Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

May 2025

Investment Firm and Intermediary Newsletter

Message from Des Ritchie, Head of Division, Investment Firms & Retail Intermediaries Supervision

Welcome to the first newsletter of 2025.

The start of 2025 has been a productive period, and has seen a number of crucial milestones in the Central Bank, as we adapt and transform to meet the needs and challenges of an evolving financial system.

Our new integrated supervisory framework became effective in January 2025. The new framework provides a more integrated approach to supervision; with multi-disciplinary teams working together to deliver our supervisory priorities in a more effective way. We published our Regulatory and Supervisory Outlook Report in February 2025, setting out the Central Bank's perspective on the key trends and risks that are shaping the financial sector, and our regulatory and supervisory priorities for the year ahead. In addition, we published the revised Consumer Protection Code in March 2025 following a comprehensive review, with the modernised Code centred on an obligation for firms to secure customers' interests. We also launched a consultation in April 2025 on revisions to the Fitness & Probity regime, following recommendations on foot of the Fitness & Probity Review conducted in 2024. Information on these important developments, of significance to both Retail Intermediaries and MiFID Investment Firms, can be found in the Central Bank Insights section of this Newsletter.

Proactive sectoral supervision, through thematic inspections and ESMA Common Supervisory Actions, remain fundamental to our outcomes-focussed and risk-based approach to supervision. In this regard, important updates on our recently concluded work on 'Fair v Limited Analysis of the Market' for Retail Intermediaries, and the MiFID II Sustainability Requirements are also found in this edition.

We hope you find this newsletter informative and helpful. We welcome any suggested topics that you would like to see in future editions.

Authors: John Keating & Andrea McElroy

Review of Retail Intermediaries Operating on the Basis of a Fair or Limited Analysis of the Market

The Central Bank has recently concluded a thematic review on Fair v Limited analysis of the market.

This review gathered information on whether Retail Intermediaries (when providing intermediation services under the IDR, IIA and/or CMCAR), provide services to consumers on the basis of a "fair" or "limited" analysis of the market, as per the definition of these terms as set out in Chapter 12 of the Consumer Protection Code. The review focussed on a number of provisions and terms, which are set out in the Code, relating to the Terms of Business Document, use of the term "Independent", and disclosures to consumers of remuneration arrangements.

This work is central to our strategy of addressing the material risks of transparency and ineffective disclosures to consumers as previously highlighted in both the 2023 Roadshow and the Regulatory & Supervisory Outlook Report.

The thematic review included three phases; completion of a Market Intelligence Survey, a desk-based review, and a targeted review with on-site engagements at firm's offices and video conferencing meetings. We wish to extend our thanks to all firms for their participation in the process. We found firms to be open and engaged throughout the review.

The findings of the review are broadly positive. The majority of firm's in-scope demonstrated good standards of compliance in terms of effectively informing their consumers of the fair or limited nature of their service, and providing accurate disclosures. One area identified by the review requiring improvement is the use of the term "independent", as there were a number of findings relating to this area.

Individual feedback has been issued to all firms that were in scope of the desk-based questionnaire phase and the targeted review phase of the review.

The Central Bank also expects to publish sectoral communication with details of the outcomes and findings of the review later this year.

COVID's Impact on Household Savings

This 'Behind the Data' review examines recent trends in Irish household bank deposits and finds that while on average euro area households have now used up much or all of their excess bank deposits accumulated during the COVID-19 period, there is little evidence that this has occurred in Ireland.

Intermediary Insights

Author: Andrea McElroy

Retail Intermediary Annual Return

With many firms due to submit their Retail Intermediary Annual Return (RIAR) in the coming weeks, below is a timely reminder of guidance and solutions, to assist with issues encountered and help ensure RIARs are submitted on time.

Issue #1: Trouble logging into the Central Bank Portal (the Portal).

Solution: There is a helpful guide on the Central Bank website, which covers the requirements to login to the Portal. If, having reviewed this material, a firm is still having trouble logging in; they should contact Portal Support (portalsupport@centralbank.ie).

Issue #2: The RIAR is not visible once logged in.

Solution: If a Portal Administrator is logged in but cannot see the RIAR, please follow the steps set out below:

1. Click Portal Administrator
2. Manage users
3. In your name click Action drop-down
4. Manage Permissions
5. Click the blue save at the bottom right
6. Logout and log back in

If, having followed these steps, a firm can still not see the RIAR, please contact the Retail Intermediaries Supervision Team (brokers@centralbank.ie) for further assistance. If a firm can see the RIAR and has a specific query about how to complete a particular section, the Retail Intermediaries Supervision Team will be able to help.

Issue #3: Firm does not have a second person set up on the Portal in order to sign off on the RIAR.

Solution: For most firms, with the exception of sole traders, the RIAR is completed by one person in the firm and then signed off by a second person. If a second person has not yet been set up as a Portal user, please review this helpful guide. If, having consulted this guide, the firm is still experiencing difficulties in setting up a Portal user please contact Portal Support (portalsupport@centralbank.ie). Firms are reminded to ensure their RIAR is submitted on time and accurately. We proactively follow up with all firms who fail to submit their RIAR.

Revocations

Retail Intermediaries are reminded that should a firm hold an authorisation/registration that is no longer required (because the firm is no longer providing that service) an application to revoke the relevant authorisation/registration should be submitted by the firm to the Central Bank (revoke@centralbank.ie). Details on the revocation process including the revocation application form to be completed and submitted can be found **here.**

Online Authorisation Application Form for Retail Intermediaries

The Central Bank launched a new online application form in September 2024, for firms seeking authorisation with the 'A Form'.

