

Central Bank of Ireland Notice of Intention re PCF Roles

September 2021

On 22 September 2021, the Central Bank of Ireland (“**Central Bank**”) published a [notice of intention](#) in relation to amendments to the list of pre-approval controlled functions (“**PCFs**”).

The proposed amendments to the list of PCFs are set out in the table below, together with the in-situ process for the relevant role. Individuals in-situ in existing PCFs on the date the amended regulations introducing these changes come into effect will not be required to seek the approval of the Central Bank to continue to perform one (or more, in the case of current PCF-15 holders) of the amended PCFs.

PCF Function	Proposed Amendment	In-situ Process
PCF-16 Branch Managers	<p>PCF-16 will be expanded to include branch managers in non-EEA countries.</p> <p>The Central Bank has been monitoring the appropriateness of its list of PCFs in the context of the changing structure of, and landscape surrounding, Irish financial services, including in the lead up to and post-Brexit. Given the number and size of branches of RFSPs outside the EEA, the Central Bank considers it necessary to amend PCF-16 so that it includes managers of branches of Irish RFSPs in non-EEA countries.</p> <p>While this amendment would mean that it would not be permissible for a branch manager of a non-EEA branch to be appointed without the Central Bank’s approval, the Central Bank is of the view that there would be no other impact on the role of the Central Bank with regard to the supervision of such branches.</p>	<p>Where an individual holds an existing PCF-16 designation, no action will be required.</p> <p>RFSPs captured by the expansion of PCF-16 (ie, branches outside of the EEA) will be required to review their fitness and probity assessment in respect of individuals in-situ and submit confirmation of such an assessment to the Central Bank. The amendment would extend the pre-approval requirement to all branch managers of RFSPs outside Ireland, not just those in EEA countries.</p>

**PCF-2
Non-
Executive
Directors**

The Central Bank proposes to split PCF-2 to reflect the distinction between non-executive directors (new PCF-2A) and independent non-executive directors (new PCF-2B).

This amendment is proposed with a view to providing greater clarity and is based on the Central Bank's view that independent non-executive directors are an integral component to the board of an RFSP and a fundamental safeguard within the RFSP's governance framework.

All PCFs will be re-designated as PCF-2A. RFSPs must notify the Central Bank which individuals must be designated as PCF-2B and must confirm that they have undertaken the relevant due diligence to assess independence.

**PCF-15
Head of
Compliance
with
responsibility
for Anti-
Money
Laundering
and Counter
Terrorist
Financing
Legislation**

The Central Bank proposes to replace PCF-15 with a dedicated role for Anti-Money Laundering and Countering Terrorist Financing by removing PCF-15 (Head of Compliance with responsibility for Anti-Money Laundering and Counter Terrorist Financing Legislation) and introducing PCF-52 – Head of Anti-Money Laundering and Terrorist Financing.

This is based on the increasing importance of the role of individuals with responsibility for Anti-Money Laundering and Terrorist Financing and the number of individuals appointed to carry out this role in its own right (as opposed to within the remit of the Head of Compliance role).

No action will be required with respect to individuals performing PCF-12 (Head of Compliance).

All individuals performing PCF-15 will have this designation end-dated. RFSPs must notify the Central Bank of the appropriate PCF designation(s) of the individual, that is, either or both PCF-12 and PCF-52.

Where an RFSP designates a person performing PCF-15 as PCF-52, the RFSP must notify the Central Bank. In all other cases, an RFSP should review its functions and determine whether any would meet the Head of Anti-Money Laundering and Counter Terrorist Financing role. Where it is determined by the RFSP that this role does exist, the RFSP will be required to review their assessment in respect of individuals in-situ and submit confirmation of such an assessment to the Central Bank.

**PCF-31 Head
of Investment**

The Central Bank proposes to remove PCF-31 as it notes an element of duplication between PCF-30 (Chief Investment Officer) and PCF-31 (Head of Investment).

No action required – all individuals who are PCF-31 will automatically be re-designated as a PCF-30.

The proposed amendments to the list of PCFs will be applicable to all Irish regulated financial service providers (“**RFSPs**”) other than credit unions, save for the removal of PCF-31 Head of Investment, which will only be relevant for investment firms. The in-situ process will commence after the amended regulations come into effect and a period of six weeks will be provided to submit the in-situ confirmation. The full application process will apply to any new appointment to the amended PCFs after the amended regulations come into effect.

The Central Bank invites comments on its proposal by 20 October 2021.

Please get in touch with your usual Asset Management and Investment Funds Department contact or any of the contacts listed in this publication should you require further information in relation to the material referred to in this briefing note.

Full details of the Asset Management and Investment Funds Department, together with further updates, articles and briefing notes written by members of the Asset Management and Investment Funds team, can be accessed at www.matheson.com.

**Tara Doyle**

Partner

T +353 1 232 2221**E** tara.doyle@matheson.com**Michael Jackson**

Managing Partner

T +353 1 232 2000**E** michael.jackson@matheson.com**Dualta Counihan**

Partner

T +353 1 232 2451**E** dualta.counihan@matheson.com**Shay Lydon**

Partner

T +353 1 232 2735**E** shay.lydon@matheson.com**Philip Lovegrove**

Partner

T +353 1 232 2538**E** philip.lovegrove@matheson.com**Liam Collins**

Partner

T +353 1 232 2195**E** liam.collins@matheson.com**Elizabeth Grace**

Partner

T +353 1 232 2104**E** elizabeth.grace@matheson.com**Oisín McClenaghan**

Partner

T +353 1 232 2227**E** oisín.mcclenaghan@matheson.com**Michelle Ridge**

Partner

T +353 1 232 2758**E** michelle.ridge@matheson.com**Barry O'Connor**

Partner

T +353 1 232 2488**E** barry.oconnor@matheson.com**Donal O'Byrne**

Partner

T +353 1 232 2057**E** donal.o'byrne@matheson.com**Catriona Cole**

Partner

T +353 1 232 2458**E** catriona.cole@matheson.com**Bronagh Maher**

Professional Support Lawyer

T +353 1 232 3757**E** bronagh.maher@matheson.com

The material is provided for general information purposes only and does not purport to cover every aspect of the themes and subject matter discussed, nor is it intended to provide, and does not constitute, legal or any other advice on any particular matter. The information in this document is provided subject to the Legal Terms and Liability Disclaimer contained on the Matheson website.