

FINANCIAL REGULATION  
& INVESTIGATIONS

## Individual Accountability Framework: Final Central Bank Guidance -

*What does this mean for your  
IAF implementation project?*

24 MIN READ



## Background

The Central Bank of Ireland (**Central Bank**) recently published its final **Guidance on the Individual Accountability Framework (IAF)**, three sets of **draft Regulations** and its **feedback statement** on the Consultation on the draft Guidance.

The ALG IAF team have been following these developments, with Guides to the **IAF and SEAR** and to the **Central Bank's Consultation on the IAF** earlier this year. Our **IAF hub** contains more materials and thought leadership for firms impacted by these reforms, including a **summary of the key changes in the Final Guidance**.

The A&L Goodbody IAF team has assessed the Final Guidance in light of our practical experience of designing, advising on and progressing implementation plans for both SEAR and the IAF more generally (Conduct Standards, Fitness and Probity changes and impacts on HR/employment processes). We summarise below what these changes mean for your implementation project, your firm and your senior management.





Theme	Update in previous ALG Publication dated 16 November 2023	Practical impact on implementation project
<p><b>Deferral of SEAR for NEDs and INEDs</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>■ <b>SEAR Compliance (Board)</b></li> <li>■ <b>'Reasonable Steps' Supports</b></li> <li>■ <b>Conduct Standards (Training)</b></li> </ul>	<ul style="list-style-type: none"> <li>■ The application of SEAR to non-executive directors (NEDs) and independent non-executive directors (INEDs) of in-scope firms will now be deferred by one year until 1 July 2025.</li> <li>■ The deferral applies to all NED/INEDs, including the Chair of the Board and Chairs of audit, risk, remuneration and/or nomination committees for in-scope firms. SEAR will still apply to all other PCF roles from 1 July 2024.</li> <li>■ The Common Conduct Standards and Additional Conduct Standards will still apply to NEDs and INEDs (as with all other PCFs) from 29 December 2023.</li> </ul>	<ul style="list-style-type: none"> <li>■ It is positive that NEDs and INEDs will not be subject to SEAR (e.g. allocation of prescribed responsibilities and preparation of Statements of Responsibilities) until 1 July 2025.</li> <li>■ However, the Common and Additional Conduct Standards will still apply to NEDs and INEDs from 29 December 2023.</li> <li>■ This includes, as examples: (i) the requirements and guidance regarding collective decision making under the Common Conduct Standards; and (ii) the 'reasonable steps' obligations under the Additional Conduct Standards (e.g. to ensure the business is controlled effectively and that prompt and proactive disclosure is made to the Central Bank).</li> <li>■ INEDs and NEDs therefore need to be retained in your Conduct Standards compliance and training plans to be completed by 29 December 2023. INEDs and NEDs should continue to be included in training sessions and education seminars in respect of the Common and Additional Conduct Standards.</li> <li>■ In-scope firms will be required to include NEDs and INEDs in their Management Responsibility Maps by 1 July 2024, as with all other relevant PCFs and CF1s.</li> </ul>
<p><b>Application of SEAR to outgoing branches</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>■ <b>SEAR Compliance (Executives)</b></li> <li>■ <b>'Reasonable Steps' Supports</b></li> </ul>	<ul style="list-style-type: none"> <li>■ For Managers of outgoing branches of in-scope firms, the Central Bank is now considering whether a 'materiality threshold' should be introduced. SEAR would only apply to those when the branch exceeds a defined threshold.</li> <li>■ This would require an amendment to Regulations already issued under section 22 of the Central Bank Reform Act 2010. Further guidance on the practical operation of the threshold is expected in the coming weeks.</li> </ul>	<ul style="list-style-type: none"> <li>■ Firms in-scope for SEAR with outgoing branches should take note of this update and should await further guidance from the Central Bank on the 'materiality threshold' in order to assess the applicability of SEAR their business.</li> <li>■ The Central Bank has used quantitative criteria in defining 'material business lines' for the purpose of new 'Head of Material Business Line' PCF roles. In scope firms with outgoing branches should assess their outgoing branches by reference to these criteria to be ready to determine whether they exceed any 'materiality thresholds' issued by the Central Bank.</li> <li>■ In practice, where a branch is either side of the threshold but may cross the threshold in any given year, a consistent and prudent approach to determining whether the branch is 'material' can lead to better outcomes within the Firm.</li> </ul>