We have recently updated this online application with the addition of 'save as you go' functionality, which allows applicants to save the application form mid-completion for up to one week. The application form is auto-saved and on logging back on to the Portal within a week, an applicant will be returned to the point on the application form where they logged off.

There are a number of benefits associated with the online application form, including:

- Use of the Central Bank's Portal, providing one centralised system for submitting the application form and relevant documentation, including Individual Questionnaire(s), which applicants will continue to use once authorised;
- A shorter and more intuitive application form which will only display questions relevant to the applicant; and
- Inbuilt validations which prevents applicants making common errors and omissions.

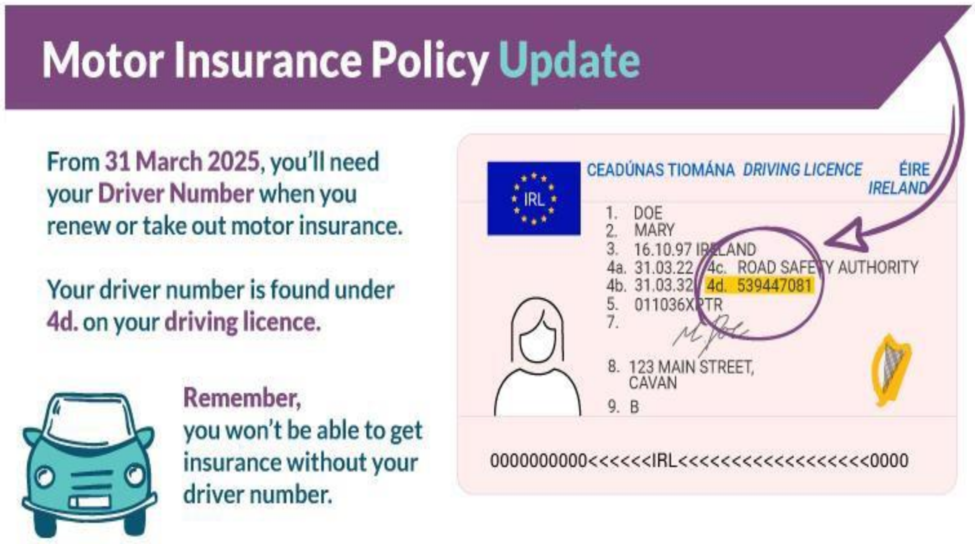
The steps required to register for the Portal and use the online application form are outlined on our website. The Central Bank is currently considering how it could reduce the number of steps and streamline the process, thereby enhancing the user experience. The Central Bank will make these improvements in the summer. Once these improvements have been implemented, it is expected that the original Word 'A Form' Application will be removed from our website shortly afterwards, and only online forms will be accepted thereafter. The Retail Intermediaries Authorisations Team would like to take this opportunity to encourage all potential applicants to submit their applications via the Online Application Form.

If you are interested in submitting an authorisation application via the Portal or have any questions on the authorisation process, please refer to the useful information on our website or contact RIauthorisations@centralbank.ie.

Webinars

The Retail Intermediaries Authorisations Team regularly host webinars focusing on the completion of the application forms. Please keep an eye on the Central Bank's **website** for details on any upcoming webinars. Should you wish to register your interest in any future webinars, please email your contact details to riauthorisations@centralbank.ie

Motor Insurance Update – Driver Number



Firms are reminded that any person taking out a new motor insurance policy or renewing an existing policy, from 31 March 2025, is legally required to provide their driver number and the driver number of anyone named on the policy.

The driver number can be found in Section 4(d) of an Irish Driver's licence (or learner permit). Without submission of the required driver number(s), insurance undertakings will not be in a position to extend insurance cover.

Please visit the Consumer Hub on the Central Bank's website for further details on information required when buying insurance.

Retail Deposit Trends

This 'Behind the Data' review examines recent trends in Irish household deposits and specifically the types of deposit accounts typically held by Irish households, how this compares to the euro area, and the consequences of these differences. There were also a series of increases in ECB reference interest rates beginning in July 2022 which may have impacted these trends.

Author: Olwyn McConkey

Supervisory Review and Evaluation Process Capital Assessment under IFR/IFD

On 30 January 2025, the Central Bank held a webinar for all IFR/IFD Class 2 Investment Firms in respect of the capital assessment process under the IFR/IFD Supervisory Review and Evaluation Process (SREP).

By way of background, IFR/IFD came into force in 2021 and mandates National Competent Authorities (NCAs) to consider the imposition of additional Pillar 2 capital. The EBA and ESMA have issued joint guidelines on the SREP process aimed at supporting firms and supervisors in carrying out and reviewing ICAAPs/ICARAPs. Furthermore, the EBA issued a technical standard on the setting of additional capital requirements (Pillar 2R).

SREP Cycle

Under the new regime, firms are classified in three classes and four categories. Class 1 and Class 1- firms continue to be regulated under CRR/CRD. Class 2 and Class 3 firms fall under the IFR/IFD regime.

The EBA and ESMA's SREP guidelines define four SREP categories and the associated frequency of the capital assessment. Firms are mapped to one of the categories on the basis of size, activities, complexity and supervisory judgement in order to ensure proportionality and reflect the firms' risk profile. By way of example, capital requirements are assessed for Category 2 firms every three years, while for Category 1 firms they are assessed every two years.

The EBA and ESMA SREP guidelines require firms to prepare ICARAPs/ICAAPs on an annual basis. Depending on a firm's size and complexity, capital needs as well as stress testing (including reverse stress testing) may be presented to the Board more frequently. Additionally, capital plans should be monitored frequently with actions proposed to address any significant deviations from the plan.

Pillar 2 Requirement and Pillar 2 Guidance

The webinar also discussed the two forms of Pillar 2 capital add-ons - the Pillar 2 Requirement (P2R) and the Pillar 2 Guidance (P2G), and how these are determined.

