



## Terms of Reference

### Introduction

Being an open and engaged organisation is a key driver of the Central Bank of Ireland's (the Central Bank) strategy. The Financial Industry Forum (the Forum) facilitates formal, constructive and open two-way discussion and debate between the Central Bank and senior financial industry representatives. It focuses on cross-sectoral issues of strategic importance for financial services in Ireland, the financial sector and the Central Bank. To enable deeper, more granular discussions, the Forum has established three subgroups as follows:

1. **Domestic-focused Subgroup**
2. **International-focused Subgroup**
3. **Innovation Subgroup**

The following outlines the terms of reference for the **Innovation Subgroup**.

### Purpose

The purpose of the Innovation Subgroup is to facilitate strategic dialogue between the Central Bank and the financial sector on the ongoing enhancement of innovation in the financial system. In considering how the financial system becomes more innovative, the Innovation Subgroup will consider the roles for all financial system participants, while having regard to addressing emerging risks and realising potential benefits.

### Scope

The **Innovation Subgroup** will focus on significant, cross-sectoral and innovative issues relevant to the mandate of the Central Bank and to the financial system such as:

- How participants in the system can contribute to enhanced innovation in the financial system through considering opportunities, risks, gaps, potential enhancements, unintended barriers, and level playing field issues
- The implementation of relevant domestic and EU policy and legislation and their potential impacts
- Cross-sectoral emerging issues in relation to authorisations and supervision of innovative type firms
- Emerging and future innovations – in a rapidly changing landscape and the evolving risk landscape.

Matters relating to individual sectors or firm-level issues will generally not be within scope of the Subgroup unless there are cross-sectoral implications and/or significant risks of consumer harm.

The Subgroup will adopt a partnership approach with regular contributions from both the Central Bank and industry members. This may include the completion of tasks by the industry members in order to reach the group's objectives. Members may propose agenda items or suggest guests to attend the meeting subject to the approval of the Chair.

Discussions at the **Innovation Subgroup** will contribute to the overall work of the Forum and the annual schedule of meetings will facilitate this. Matters requiring more strategic input can be referred to the Forum meeting.



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Where an issue is also relevant to another stakeholder group(s)<sup>1</sup> of the Central Bank, relevant comments and feedback from the Forum will be shared across all relevant stakeholder groups.

### Membership

- Forum member organisations (member organisations) will be invited to consider if the **Innovation Subgroup** is relevant to their work and, if so, to nominate up to two appropriate representatives to take part.
- Nominees should have appropriate seniority and expertise to participate in the Subgroup and in all discussions. One nominee should be a member of senior management from the representative body and the second should be a member of senior management or committee member from a member firm.
- Nominees should be in a position to commit to membership of the Subgroup for the duration of 2023
- Meetings will also be attended by nominated Central Bank representatives and appropriate Central Bank subject matter experts as required.

### Chair

The Director of Financial Regulation – Policy and Risk, Central Bank of Ireland will chair the **Innovation Subgroup**. The Chair will be responsible for appointing an alternate chair, approving the agenda, the final decision on the agenda, inviting other stakeholders and facilitating discussions.

### Secretariat

The Central Bank will provide secretariat support to the **Innovation Subgroup** and will be responsible for organising meetings, drafting agendas, meeting summaries and supporting documents, in consultation with members; and disseminating documentation in advance of meetings, as required.

### Meetings

Subgroups will meet twice per annum. Chatham House rules will apply.

### Outputs

The Secretariat will circulate drafts of anonymised meeting summaries following each meeting for comment by members. All intelligence gained through discussions will be shared with relevant internal stakeholders and updates on key issues will be shared with members.

### Transparency

Where possible, outputs from the Forum will be disseminated publicly. Membership details, Terms of Reference and meeting summaries of the **Innovation Subgroup** will be published on [www.centralbank.ie](http://www.centralbank.ie).

### Performance and Effectiveness

The Chair will initiate an annual assessment of effectiveness of the Forum. This will include the work of the **Innovation Subgroup**, including a review of its membership. The first assessment will be conducted after 18 months of operation and the assessment will be published on the Central Bank's website.

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<sup>1</sup> For example, the Climate Risk and Sustainable Finance Forum or the Retail Payments Forum.