



Central Bank Consultation Paper 154

A brief overview of the Consolidated Guidelines in respect of the Central Bank of Ireland Administrative Sanctions Procedure

The Central Bank of Ireland (the “CBI”) has issued Consultation Paper 154 (the “**Consultation**”) in which it is seeking feedback on draft composite guidelines which serve to consolidate the current Administrative Sanctions Procedure (the “**Procedure**”) following the Central Bank (Individual Accountability Framework) Act 2023 (the “**Act**”) being signed into law on 9 March 2023.

Purpose of the Consultation Paper

The Consultation Paper sets out how the CBI proposes to implement the new Individual Accountability Framework (the “**IAF**”) following the Act coming into force.

Its key objectives include better outcomes for consumers and users of financial services and the ongoing stability and integrity of the financial system. This is to be achieved through the improvement of governance, performance, and accountability in financial services by establishing a transparent and enhanced framework of who is responsible for decisions made.

The IAF

Enforcement plays a vital role in enabling effective financial regulation in support of public interest and as such the IAF will be subject by the CBIs powers of enforcement.

These will be deployed in line with the principles of high-quality risk-based enforcement reflecting commitment to proportionality, fairness, considered case selection and a focus on overall outcomes.

Central Bank Act

The CBI published the Central Bank Reform Act 2010 (Procedures Governing the Conduct of Investigations) Regulations 2023 on its website along with its updated “Fitness and Probity: Guidance on Investigations, Suspensions and Prohibitions” which reflect amendments to the

fitness and probity regime in connection with the Act.

Administrative Sanctions Procedure (the ASP)

The Act introduces important changes to enhance the CBIs Administrative Sanctions Procedure (the “**ASP**”). These changes come under part IIIC of the Central Bank Act 1942 (the “**1942 Act**”). These changes apply subject to the transitional arrangements to the enforcement of any obligations under the ASP. The strengthened ASP is designed to underpin and support the introduction of the IAF. General procedural amendments to the ASP have been made to incorporate additional safeguards to further protect the existing processes and in recognition of the expanded scope of the ASP under the Act.

Next steps

The CBI has reviewed the ASP with a goal of updating its associated processes and procedures to reflect these changes. This Consultation provides an important opportunity for the CBI to seek feedback from the relevant stakeholders on key issues. It is the policy of the CBI to publish all responses to its consultations on its website.

How can Clerkin Lynch help?

Clerkin Lynch has a strong history of advising clients in both banking and financial litigation as well as administrative sanctions procedures. Please contact us for any queries on how the IAF or ASP may affect your business to find out more about our team and services on assistance in making a submission to the Consultation.



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