Regulation and Supervision in a changing world

In her first speech in her new role - Deputy Governor McMunn set out her perspectives on regulation and supervision, and the key part it plays in making sure the financial sector is operating in the best interests of consumers and the wider economy.

Author: Olwyn McConkey

Supervisory Review and Evaluation Process Capital Assessment under IFR/IFD

The P2R assessment considers:

- Risks or elements of risks the Investment Firm is exposed to, or poses to others, not covered or, not sufficiently covered, by Pillar 1;
- Deficiencies in governance arrangements, processes, mechanisms and strategies (not resolved in a timely manner);
- Deficiencies in the Investment Firm's adjustments in relation to the prudent valuation of the trading book;
- Non-compliance with the requirement for the application of the Pillar 1 internal models (e.g. market risk) leading to inadequate levels of capital; and
- Repeated failure to establish or maintain an adequate level of additional own funds.

P2R is set as the higher of 'going concern' (K-factors and other risks) and 'gone concern' capital assessments (the risk of an unorderly wind-down).
P2G reflects the amount of capital needed to mitigate the impact of adverse cyclical economic fluctuations. When determining the associated capital depletion the following are considered:

- The outcome of supervisory stress tests or sensitivity analysis;
- The outcome of the firm's internal stress test or sensitivity analysis (where reliable); and
- Relevant management mitigating actions if sufficiently credible and highly certain.

The webinar finished by highlighting a non-exhaustive list of best practices around key ICAAP/ICARAP elements.

Payment Fraud

New **data on payment fraud** reveals that Irish fraud rates are below the EU averages except for card payments. The types of fraud vary depending on the payment methods used and most fraudulent payments are sent to fraudsters' accounts located outside Ireland.

Enforcement Action – Market Abuse Case

In February 2025, the Central Bank fined a MiFID-authorised stockbroking firm €452,790, for breaching its obligations under Article 16(2) of the Market Abuse Regulation during a period of over 6 years between March 2017 and June 2023. The public statement regarding the action can be found here.

In summary, on 6 sample occasions, the Investment Firm: failed to submit a Suspicious Transaction and Order Report (STOR) to the Central Bank concerning suspicious transactions identified by its trade surveillance system and was reckless on each occasion as it knew or ought to have known of the risk this would breach Article 16(2); failed to put in place effective governance arrangements to detect and report suspicious orders and transactions that may have indicated market abuse; failed to consistently document its analysis as to whether it considered certain orders and transactions to be suspicious; and failed to consistently escalate suspicious transactions internally. The Investment Firm admitted to the breach.

Colm Kincaid, Director of Enforcement, emphasised the importance of compliance with Article 16(2) to aid in preventing and identifying market abuse and stated, "*…This legal requirement is a key safeguard in our system to protect securities markets from abuse and firms must have processes in place that are effective to ensure STORs are reported… Market abuse includes insider dealing, unlawful disclosure of inside information and market manipulation. It erodes confidence in the integrity of markets and has the potential to increase the cost of trading, distort the playing field and undermine fair competition, to the detriment of both investors and firms looking to securities markets to raise necessary funding…*"

Mr Kincaid called on Investment Firms to review their STOR reporting governance arrangements in light of the Central Bank's findings in this investigation so as to "*…ensure they are reporting all reasonable suspicions to the Central Bank and meeting their responsibilities to safeguard the integrity of our securities markets….*" The Central Bank has issued a number of publications on this topic in recent years, links to which can be found in the "Notes" page of the public statement. Investment Firms should ensure on an ongoing basis that the systems and procedures in place to detect and report suspicious orders and transactions are effective.

Marketing and Advertising of Investment Products

We have published our findings from **consumer research** which examines the experience of retail investors regarding Investment Firms' marketing and advertising materials, their views of the sector and the issues they face. We undertook this research to inform our supervisory work on the use of marketing and advertising by Investment Firms. This research will also inform our broader supervisory strategy for the investment sector.

Author: Ross Doyle

Common Supervisory Action on the MiFID II Sustainability Requirements

In 2024, the European Securities and Markets Authority (ESMA) launched a Common Supervisory Action (CSA) with National Competent Authorities (NCAs) on the integration of sustainability in firms' suitability assessment and product governance processes and procedures.

The goal of the CSA is to assess the progress made by firms in the application of the key sustainability requirements, which entered into application in 2022 following the amendments to the MiFID II Delegated Acts. The CSA covers the following aspects:

- How firms collect information on their clients' sustainability preferences;
- Which arrangements firms have put in place to understand and correctly categorise investment products with sustainability factors for the purpose of the suitability assessment;
- How firms ensure the suitability of an investment with respect to sustainability (including the use of a "portfolio approach"); and
- How firms specify any sustainability-related objectives a product is compatible with as part of the target market assessment of the investment product.

This initiative, and the related sharing of practices across NCAs, will help ensure the consistent application of EU rules and enhance the protection of investors in line with ESMA's objectives.

Current Status & Next Steps

The Central Bank has completed the thematic review it conducted as part of the CSA and submitted a report on its findings to ESMA, along with all other NCAs who participated in the CSA. ESMA will publish a report outlining an aggregate view of the findings of the CSA later this year. The Central Bank will then publish its own industry communication providing feedback to industry on our findings and expectations regarding the application of these important investor protection requirements.

We wish to thank all the firms who were included in the scope of the CSA for their open and constructive engagement with the Central Bank during the course of the thematic review. We will issue our firm specific feedback in due course.