Theme	Update in previous ALG Publication dated 16 November 2023	Practical impact on implementation project
<p><b>Prescribed Responsibilities and Inherent Responsibilities</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>■ <b>SEAR Compliance (General)</b></li> <li>■ <b>'Reasonable Steps' Supports</b></li> </ul>	<ul style="list-style-type: none"> <li>■ The list of Prescribed Responsibilities has been amended.</li> <li>■ Certain Prescribed Responsibilities have been removed while others have been merged or moved from the General list of Prescribed Responsibilities to the Sector or Circumstance Specific list of Prescribed Responsibilities: <ul style="list-style-type: none"> <li>» PR8 (responsibility to consider the impact of, and any necessary changes to, key business initiatives and strategic decisions) and PR26 (responsibility for oversight of the implementation of conduct requirements) have been removed</li> <li>» PR29 (responsibility for overseeing the adoption of a firm's diversity and inclusion policy) has been merged with PR4 and PR5</li> <li>» PR19 (responsibility for managing a firm's treasury management functions) and PR23 (responsibility for a firm's compliance with client asset requirements) have been moved from the General list of Prescribed Responsibilities to the Circumstance Specific list</li> </ul> </li> <li>■ Other Prescribed and Inherent Responsibilities have been edited to reflect feedback received, including to address a concern that some responsibilities had a potential to blur the 'three lines of defence' model.</li> <li>■ The Central Bank reaffirms in the Guidance that a Prescribed Responsibility should be allocated to the most senior individual with the appropriate authority. However, the Central Bank acknowledges that the tasks required to discharge the Prescribed Responsibility (but not the responsibility for doing so) may be delegated and that such delegation should be appropriately arranged, managed and monitored. The Guidance sets out further considerations in relation to delegation.</li> </ul>	<ul style="list-style-type: none"> <li>■ ALG has compared the changes and prepared the 'mark-up' summary at the Annex to this document to enable your project to map your current plans for the allocation of Prescribed Responsibilities to the newly amended text.</li> <li>■ Firms should carefully assess these changes and update Statements of Responsibility and Management Responsibility Map to reflect the final wording.</li> <li>■ Firms who have already engaged in the allocation of responsibilities and 'socialisation' of these allocations with senior executives should carefully consider the changes in wording and how this might impact any provisional allocation already made.</li> <li>■ Firms should also assess these changes not only by reference to the final text but also the shape and size of your business, governance, reporting lines and, importantly, any interviews or other engagement you have already had with in-scope senior executives.</li> <li>■ For example, some of the changes may actually address some concerns expressed during those sessions and/or practical issues arising from those sessions may inform how the revised Prescribed Responsibilities should be allocated in your particular business.</li> </ul>

