



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

# Amendment to PCF-16 Branch Manager of branches established outside the State

February 2024

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Further to [Consultation Paper 153 on the Individual Accountability Framework](#) (CP153) and the related [Feedback Statement](#), a materiality threshold such that PCF-16 only applies to managers of outgoing branches, where the branch meets or exceeds the threshold, has been introduced<sup>1</sup> as follows:

General	
PCF-16	Branch Manager
	Branch Manager of a branch established outside the State but only where the business arising from the branch amounts to 5% or more of, as applicable, the assets or revenues or gross written premium of the regulated financial service provider

Following related [communications](#) on 21 and 29 December 2023, the Central Bank of Ireland is providing additional information regarding the change to PCF-16 in the form of frequently asked questions:

## 1. Why amend the role of Branch Manager (PCF-16)?

In response to feedback received, and as set out in the Feedback Statement to CP153, PCF-16 has been amended to introduce a materiality threshold such that only managers of outgoing branches where the branch meets or exceeds the threshold will require pre-approval.

## 2. Will the branch manager role apply at all firms?

The onus is on the firm to review the branch manager function to determine whether it meets the definition of PCF-16. Noting that the intention is for the materiality threshold to ensure that only managers of outgoing branches where the branch meets or exceeds the threshold will require pre-approval, it is unlikely that PCF-16 will apply at all branches.

<sup>1</sup> <https://www.irishstatutebook.ie/eli/2023/si/663/made/en/print>

### 3. How will the definition apply in practice?

PCF-16 applies where the business arising from the branch amounts to 5% or more of any of:

- a) the assets of the firm; or
- b) the revenues of the firm; or
- c) the gross written premium of the firm

as applicable.

In considering the applicability of PCF-16, firms should take a practical approach when applying the above definition, and in determining the appropriate frequency of any related assessment. The Central Bank understands that branches can use different booking models, however, the use of specific booking models should not impact the application of the definition. The definition should be applied in the spirit it is intended i.e. to capture managers of branches where the branch meets or exceeds the threshold. Firms should document any related assessment, which must be made available to the Central Bank on request.

### 4. Could the use of a threshold for the Branch Manager role lead to timing issues regarding when an firm should submit a PCF application? How should subsequent movements above and below the threshold be addressed?

At the time that an individual is being considered for appointment to this role, a firm should carry out an assessment to establish if the branch meets or exceeds the threshold. If the threshold is met or exceeded at that time, then the role is a PCF role and any new appointment should be put forward for pre-approval, without delay, in accordance with section 23 of the Central Bank Act 2010. After an individual has been approved and is performing the role, that individual remains a PCF until such time as they leave their role, even if there are fluctuations above and below the threshold post approval. This is in line with the approach for the Head of Material Business Line.

### 5. Will individuals currently designated as PCF-16 be required to seek approval from the Central Bank to continue to perform their PCF-16 role?

Where a firm determines that it is appropriate for an individual currently designated as PCF-16 to continue to be designated as PCF-16 based on the definition as set out above, no further action is required and the existing PCF-16 role will remain in place.

**6. What is the process for individuals currently designated as PCF-16 where the branch does not meet or exceed the threshold?**

Where a branch falls below the threshold, firms are required to end-date the relevant PCF-16 role, by way of resignation, on the CBI Portal. The resignation date should correspond with the effective date of the [Amending Regulations 2023 \(S.I. No. 663 of 2023\)](#) i.e. 29/12/2023. Firms may select 'Other' as the reason for the resignation, and provide the following rationale within the free text field: 'PCF role no longer required due to updates to the regulations on 29/12/2023'. This should be completed by 29/03/2024.

**7. What is the process for new appointments to PCF-16 where the branch meets or exceeds the threshold?**

The full application process applies to any new appointment to PCF-16 where the branch meets or exceeds the threshold.

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