The CSA followed ESMA's update of two sets of **guidelines on the MiFID II suitability requirements** and **product governance requirements**, both of which entered into application in October 2023

Investment Firms are also reminded that should a firm hold an authorisation / registration that is no longer required (because the firm is no longer providing that service) an application to revoke the relevant authorisation should be submitted by the firm to the Central Bank (investmentfirmauthorisations@centralbank.ie) Details on the revocation process, including the revocation application form to be completed and submitted, can be found **here**

ESMA Call for Evidence

As part of ESMA's broader work on the Savings and Investment Union (SIU) and the Retail Investment Strategy (RIS) initiatives, ESMA has launched a Call for Evidence on the retail investor experience here.

The purpose of this initiative is to gather input from stakeholders on how retail investors engage with investment services and whether regulatory or non-regulatory barriers may discourage participation, in order to assess whether regulatory simplifications in some areas can be beneficial to firms and their clients.

While the Call for Evidence is primarily addressed to investor and consumer organisations, it is also relevant to MiFID firms, and you are encouraged to consider responding.

Author: Eamon McSharry

ESMA Market Report - Crowdfunding in the EU 2024

On 8 January 2025, the European Securities and Markets Authority (ESMA) published its first market report on the EU crowdfunding market (the Report) – link here. This is the first report since the EU Crowdfunding Service Providers Regulation (the Regulation) entered into force in November 2021.

The Report's objective is to describe how the European crowdfunding sector has developed and also to promote a comprehensive understanding of this alternative form of financing and investment.

The Report provides detailed analysis about the size of the crowdfunding market, examines the different forms of crowdfunding (loan-based and investment-based financing) and provides insights about the profile of investors. In addition, the extent of cross-border crowdfunding activities are also investigated.

The Report is based on anonymised information provided by the competent authorities of EU Members States to ESMA for the 2023 financial year (ESMA Return).

By way of background, in accordance with Article 16 (1) of the Regulation, crowdfunding service providers (CSPs) are required to provide a list of projects funded through their crowdfunding platform to their competent authority on an annual and confidential basis. Each authorised CSP is required to complete this ESMA Return with respect to projects funded on its platform in the previous year. Irish authorised CSPs submit their ESMA Return annually to the Central Bank and we anonymise the project owner information before an aggregate template is then sent to ESMA.

We wish to thank all Irish authorised CSPs who have recently submitted their ESMA Return for the financial year 2024. The data provided will feed into ESMA's next market report which will be published in January 2026.

Author: Ken O’Donoghue

Thematic Review of CSP Marketing Material and other Key Investor Information

Crowdfunding Service Providers (CSPs) are regulated by the Central Bank under the (EU) 2020/1503 Regulation on European Crowdfunding Service Providers for Business (ECSPR).

The Central Bank is currently undertaking a thematic review of CSPs Marketing Material and other Key Investor Information. The main purpose of this thematic review is to review the provision of (i) marketing material and (ii) other key information by CSPs to investors in crowdfunding projects / campaigns. The ECSPR defines ‘marketing communications’ as any information or communication from a CSP to a prospective investor or prospective project owner about the services of the CSP (other than investor disclosures).

This thematic review aligns with the Central Bank’s Protection of Consumer & Investor Interests safeguarding outcome.

In this context, the review will consider:

1. Compliance with Marketing & Information provisions under the ECSPR and the CSP Addendum to the Consumer Protection Code 2012 (CPC);
2. Quality of the Marketing and Information provided to investors; and
3. Key Investor Information.

Aligned with our safeguarding outcomes mandate, the Central Bank will assess the quality, clarity and transparency of the marketing and other key information published / provided to investors, through whom the CSP raises peer-to-peer funding for projects / campaigns hosted by the CSP. The review in particular will focus on the medium of social media marketing and advertising by CSPs to investors and the presentation to investors of the risks to capital posed by such investment.

All CSPs will have already received a questionnaire and documentation request in the context of this thematic review.

Policy Updates

Author: Joern Dobberstein

DORA – Digital Operational Resilience

Since 17 January 2025, Europe's new Digital Operational Resilience Act (DORA) has been live. DORA is a new style of "ecosystem" regulation, representing a multifaceted approach to digital operational resilience. DORA is a good example of regulatory simplification with its focus on outcomes rather than rules.

While a small number of policy, products are still going through the legislative finalisation process, most of the technical standards that provide DORA's implementation details, have come into effect. This significant task, completed by the three European Supervisory Authorities (ESAs) together with more than 40 National Competent Authorities (NCAs) and other agencies, has demonstrated that effective outcomes-focused collaboration can deliver harmonised, proportional and high-quality financial regulation for Europe.

Now that DORA is live and being implemented by financial regulated entities, convergence of supervisory approaches to implementation will be important. This should seek to ensure that DORA's harmonised cross-sector approach is appropriately reflected in implementation by the more than 40 NCAs. This will not be an easy task but constructive engagement and discussions are underway at ESA and NCA level to ensure just that.

DORA has introduced a harmonised approach to the expectations on ICT risk management, on major ICT-related incident reporting and on establishing a Registers of Information (RoI) of ICT services provided by third parties.

For example, ICT-related major incident reporting is now being collected and monitored by NCAs and the ESAs across the EU. In Ireland, the Central Bank has so far received approximately 20 DORA ICT-related major incidents and, over time, the analysis of these and of future reported ICT incidents will transform the Central Bank's knowledge, preparedness and responsiveness.

Policy Updates

Author: Joern Dobberstein

DORA – Digital Operational Resilience

Since the beginning of April 2025, financial regulated entities in Ireland that are subject to DORA, had to submit the Register of Information (RoI) of contractual ICT services provided by third-party providers. This Register will form the basis on which the ESAs will identify the most critical ICT third-party services providers. In Ireland, the submission rate has been very high and is currently at 99.5%.

The remaining firms have been contacted by their respective supervisors directly to ensure all Irish firms subject to the RoI submission will be included in the onward reporting to the ESAs.

