



Legal Update

Central Bank IAF Training Obligation Live !

On December 29th 2023, the requirements under the new Individual Accountability Framework (“IAF”) of the Central Bank of Ireland (the “Central Bank”) for firms to provide notification, training and to develop policies for individuals subject to Conduct Standards under the IAF become effective. Regulated firms which are in-scope must address this in a “timely manner” so those yet to take steps on foot of these requirements would be advised to address related obligations as soon as possible to ensure compliance.

Background

New legislation in the form of the Central Bank (Individual Accountability Framework) Act 2023 (the “Act”) was signed into Irish law in March 2023. Consultation Paper 153 entitled *“Enhanced governance, performance and accountability in financial services- Regulation and Guidance under the Central Bank (Individual Accountability Framework) Act 2023”* was issued to clarify the manner in which the Central Bank would implement the proposed new framework and formal guidance on this issued in November 2023 (the “Guidance”).

Obligations: notification, training and integration

The Guidance notes that firms should maintain up to date records regarding notification of the Conduct Standards to relevant individuals and these must be available upon request by the Central Bank. Individuals in CF roles must receive training on the Common Conduct Standards and those in PCF/CF1 roles on the Additional Conduct Standards, with related records also being

maintained. Such training needs to be adequately embedded in the firm’s day to day activities and performance review process, as well as being subject to review and oversight by senior management. Suitable policies are required to be developed to ensure the Common Conduct Standards are integrated into a firm’s culture and continually reviewed and updated as appropriate.

Further Aspects

The SEAR Regulations relating to responsibilities for specific roles and requirements of firms will apply to in-scope firms from 1st July 2024 and to independent non-exec directors from 1st July 2025.

How Clerkin Lynch can Help

The asset management team at Clerkin Lynch LLP provides timely regulatory updates and aids firms to ensure compliance with Irish and EU law. Our team can assist with regard to firms’ obligations under the IAF in particular through the provision of notification and training programs to ensure compliance with related obligations. We can also prepare relevant policies and procedures for firms.



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