

We agree with the proposal that at least one key person in the product-design decision making process shall be subject to the MCC knowledge and competence requirements. However, in line with our previous responses, we would foresee particular challenges with this proposal should both qualification and product specific experience be required. As an example, the requirement to provide evidence of the required six month FTE experience, particularly where product development is not the individual's only role or if the firm is not launching products regularly would be particularly difficult.

### **Question 5**

*What alternative ways could persons demonstrate meeting the competencies and standards set out in the Mortgage Credit Regulations and the requirements of the ESA Guidelines and MiFID II Delegated Directive?*

Persons could demonstrate that they have met these competencies and standards by completing on-going audited or certified CPD or relevant training.

Regardless of whether a minimum standard of professional competence is set, such persons are already obliged to comply with the regulatory requirements set out in these EU directives and guidelines.

## **Credit Unions**

### **Question 6**

*Do you agree that the MCC should apply to credit unions in respect of any retail financial product offered by credit unions that falls within the scope of MCC? Please set out the reasons for your views.*

We believe that Consumers are entitled to expect and experience the same level of knowledge and competence within the financial sector, no matter the provider. As Credit Unions are subject to consumer protection regulation it would be appropriate to have a consistent approach to knowledge and competency in place.

Also, in the interests of a level playing field in the marketplace, all sectors should meet minimum competency requirements to ensure that there is no competitive advantage gained from an exemption.

### **Question 7**

*If you agree, what do you consider to be an appropriate timeline for its application? Please set out the reasons for your views*

Sufficient time should be provided to all firms to meet the requirements.

### **Members of the board of a mortgage credit intermediary**

#### **Question 8**

*What other means do you consider to be appropriate for members of the board of a mortgage credit intermediary to meet the competencies specified in Schedule 1 of the Mortgage Credit Regulations and evidence that those competencies are met?*

It is our view that the required competencies for this particular cohort could be met through the completion of a training course similar to that which is required for Pension Trustees. This course could be undertaken every two years with a certificate provided by those who oversee the process.

We suggest that a distinction may be required between a mortgage credit intermediary and a tied credit intermediary as defined in Mortgage Credit Regulations 2016 (MCR). The requirements for firms tied to mortgage credit intermediaries have already been captured in both the (MCR) and the Consumer Credit Act 1995 (CCA). **(See Appendix)**

On this basis, a Tied Agent for the purposes of advising and selling on a mortgage is acting under the control of the lender and as such is seen by the Central Bank as an employee of that firm. In these situations, we recommend that the MCC should specify that they are not in scope.

### **Reinsurance**

#### **Question 9**

Not applicable

## **Additional comments**

As suggested in the consultation paper we also include some additional observations and proposals for consideration, as follows:

### **3.1.1 Competencies**

We welcome the Central Bank's proposal to update the MCC list of competencies to include the additional EU-defined competencies for MCD, IDD and MiFID II. This will ensure that persons with an MCC recognised qualification will meet both national and EU competency requirements.

However, on review of the revised text, it appears that some competencies have yet to be included i.e.

- costs and charges to be incurred by the client in the context of transactions in investment services or ancillary services;
- Understand the characteristics and scope of investment services or ancillary services.

To avoid any potential gap, we recommend these competencies should be included under MCC for those persons carrying out relevant MiFID II activities and services.

Increasingly many of the larger European Directives and Regulations contain specific minimum competency requirements. This creates a situation whereby the CBI must review and alter the MCC on an ongoing basis in order to ensure that the European legislation containing specific minimum competency requirements are addressed. There may be merit in a system whereby the CBI continually update the industry standard requirement / minimum competency for European legislation on a rolling basis via a CBI webpage without the need to update the MCC at regular intervals to accommodate these minimum competency requirements. If any of the European legislation minimum competency requirements caused concern then this could be dealt with on a case by case basis with an industry working group and preclude the need to continually update the MCC.

### **3.1.2 Definition of advice**

It would appear that the definition of advice in MCC is inconsistent with the definition of advice under MCD, MiFID II and IDD. The definition of advice under the draft MCC includes the 'provision of information'. The definition of advice under the EU directives is limited to the provision of a personal recommendation. This inconsistency should be addressed to ensure that the requirements of the national framework are consistent with those of the EU.

Investment advice under MiFID is a clearly defined term in the industry which has been the subject of a previous CESR Questions and Answers Document (see - [https://www.esma.europa.eu/sites/default/files/library/2015/11/10\\_293.pdf](https://www.esma.europa.eu/sites/default/files/library/2015/11/10_293.pdf)). The introduction of a new and different definition of advice will lead to unnecessary complexity in the application of requirements. Consistency is particularly important in light of the requirement on firms to comply with both the revised MCC and the ESMA Guidelines.