The Central Bank will analyse the submitted registers with a focus on ICT providers to Irish regulated financial entities. Over time, this will aid the Central Bank's understanding of critical or important services delivered by Irish financial entities that depend on ICT third-parties. While this work will strengthen the Central Bank's understanding of ICT outsourcing arrangements and dependencies of the Irish financial system, it will nonetheless remain essential for firms to ensure effective oversight of all their outsourcing arrangements on an ongoing basis.

The supervision of regulated financial entities in accordance with DORA will take time and has to fit in the respective supervisory engagement plan. This of course means that financial entities will be assessed at different times, similar to supervisory engagements for other outcomes.

Policy Updates

Author: Lyndsey Smyth

EU Accessibility Act

The European Accessibility Act (Directive (EU) 2019/882) has been transposed into Irish law through the European Union (Accessibility Requirements of Products and Services) Regulations 2023 - S.I. No. 636 of 2023 (collectively the EAA). It will become effective from 28 June 2025 and will introduce accessibility requirements for in-scope products and services.

The EAA is broad in its scope and ultimately aims to ensure that products and services within its scope are accessible to people with disabilities.

Given the diverse nature of the EAA, a number of bodies in Ireland have been deemed as 'compliance authorities', with the Central Bank having responsibility for 'consumer banking services' within the meaning of the EAA.

The scope of the EAA will include both MiFID Investment Firms and certain Retail Intermediary Firms, including firms authorised to provide services as follows:

- Pursuant to Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 [***Mortgage Credit Directive***]; and
- Services as defined in points 1, 2, 4 and 5 in Section A and points 1, 2, 4 and 5 in Section B of Annex I to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 [***MiFID***].

The EAA was highlighted as a key regulatory initiative in the Central Bank's Regulatory and Supervisory Outlook report published in February 2025.

There are certain exemptions that firms may be able to rely on in terms of the accessibility requirements for in-scope products and services. Firms should be assessing the EAA to determine the impact (if any) for their business and to plan for any operational changes required.

Central Bank Insights

Author: Nadine Graham

New Supervisory Framework

In our 2024 Regulatory and Supervisory Outlook report, we set out a priority related to the Central Bank's approach to regulation and supervision. In February 2025, we published a document titled Our Approach to Supervision that outlines our new supervisory framework and approach to supervision.

The pace of change in the financial sector together with the additional responsibilities to supervise a changed landscape have prompted the development of this new supervisory approach. The new supervisory framework became effective in January 2025 and builds on our existing supervisory principles and practices.

We remain committed to outcome-focused and risk-based supervision, however, we have altered the way in which supervision is discharged and more traditional regulatory pillars such as 'prudential', 'conduct' and 'anti-money laundering' supervision have now been brought together under a single framework delivering a more integrated approach to supervision.

What has changed?

While the Central Bank's safeguarding outcomes remain unchanged, how we work to achieve these safeguarding outcomes has evolved. Our Supervisory Principles of Risk Based; Outcomes Focused; Firms' Responsibilities; Judgement Led and Forward Looking provide a common understanding of how we approach delivering on our safeguarding outcomes. These principles are explained in more detail in the Our Approach to Supervision document.

What does the new supervisory approach look like?

This new approach involves a more integrated approach to supervision; with multidisciplinary teams working together to deliver the Central Bank's supervisory priorities more effectively. Adopting an integrated approach to supervision will enable us to address more effectively all of the aspects of a firm's activities that can produce risk.

Under the new framework, we consider the financial system as consisting of three overarching industry categories of related products and services: *Banking & Payments, Insurance, and Capital Markets & Funds*. Each category contains a number of sectors that cover all supervised entities, and each sector will be supervised in an integrated, holistic way with a multi-year supervisory strategy to deliver on our four safeguarding outcomes.

Our Strategy

The Central Bank recently reviewed its five-year Strategy (2022 – 2026) to ensure our strategic goals remain valid. We concluded from this review that the strategic direction the Central Bank Commission set out remains valid. The refreshed strategy (2025 – 2027) will continue to enable us to fulfil our Mission and Values.

Author: Nadine Graham

New Supervisory Framework

These strategies articulate the targeted outcomes we seek to achieve, and the proportionate supervisory or regulatory actions we will take at a sectoral, or an individual firm level.

The strategies also incorporate our European and international supervisory responsibilities and the domestic and European regulatory framework in which we operate.

The strategies are refreshed annually to ensure current and emerging risks, threats and vulnerabilities are considered.

What happens next?

Building on strong foundations, our new supervisory approach is an important contribution to enhancing the effectiveness of our supervisory processes so that we can continue to deliver on our mandate and ensure the financial system is operating in the best interests of consumers and the wider economy.

We expect this year to be a year of dialogue about our new approach as part of supervisory engagements with firms and sectors, as the Central Bank, your firm, and the wider financial services industry become more familiar with its implementation.

Whilst some elements of your firm's supervision may change, our broader supervisory approach will continue to be risk based, and proportionate to the nature, scale and complexity of each firm. However, we expect all firms to be able to demonstrate compliance with regulatory requirements, and the actions they are taking to meet our supervisory expectations.

Our Approach to Supervision

The Central Bank recently introduced its new supervisory approach which seeks to integrate conduct, integrity and prudential supervision. Integrated supervision, with multi-disciplinary teams will work together to deliver supervisory priorities in a more effective way.

Author: Carol Jordan

Consumer Protection Code Review Update

On 24 March 2025, the Central Bank published the revised Consumer Protection Code. This modernised Code builds on the protections of the existing Consumer Protection Code 2012. It is centred on an obligation for firms to secure customers' interests which embodies a customer-focused mind-set where firms proactively take ownership of, and responsibility for, consumer protection. It also enhances consumer protections across a range of areas including digitalisation, informing effectively, mortgages and switching, unregulated activities, frauds and scams, consumers in vulnerable circumstances and climate risk.

