



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Gabriel Makhlouf
Gobharnóir / Governor

Ms Mairéad Farrell T.D.
Cathaoirleach
Joint Oireachtas Committee on Finance, Public Expenditure, Public Service Reform and
Digitalisation, and Taoiseach
Houses of the Oireachtas
Kildare Street
Dublin 2 D02 XR20

18 June 2025

Re: Items arising from the Central Bank's appearance on 11 June

I am writing to follow-up on some of the questions raised at the Committee's meeting on 11 June.

Irish strategic investment fund (ISIF)

ISIF, managed and controlled by the National Treasury Management Agency (NTMA), is a sovereign development fund with a statutory mandate to invest on a commercial basis to support economic activity and employment in Ireland. ISIF is not authorised or supervised by the Central Bank and it is for the NTMA to disclose (as appropriate) ISIF's financial holdings.

The Central Bank's role relating to Anti-Money Laundering and Counter Terrorist Financing (AML/CTF)

The Central Bank is the competent authority for the monitoring of credit and financial institutions' compliance with the requirement (contained in Part 4 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010), that they put in place an effective,

risk-based AML/CFT framework. The legislation also requires that credit and financial institutions must identify any beneficial owner(s) connected with a customer or service and places an obligation on them to monitor transactions and to report any identified as suspicious to An Garda Síochána's Financial Intelligence Unit (FIU).

The Central Bank does not investigate actual money laundering or terrorist financing activities. Our role is to ensure that firms have the requisite controls and systems in place to prevent the use of the financial system for such activities. We are also obliged to report to An Garda Síochána if we have any knowledge or suspicion that another person has been engaged in money laundering or terrorist activity.

We do not monitor the source of funds used to repay holders of bonds, in respect of which a prospectus has been approved under the Prospectus Regulation. We generally ask all issuers to confirm that they are not designated in any financial sanctions legislation imposed by the European Union, and where concerns arise we also seek confirmation that none of the proceeds of the issue will be used to fund activities or persons that are subject to EU sanctions.

The application of international law


A question was raised at last week's meeting as to whether the Central Bank was subject to the Convention on the Prevention and Punishment of the Crime of Genocide. The Convention is an international treaty under which the contracting State parties confirm that genocide is a crime under international law and undertake to prevent and to punish it. The State of Ireland is a contracting party to the Convention, having acceded to it in 1976. (The Genocide Convention was originally given effect in Irish law by the Genocide Act 1976, which was repealed and replaced by the International Criminal Court Act 2006. In accordance with the 2006 Act, it is an offence for any person, including the Central Bank, to commit genocide or a crime ancillary to genocide.)

As I explained last week, the South Africa case against Israel referred to the International Court of Justice in December 2023 alleges breaches of the Genocide Convention (with regard to Israel's actions in Gaza) is ongoing and remains to be determined. Under the EU Prospectus Regulation, we cannot refuse to approve the Israeli bond prospectus on the basis of ongoing

International Court of Justice (ICJ) processes. EU law (which is agreed by co-legislators of the Council and the European Parliament) provides that the national competent authority must approve a prospectus where it meets the required standards of completeness, consistency and comprehensibility. Restrictive measures, or sanctions as they are generally referred to, are a Common Foreign and Security Policy (CFSP) tool utilised by the EU under the Treaties, and directly applicable in Member States.

The EU could, as I mentioned last week, impose sanctions such as those imposed against Russia after its invasion of Ukraine. The Central Bank would, of course, implement any sanctions adopted by the EU that are applicable to our functions (as we have with Russia).

I hope this information will assist the Committee in its examination of these matters.

Yours sincerely,


Gabriel Makhlouf