The proposed MCC outlines certain exclusions from the activity of giving information. The examples set out in the ESMA Guidelines in Annex 1 should also be reflected in this list.

***Application to Clients:***

The ESMA Guidelines apply where investment advice is provided or information is given to clients. Client under MiFID II has a distinct meaning which is any natural person or legal person to whom an investment firm provides investment services or ancillary services. In section 1.2 of the proposed revised Code, the minimum competency standards apply to persons providing advice to *retail clients and elective professional clients* in certain cases (see section 1.2 of the revised MCC) or to *persons* in other cases (see definition of advice in the revised MCC). Again, it is important that the scope of the revised MCC Code in respect of relevant MiFID II activities is consistent with the ESMA Guidelines as there is a risk that any inconsistency will lead to a requirement on firms to comply with different sets of requirements in respect of the same activities.

In addition, the scope of the MCC is differently defined as applying to elective professional client (see definition of MiFID services or activities in scope section 1.2) and per se professional clients (section 2.1). We do not understand why there is a distinction between elective professional clients and per se professional clients. No such distinction is made in the ESMA Guidelines. We are of the view that for relevant MiFID II activities, the approach adopted in the MCC should be consistent with the ESMA Guidelines and the requirements should apply where advice or information is given to clients as defined in MiFID II.

**3.1.3. MiFID II Investment Services and Ancillary Services**

The definition of MiFID services or activities set out in Section 1.2 of the revised MCC:

- (i) is inconsistent with the activities in MiFID II which does not extend to the activities listed in sub-paragraphs (b) and (c);
- (ii) is inconsistent with the definition of MiFID services or activities in the Definitions section of MCC; and
- (iii) extends beyond the scope of the ESMA Guidelines which refer to staff giving information or investment advice to clients about investment products, investment services or ancillary services.

We believe that in relation to the relevant MiFID II services and activities carried out by staff the scope of MCC should be narrowed to ensure that it consistent with the scope of the ESMA Guidelines. Any inconsistency will lead to unnecessary complexity in the implementation of MCC and the ESMA Guidelines in respect of these relevant activities.

### **3.1.4. Qualifications and experience requirements**

The minimum standards for the provision of MIFID services and activities are outlined in two parts - Section 1.2 of Part 1 and Part 2. It is unclear what the rationale is for this split given that the knowledge and competency standards in terms of experience and qualifications appear to be equivalent.

Given that the standards appear equivalent, it would be useful if the revised Code would explicitly confirm which of the MCC recognised qualifications will meet the qualification requirements specified in Part 2.

The ESMA guidelines oblige persons to hold an appropriate qualification by 3 January 2018. While the definition is broadly defined by ESMA Guidelines (e.g. it could mean a test or a training course), the Central Bank (as it is empowered to do) has indicated in this consultation that a 'qualification' shall mean a formal qualification. On this basis, impacted staff will have a year to meet this new requirement.

We would ask the Central Bank to include a transitional period to allow grandfathered persons and persons brought into scope of MiFID for the first time to obtain the required formal qualification. Such transitional arrangements could include the requirement to undertake appropriate training and a test (similar to CPD) to satisfy the ESMA Guidelines from 3 January 2018. This could be augmented to require such persons to achieve the formal qualification within a later specified period. It is vital for impacted firms that this determination is made by the CBI as soon as possible.

In relation to the draft text, we would advise that the investment service (Item (5) of Section A of Annex I) of providing investment advice has not been included in either Part 1 and 2. In addition, the revised code requires those performing specified functions related to MIFID services/activities to comply with the qualification and experience requirements by 3 January 2018. As this requirement goes beyond the ESMA Guidelines, we would ask that the Central Bank set a reasonable timeframe to allow these persons to obtain the relevant qualification. Such an extension will not affect a firm's obligation to comply with the ESMA Guidelines.

Finally, we understand that the revised Code will specify in more detail how firms should apply the 'experience' / 'supervision' requirements. In order to comply with the ESMA guidelines by 3 January 2018, firms will need to make certain assumptions as to the level and detail of certification / supervision required. We would ask that the Central Bank in its drafting of the revised Code allow firms a reasonable period of time to refine or amend its 'certification' / 'supervision' arrangements following publication of the revised Code.

We would also suggest that the list of current recognised qualifications should be expanded to include other relevant qualifications. We have included a number of specific suggestions in our response under Appendix 4 but there may be further qualifications which should also be included.