The publication follows a comprehensive review of the Consumer Protection Code the purpose of which was to modernise the Code to ensure it is fit-for-purpose and reflects how financial services are delivered in a digital world. The review included the publication of a Discussion Paper in 2022, a Consultation Paper (CP158) in March 2024, a public survey, and an ongoing stakeholder engagement programme. We have also published a Feedback Statement which outlines the rationale for our approach to the updates in the revised Code.

The Consumer Protection Code 2025 - encompassing Standards for Business Regulations and Consumer Protection Regulations - is now available in HTML format on the Central Bank webpage alongside a range of new guidance and tools to support users to navigate and better understand the revised Code.

While the revised Code does not directly apply to firms when providing MiFID services, we expect firms providing MiFID services to consider and apply the Guidance on Securing Customers' Interests in the context of fulfilling their obligation to "act honestly, fairly and professionally in accordance with the best interests of [their] clients" in accordance with Regulation 31 of the MiFID Regulations.

Consumer Protection Code

Governor Makhlouf's opening remarks at the launch of the Consumer Protection Code on 24 March 2025.

Author: Carol Jordan

Consumer Protection Code Review Update

Similarly, firms providing MiFID services should also consider the guidance, direction and learning for firms set out in the Guidance on Protecting Consumers in Vulnerable Circumstances, where it explains how firms can act in the best interests of consumers in vulnerable circumstances.

The application of this guidance to MiFID firms seeks to ensure a consistent level of protection for all consumers in Ireland when they are engaging with financial service providers. The guidance does not conflict or overlap with the MiFID Regulations, with which all EU firms must comply when providing MiFID services, but rather provides direction on how the Central Bank expects firms to meet their obligations under the MiFID Regulations.

Unregulated activities can pose a significant risk to consumers as they may not be aware of the risks associated with certain products and services, or that certain regulatory protections do not apply.

Next steps

The revised Code will take effect on 24 March 2026 following a 12-month implementation period. Ongoing stakeholder engagement will continue throughout this period. Until the new requirements take effect, the existing Consumer Protection Code 2012 continues to apply to regulated firms.

To find out more, please visit our website.

Protecting Consumers

Governor Makhlouf's **remarks** at the publication of the OECD Review of the Central Bank's consumer protection supervisory functions on 16 December 2024.

Central Bank Insights

Author: Nadine Graham

Regulatory & Supervisory Outlook Report

In February 2025, the Central Bank published its Regulatory & Supervisory Outlook (RSO) report. The RSO report sets out the Central Bank's perspective on the key trends and risks that are shaping the financial sector, and our consequent regulatory and supervisory priorities for the next two years.

The report outlines key themes, risks and supervisory priorities that will shape the Irish financial services industry in 2025. It highlights the need to balance opportunities like digitalisation and innovation with challenges like geopolitical tensions and growing regulatory divergence across climate change and financial regulation. It is important that senior executives and key decision-makers in firms incorporate the content of the RSO report into their ongoing work and decision-making.

What are our Supervisory Priorities?

The focus of our work is on resilience, adaptability and trustworthiness in the provision of financial services. Our priorities and expectations of firms continue to be as set out in last year's RSO report.

Our priorities and expectations of firms, which continue to be as set out in last year's RSO report, apply across all sectors and to the different aspects of the Central Bank's financial regulation responsibilities. Our sixth priority relates to the Central Bank's own approach to regulation and supervision. Section 3 of the RSO report sets out details of the key cross-sectoral priorities we will focus on over the 2025/26 supervisory cycle. The "Spotlight 1 – Safeguarding Consumer Interests" chapter of the RSO report sets out details of our continued supervisory focus on the five cross-sectoral key drivers of consumer risk and our 2025 consumer risk priorities.

What does that mean for your sector?

While each regulated firm should have regard to the cross-sectoral key drivers of risk, firms should equally be aware of the key risks with respect to their own business model and sector. Section 4 of the RSO report sets out a sector-by-sector view, with pages 122-128 specifically covering the MiFID Investment Firm sector and pages 130-133 covering the Retail Intermediaries sector. It also includes key areas of supervisory focus over the 2025/26 supervisory cycle that sit alongside the cross-sectoral initiatives covered in Section 3 of the RSO report.

Regulatory & Supervisory Outlook Report

The Central Bank's latest RSO Report can be found here.

A consistent risk mitigant is that regulated firms and their leadership conduct themselves in a prudent and consumer/ investor centric way.

Supervisory Priorities

1. Proactive and consumer-centric leadership of firms.
2. Firms are resilient.
3. Firms address operating framework deficiencies.
4. Firms manage change effectively.
5. Climate change and Net Zero transition are addressed.
6. The Central Bank enhances how it regulates and supervises.

Author: Nadine Graham

Regulatory & Supervisory Outlook Report

MiFID Investment Firms

The Central Bank's key areas of supervisory focus for the sector over the 2025/26 supervisory cycle include:

- Continuing the Supervisory Review and Evaluation Process (SREP) assessments, including reviewing firms' oversight of cross border service provision and complaints management;
- Assessing the effectiveness of safeguarding of client assets against the enhanced Client Asset Requirements (CAR);
- Sectoral supervision including completing ESMA's Common Supervisory Action (CSA) on sustainability requirements and preparing for the 2026 CSA on the chosen investor protection topic, and completing thematic inspections on commission payment disclosures, SFDR disclosures and fitness & probity requirements; and
- Supporting the implementation of the EU Commission's Retail Investment Strategy, the EU Artificial Intelligence Act and the EU Accessibility Act etc.