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<p><b>Sharing of roles and responsibilities</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>■ <b>SEAR Compliance (General and Executives)</b></li> </ul>	<ul style="list-style-type: none"> <li>■ The Central Bank has clarified that PCF roles may be shared in a wider set of circumstances than set out in the Draft Guidance (i.e. beyond formal ‘job-sharing’).</li> <li>■ <b>Job Sharing:</b> Where two individuals share a PCF role in a job-sharing arrangement, each individual is accountable for all the responsibilities inherent in and allocated to that PCF and, as such, responsibilities must be allocated jointly to all individuals holding that PCF role. The details of job sharing arrangements must be set out clearly in the Statement of Responsibilities and Management Responsibility Map.</li> <li>■ <b>PCF Role Sharing:</b> The Central Bank acknowledges that it may be common business practice, particularly in larger firms, that certain PCF roles may be performed by two individuals where the role has a distinct business line and there is no one individual who would be responsible for the whole respective area falling under the remit of a specific PCF role.</li> <li>■ However, this is still more limited than in other regimes such as the UK Senior Managers &amp; Certification Regime. The Central Bank states that only the following PCF roles potentially could be shared based on the business line: <ul style="list-style-type: none"> <li>» PCF18 (Head of Underwriting), taking into consideration retail and corporate business lines</li> <li>» PCF19 (Head of Investment), PCF29 (Head of Trading) and PCF 30 (Chief Investment Officer), taking into consideration different investment types, i.e. equity and bonds.</li> </ul> </li> <li>■ <b>Multiple PCF Designations:</b> Separately from ‘sharing’ one PCF role, the Central Bank also acknowledges that the nature of certain PCF designations allows for several individuals to hold the same PCF designation</li> <li>■ The Central Bank provides the following examples: PCF1, PCF2A and PCF2B (executive and non-executive directors), PCF16 and PCF28 (branch managers in and outside of Ireland), PCF41 (branch managers in Ireland of non-EEA firms), PCF50 and new PCF5’X’s (head of material business line for banks, insurance undertakings and investment firms respectively).</li> </ul>	<p><b>PCF Role Sharing:</b></p> <ul style="list-style-type: none"> <li>■ Firms should assess the existing allocation of PCF roles for Head of Underwriting, Head of Investment, Head of Trading and Chief Investment Officer to determine whether they wish to avail of the possibility of ‘sharing’ those PCF roles (e.g. some firms may already have had more than one PCF approved on the basis of an understanding of the focus of those individuals across the relevant business area).</li> <li>■ If Firms are planning on having ‘shared’ PCF roles for any of these roles, careful consideration is required as to how a distinction between the individuals’ roles will be documented in their Statements of Responsibilities.</li> <li>■ Furthermore, consider your Firm’s internal structures (role profiles, reporting lines, governance committee attendance, team structure, training, engagement routes with second and third line etc). Does your structural documentation, and importantly the way business is done day to day, match what you will be documenting in the Statements of Responsibility as to any distinction of individuals’ roles where they share a PCF role?</li> <li>■ Firms must recognise in this situation the Central Bank’s statement that where two individuals share a PCF role, all individuals are individually fully accountable for the Inherent and Prescribed Responsibilities allocated to that PCF role: those regulatory responsibilities cannot be ‘divided’ between these individuals.</li> </ul> <p><b>Multiple PCF Designations:</b></p> <ul style="list-style-type: none"> <li>■ In defining the roles and responsibilities of individuals occupying PCF roles which, by their nature, can be held by several individuals, firms must be very clear on the distinction and dividing lines between the roles, whether by way of jurisdiction, product line or otherwise.</li> <li>■ This is particularly important for Heads of a Material Business Lines (PCF-50 and proposed equivalents in insurance and investment firms) where there are no ‘Inherent Responsibilities’ and therefore, the Firm must define the role in Statements of Responsibility by reference to ‘Other Responsibilities’.</li> <li>■ Firms must reflect any changes in light of the Central Bank’s updated position in draft Management Responsibility Maps.</li> </ul>



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<p><b>Statement of Responsibilities</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>■ <b>SEAR Compliance (General)</b></li> </ul>	<ul style="list-style-type: none"> <li>■ The template for the Statement of Responsibilities provided by the Central Bank broadly remains the same. There is still a section for including ‘Other Responsibilities’ but there is also a new section to allow firms to include details of ‘Other Relevant Information’.</li> <li>■ The Guidance states that the following information should also be included in the Statement of Responsibility: (i) a description of how a PCF role is shared (where permitted); and (ii) relevant information in respect of any significant delegation.</li> <li>■ The Central Bank has clarified the scope of application of SEAR for temporary PCF appointments and temporary officers: <ul style="list-style-type: none"> <li>» Where an individual has been pre-approved as a PCF under section 23 of the Central Bank Reform Act 2010, SEAR and the Conduct Standards apply even where the appointment is (or is intended to be) temporary.</li> <li>» A ‘temporary officer’ appointed to a PCF role, pursuant to Regulation 11 of the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011 (i.e. in exceptional circumstances), is not subject to the full PCF application process and, accordingly, a Statement of Responsibility will not be required.</li> </ul> </li> </ul>	<p><b>Content of Statements of Responsibility:</b></p> <ul style="list-style-type: none"> <li>■ Much remains unchanged from the draft Guidance. However, in-scope firms will need to consider what constitutes a ‘significant delegation’ for the purposes of documenting delegation within their business in final Statements of Responsibility.</li> <li>■ Objective thresholds for when delegation should be documented in this way will ensure a consistent approach across the firm. Firms should also ensure that this additional information is reflected, as appropriate in their Management Responsibility Map.</li> <li>■ Firms continue to take bespoke approaches intended to reflect the shape and size of their own business and their own reporting lines, structures and governance arrangements. The Guidance does not discuss in any more detail on what might be included in the free text item now labelled ‘Free text optional area for detailing other relevant information’.</li> <li>■ If you have not already adopted an approach to this, consider the extent to which additional details of an individual’s role profile should be reflected here. This can help clarify: (i) an individual’s overall responsibilities; and (ii) the areas in practice for which they are responsible. This will assist in setting the scope of ‘reasonable steps’ they will be required to take under the SEAR Duty of Responsibility.</li> <li>■ Firms should be prepared for the amended scope of the Statement of Responsibility Requirements: <ul style="list-style-type: none"> <li>» These are required for all PCF appointments, even if temporary, unless on a ‘Regulation 11’ urgent basis.</li> <li>» Whilst these are only required for INEDs and NEDs from 1 July 2025, you can prepare and socialise these now alongside the documents required from 1 July 2024 for all other PCFs.</li> <li>» Doing so as part of your current project and on the same timeline will help clarify your governance requirements and will assist those Directors assess and understand the SEAR Duty of Responsibility during the next 18 months.</li> </ul> </li> </ul>

