

Central Bank of Ireland Consults on Changes to Fitness and Probity Regime

What You Need to Know

The Central Bank of Ireland ("CBI") has released a consultation paper ("CP160")¹ proposing amendments to the Fitness and Probity ("F&P") regime. Following recommendations from the "Enria Report"², this initiative aims to enhance clarity and transparency in supervisory expectations and includes a review of pre-approval-controlled functions ("PCFs").

Evolution of the F&P Regime

Introduced in 2011, the F&P regime aims to ensure that individuals in key roles within regulated firms are competent, ethical, and financially sound. The F&P regime has evolved over time in line with the increased complexity of the Irish financial services industry.

In response to a 2024 decision by the Irish Financial Services Appeals Tribunal, the CBI commissioned an external review of the F&P regime. This review resulted in the Enria Report, containing 12 recommendations aimed at improving the transparency, efficiency, and effectiveness of the regime, all of which were accepted by the CBI.

CP160 addresses the recommendations from the Enria Report.

Consolidated F&P Guidance

In addition to the standards of F&P (the "F&P Standards"), the CBI has issued supplementary guidance in the form of its Guidance on the F&P Standards, as well as FAQs and various Dear CEO letters.

The new Guidance on the F&P Standards (the "Guidance"), issued in draft form as part of CP160, consolidates all the CBI's existing guidance into a single document.

New Elements

Additionally, the CBI is introducing some new elements into the draft Guidance, specifically in relation to the PCF assessment process performed by the CBI, covering the following:

- **Objective measures:** High-level expectations for PCFs, including responsibilities, time commitments, experience and qualifications;
- **Conflicts of interest:** Clear provisions for identifying, managing, and mitigating conflicts of interest;
- **Collective suitability and diversity:** Emphasis on the collective knowledge and diversity of boards and management teams; and
- **Relevance of past events:** A 10-year look-back period for assessing past

¹ https://www.centralbank.ie/docs/default-source/publications/consultation-papers/cp160/cp160-consultation-paper-on-amendments-to-the-fitness-and-probity-regime.pdf?sfvrsn=efaa6a1a_5

² https://www.centralbank.ie/docs/default-source/regulation/how-we-regulate/fitness-probity/communications-publications/fitness-and-probity-review-by-andrea-enria.pdf?sfvrsn=ab7c611a_9

events, with exceptions for custodial sentences.

The aim of this is to give industry a clearer understanding of the CBI PCF assessment process.

Changes to the List of PCFs

The CBI proposes an initial restructuring of the PCF list to make it more manageable and clearer for firms. This involves merging and renaming certain roles, reducing the number of PCFs from 59 to 45. A more substantive review of PCF roles will follow, coordinated with the planned three-year review of the Senior Executive Accountability Regime in 2027.

Of note for investment firms, the PCF-30 function (chief investment officer of an investment firm) will fall away/merge to become PCF-19 (chief investment officer – not sector specific). Consequently, any PCF-30s will need to undergo the CBI *in situ* process to convert across to PCF-19, at the point the new PCF list becomes operative.

Timing for Feedback

Feedback on CP160 is invited from industry before 10 July 2025.

How We Can Help

Our dedicated Irish Financial Services Regulatory ("FSR") Group regularly advises clients on compliance with regulatory requirements, including the F&P regime. We provide comprehensive support to ensure that our clients meet the necessary standards and obligations set out by the CBI.

Further information on our Irish FSR Group and the services we provide is available on our website³ and in our FSR⁴ and FinTech⁵ brochures. If you would like further information,

please liaise with your usual Maples Group contact or the persons listed below.

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³ <https://maples.com/en/services/specialty-services/irish-financial-services-regulatory>

⁴ <https://maples.com/wp-content/uploads/2025/02/Financial-Services-Regulatory-Core-Services.pdf>

⁵ <https://maples.com/wp-content/uploads/2023/10/FinTech-June-2021.pdf>