Retail Intermediaries

The Central Bank's key areas of supervisory focus for the sector over the 2025/26 supervisory cycle include:

- Supporting the implementation and development of new and revised regulatory requirements relevant to the sector, including the EU Commission's Retail Investment Strategy and the revised Consumer Protection Code;
- Sectoral supervision including focusing on the reviews of larger Retail Intermediaries owned by insurance firms, concluding the thematic inspection of fair versus limited analysis of the market and completing thematic inspections on commission payment disclosures and customer service; and
- Continued engagement at industry level on authorisations, supervisory priorities and expectations.

In addition to the Spotlight 1 chapter referred to above, the RSO report also includes two other Spotlight chapters covering "AI: Balancing Opportunities and Risks" and "Geopolitical Risks: A Framework for Navigating Heightened Uncertainty", as well as introducing the Central Bank's new approach to supervision.

The Central Bank's safeguarding objectives are to protect consumers and investors, the integrity of the financial system, the safety and soundness of firms and financial stability.

Key Sector risks for MiFID Investment Firms include:

1. Conflicts of Interest and inadequate disclosures
2. Operational risks and resilience
3. Culture, governance and risk management
4. Strategic risks and adapting to structural change
5. Financial risks and resilience

Key Sector risks for Retail Intermediaries include:

1. Customer needs not being adequately met
2. Commissions and ineffective disclosure
3. Operational landscape

Author: Darina De Róiste, Fitness & Probity Unit

Fitness and Probity Assessments Update

Fitness & Probity Review – Update on Recommendations

Over the past year, we enhanced our gatekeeping process for senior appointments to regulated firms, embedding the recommendations set out in the Fitness & Probity Review, conducted by Andrea Enria, former Chair of the European Central Bank Supervisory Board, in 2024 (Fitness and Probity Review). On 10 April 2025, we published an implementation report outlining the significant actions taken to date in response.

We are already seeing meaningful progress, not just in terms of timelines (which were the subject of the annual Authorisations and Gatekeeping Report for 2024, published 13 May 2025), but also in advancing improvements to the process in terms of refined interviews and transparency. Recognising the need for focused effort, we established a dedicated unit to drive improvements forward, ensuring a more cohesive assessment framework. To further assist firms, we are proposing a consolidation and enhancement of Fitness and Probity Guidance (the subject of the consultation) and have published a process manual, explaining the application process.

NEW Fitness and Probity Gatekeeper Process Manual

This document clarifies each stage of the fitness and probity process, including the engagement that regulated firms and proposed appointees can expect from the Central Bank, in terms of notification of interviews, interview length, time to process applications and feedback available.

Consultation on revisions to the Central Bank's Fitness and Probity Regime (CP160)

The Central Bank has recently launched a consultation on revisions to its Fitness and Probity Regime. This consultation follows recommendations made by Mr Andrea Enria in the Fitness and Probity Review in 2024.

Fitness & Probity

Full details of the Fitness and Probity Review – Report on Implementation of Recommendations can be found here.

Central Bank Insights

Author: Darina De Róiste, Fitness & Probity Unit

Fitness and Probity Assessments Update

This Consultation Paper (CP160) addresses the recommendations for increased clarity and transparency of supervisory expectations in relation to the application of the Central Bank's Fitness and Probity Standards and includes a review of the list of prescribed pre-approval controlled functions (PCFs).

The Central Bank welcomes the views of stakeholders on the proposals set out in CP160. Submissions to the consultation can be made via CP160@centralbank.ie until 10 July 2025.

Industry Engagement in 2025

The Central Bank is committed to ongoing enhancements and welcomes industry input into these developments. To this end, the Central Bank is engaging in further industry dialogue on the F&P gatekeeping process, including an event at the Central Bank on Friday 30 May 2025.

The event will provide industry with an opportunity to hear from and engage with, the Central Bank, regarding the recent enhancements to the F&P regime, focusing in particular on the revised PCF assessment process.

In addition, and with the aim of continued improvement to the PCF assessment process, the Central Bank has been seeking feedback from individuals and firms who have recently gone through the PCF assessment process. Further engagement and communications will continue during the coming months.

Contact Details for PCF Applications

For any queries in relation to PCF applications, please see below contact details for the dedicated Fitness and Probity Unit, at the Central Bank.

Fitness and Probity Unit
Central Bank of Ireland
PO Box 559
Dublin 1
Tel: +353 1 224 5333
Email: FitnessAndProbity@centralbank.ie

CP160

The CP160 Consultation Paper on Amendments to the Fitness and Probity Guidance on Fitness and Probity Standards, can be found here.

Author: Carol Murphy

Financial Services and Pensions Ombudsman (FSPO) Publication on Complaints Handling

The recent publication of the FSPO 2024 Overview of Complaints, serves as a timely reminder of firms' obligations with regard to complaints handling. Complaints referred to the FSPO remain at a historically high level, with 6,185 complaints received in 2024.

As set out in the 2025 Regulatory & Supervisory Outlook (RSO) report, "*the Central Bank expects firms to identify and address customer complaints speedily, efficiently and fairly, in particular those that may indicate a broader or more systemic issue*".

Firms should consider the FSPO report and the RSO report to identify where there might be weaknesses in their complaints handling process or any areas for improvement, in the context of their obligations under the Consumer Protection Code, 2012 (2012 Code).

Under the 2012 Code, firms must seek to resolve any complaints with consumers and, where a consumer makes a complaint orally, they should be offered the opportunity to have their complaint handled in line with the firm's complaints process.