### **3.1.5 Annual Review**

We believe that these requirements are already adequately covered under other legislation and therefore, it is unnecessary to include these within the scope of the MCC. For example, awareness and understanding of regulatory developments are addressed through ongoing CPD requirements; MiFID II, the EBA Guidelines on Product Oversight and Governance Arrangements for retail banking products, etc. set out mandatory obligations in respect of new retail financial products; and professional development and experience needs are reviewed as part of the F&P process.

Firms and staff must comply with these regulatory requirements. As these are already mandatory, it is difficult to see the benefit in also making them mandatory checks under MCC, especially where additional costs will need to be incurred to establish processes to link the requirements/activities to MCC processes.

In addition, the proposed requirement for an annual review "which will take account of the personal development and experience needs of staff members, regulatory developments and new retail financial products offered by the firm" is too generic and prescriptive at the same time. We would question how a consistent approach can be taken in terms of recording and evidencing a discussion on personal development (being subjective matter) along with regulatory developments and new retail financial products. Training needs to be focussed and relevant to a staff member's role, e.g. a staff member selling mortgages would not require detailed knowledge of MiFID II.

### **3.1.6 Use of defined term "Retail Financial Products" to capture Financial Instruments under MiFID II**

It is our view that the use of the defined term "Retail Financial Products" is inappropriate as it could lead to confusion and misunderstanding. This is particularly the case in light of the inclusion of MiFID II financial instruments in the list of Retail Financial Products. We would suggest an alternative term such as the term "Investment Product" used in the ESMA Guidelines.

## **Appendix 2: Specified functions**

We have a query regarding the specific six months experience requirement for those staff who currently perform the specified functions listed at numbers 1, 2 and 6. Under Appendix 4 (Additional recognised qualifications), they can be accredited by other non-financial qualifications. For example, for adjudicating on complaints, they are accredited by virtue of being a Licentiate of the Association of Compliance Officers in Ireland, Solicitor Member of the Law Society of Ireland and Barrister-at-Law called to the Bar of Ireland. Were an experience requirement introduced, this would seem to be an unnecessary widening of scope without any recognition of the professional qualification gained.

### **Appendix 3: Housing Loans, Mortgage Credit Agreements, Home Reversion Agreements and Associated Insurances**

We also query a number of the amendments included within the following category:

#### **“5. Associated insurances**

- To discuss why Governments seek to regulate financial services companies.
- To distinguish between structural, systemic, prudential and consumer protection regulation.
- To describe the main functions of the Central Bank of Ireland, including its enforcement powers.
- To describe the role of the Health Insurance Authority in relation to the regulation of Private Medical Insurance in Ireland”

It is not clear why the first three bullet points are included under Associated Insurance. Category 9 Regulation would appear to be the most appropriate place to include these competencies. The fourth bullet point refers to Private Medical Insurance in Ireland and we would question whether it should be included here.

#### **Appendix 4**

It is our view that the following qualifications should be added to those recognised for ‘Savings and Investment’ products:

- CFA (Chartered Financial Analyst)
- CFP (Chartered Financial Planner)
- Graduate Diploma in Financial Planning
- Masters in Investment & Treasury (DCU)
- M Sc in Financial Services (DCU)
- Associate of Society of Investment Analysts UK
- Associate of Society of Investment Analysts in Ireland
- Certified investment Fund Director (UCD)
- Certified Bank Director

#### **Implementation timeframe**

Any changes to the existing MCC requirements will impact across a wide range of areas within each firm. As a result, there will need to be a suitable transitional approach / lead in time, in particular to address administrative needs, resourcing, people management and frontline roles. A shorter timeframe would create resourcing issues for financial institutions which could lead to an inability to provide services to customers. Larger firms will require substantial ‘lead in’ times due to the number of staff in scope in order to facilitate all operational, administrative and Human Resources impacts.

We would welcome the opportunity to discuss the details of the response with the Central Bank at any time during the consultation and transposition process.



MCR refers to the role of a Tied Credit Intermediary and CCA refers to a Tied Mortgage Branch Agent as below:

MCR Regulation 32 (4):

Without prejudice to Regulation 35, a creditor shall monitor the activities of a tied credit intermediary specified in paragraph (1) in order to ensure that the intermediary continues to comply with these Regulations. In particular, the creditor shall be responsible for monitoring compliance with the knowledge and competence requirements of the tied credit intermediary and its staff.

S.120 CCA - SI 247/1996 (extract)

the contracting mortgage lender is responsible for any act or omission of the agent in respect of any matter pertaining to a housing loan offered or made by the contracting mortgage lender, as if the agent was an employee of the contracting mortgage lender,