Under Chapter 10 of the 2012, Code firms are required, *inter alia*, to:

- Have a written procedure for the proper handling of complaints (including, but not limited to, acknowledging a complaint within five business days, providing a point of contact, providing regular updates at intervals not greater than 20 business days, investigating and resolving a complaint within 40 business days or providing anticipated timeline for resolution/FSPO contact details, and details on what should be provided to a consumer within five days of the investigation being completed);
- Maintain an up-to-date log of all complaints subject to the complaints procedure (including, but not limited to, complaint details, date of receipt, summary of responses and date of resolution);
- Maintain up-to-date and comprehensive records for each complaint; and
- Undertake an appropriate analysis of the patterns of complaints from consumers on a regular basis, including investigating whether complaints indicate an isolated issue or a more widespread issue. This analysis must be escalated to firms' compliance/risk function and senior management.

Complaints Handling for MiFID Firms & Crowdfunding Service Providers (CSPs)

The Consumer Protection Code does not directly apply to firms when providing MiFID or Crowdfunding services.

However, under Article 26 of Commission Delegated Regulation 2017/565 (for MiFID Firms) and 2022/2117 (for CSPs), MiFID Firms and CSPs are obliged to establish, implement and maintain effective and transparent complaints management policies and procedures for the prompt handling of clients' or potential clients' complaints. These firms must provide information on complaints and complaints handling to the Central Bank and to an alternative dispute resolution entity, e.g. the FSPO.

Multi-Factor Authentication for Central Bank Portal

The Central Bank Portal uses multi-factor authentication to verify the identity of all Portal users. This helps us safeguard the data we exchange and present via the Portal. Multi-factor authentication is predicated on "something the user knows", such as a password and "something the user has", for example, a tablet or mobile phone.

Portal users will be required to present at least two pieces of evidence (or "factors") to successfully access the Portal – your login details (a unique person code and a password) and a second factor method.

As the Microsoft Authenticator has been replaced by the Cisco Duo Authenticator, you must download the 'Duo Mobile' app on your phone.

The 'Duo Mobile' app is free and you will not have to pay a subscription to use the app.

If you have not already enrolled for Duo please email onlinereturns@centralbank.ie. You will need a PC and Mobile Phone to enrol. The Duo mobile app is the most secure and convenient way of authenticating.

Cisco Duo does not provide official support for non-standard custom Android operating systems like OnePlus, LineageOS, or ColorOS, nor is Duo Mobile supported for use on ChromeOS.

The current version of 'Duo Mobile' supports Android 11 and later and IOS16 and later.

If you enrolled already and have lost access to the device that you had set up your second factor method on and you do not have an alternative second factor method set up you can contact onlinereturns@centralbank.ie.

Please include 'Duo MFA' in the subject line of any emails you are sending to onlinereturns@centralbank.ie.

Please see our website guidance for further information on how to download and use the Duo mobile app. The 'Duo Mobile' app is available to download from your relevant app store.

Author: Bruna Batista

ICCL Levy Funding Year 2025-2026

Firms can avail of discounts of up to 10%, capped at €50, if they pay by direct debit and receive e-invoices.

Direct Debit

A discount of 5% (capped at €25) is available to all participant firms on their ICCL annual levy if they pay by Direct Debit.

- Single signatory mandate firms can sign-up to direct debit via the ICCL website.
- If you have a dual signatory mandate or prefer a paper mandate, please request one by emailing us at info@investorcompensation.ie quoting your authorisation reference number.

E-invoice Discount

A discount of 5% (capped at €25) is also available to all participant firms that provide an email address on the Central Bank's online Portal using contact reason types "Regulatory Reporting" and/or "Billing E-mail".

For a step-by-step guide to register and sign up for Direct Debit and/or update your email contact details, please consult the link here.

You must sign-up before 31 July 2025 to avail of the discount for your 1 August 2025 to 31 July 2026 levy.

ICCL FUNDING ARRANGEMENTS EXTENDED TO JULY 2026

The current ICCL funding arrangements were due to expire on 31 July 2025. Ordinarily, the ICCL undertakes a triennial review of funding targets and levy rates before initiating a funding consultation process during the penultimate year of the funding arrangements.

What does the extension mean for Participant Firms?

The levy rates set out in the funding arrangements 2022 – 2025 will remain unchanged for the period 1 August 2025 to 31 July 2026.

Contact Us

Retail Intermediary Queries	Division	Contact
Authorisation Queries	Capital Markets & Funds: Investment Firms and Retail Intermediaries Supervision Division	riauthorisations@centralbank.ie
Supervision Queries		brokers@centralbank.ie
Revocation Queries		revoke@centralbank.ie
Acquiring Transaction Queries		acquiringtransactions@centralbank.ie
MiFID Queries	**Division**	**Contact**
Authorisation Queries	Capital Markets & Funds: Investment Firms and Retail Intermediaries Supervision Division	investmentfirmauthorisations@centralbank.ie
Supervision Queries		investmentfirmsupervision@centralbank.ie
Client Asset Queries		cast@centralbank.ie
Conduct Queries		mifidconductofbusiness@centralbank.ie
Crowdfunding Queries	**Division**	**Contact**
Authorisation Queries	Capital Markets & Funds: Investment Firms and Retail Intermediaries Supervision Division	crowdfundingauthorisations@centralbank.ie
Supervision Queries		crowdfundingsupervision@centralbank.ie
Fitness and Probity: Individual Questionnaire Queries	Supervisory Risk Analytics and Data Division	fitnessandprobity@centralbank.ie
Funding Levy Queries	Financial Control Division	billing@centralbank.ie
Online Reporting Queries	Regulatory & Business Services Division	onlinereturns@centralbank.ie
Portal Queries	Strategic Change and Software Engineering Division	portalsupport@centralbank.ie
ICCL Levy Queries	Investor Compensation Company Limited	info@investorcompensation.ie