Theme	Update in previous ALG Publication dated 16 November 2023	Practical impact on implementation project
<p><b>Outsourcing arrangements</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>■ <b>SEAR Compliance (General)</b></li> <li>■ <b>Conduct Standards (Training)</b></li> </ul>	<ul style="list-style-type: none"> <li>■ In the context of SEAR, to ensure transparency and accountability, the Central Bank requires that where outsourcing arrangements are in place, there is a PCF role holder with responsibility for outsourcing arrangements.</li> <li>■ Previous PR21 <i>‘Responsibility for developing structures and mechanisms to oversee, monitor, and assess the appropriateness and performance of the firm’s outsourcing framework including outsourcing arrangements and associated outsourcing risks’</i> has been reformulated as PR 19 and the text has been amended to reflect: <i>“Responsibility for the firm’s outsourcing framework”</i>.</li> <li>■ Where there is outsourcing of a PCF role, the role holder should fall under the oversight of a PCF role holder within the firm. This will need to be reflected in the relevant Statement of Responsibilities and the Management Responsibility Map to ensure that the overall responsibility and related individual accountability is retained within the firm.</li> </ul>	<ul style="list-style-type: none"> <li>■ This is helpful clarification that this role focusses on the outsourcing governance frameworks through which outsourcing is overseen on behalf of the firm, rather than detail regarding the provision individual technical outsourced services.</li> <li>■ Firms should however ensure that the scope of responsibilities of other executives (such as heads of divisions) within that outsourcing framework (such as for specifying the requirements of their division for outsourced services) is clearly understood and ideally documented appropriately across their business.</li> <li>■ Firms should ensure that the new PR19 is allocated to the relevant PCF role holder with responsibility for the firm’s outsourcing framework. PR19 is likely to come within the responsibility of the PCF previously allocated PR21, which in many (but obviously not all) cases is PCF-42 (Chief Operating Officer).</li> <li>■ Separately, firms should assess their population of outsourced PCF roles and allocate responsibility for the oversight of those outsourced PCF roles to the relevant PCF role holders within the firm. The firm will need to update the relevant Statement of Responsibilities and reflect those changes in the firm’s Management Responsibility Map.</li> </ul>

Theme	Update in previous ALG Publication dated 16 November 2023	Practical impact on implementation project
<p><b>Certification requirement</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Fitness and Probity</b></li> <li>▪ <b>HR/Employment</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The Central Bank has limited the scope of the ‘enhanced due diligence’ aspect of the certification requirement to PCFs, CF1s and CF2s. This facilitates self-certification in respect of individuals within the CF3 – CF11 categories.</li> </ul>	<p><b>Scope of the Certification requirement</b></p> <ul style="list-style-type: none"> <li>▪ The due diligence required in respect of individuals within the CF3 – CF11 role now largely reflects what is already required under the existing Fitness and Probity regime. This includes aspects of self-certification, save for: <ul style="list-style-type: none"> <li>» additional confirmation as to the <u>frequency</u> at which such due diligence checks need to be carried out, and</li> <li>» the additional requirement for professional body checks to be carried out by the firm for all CFs rather than just PCF, CF1 and CF2</li> </ul> </li> </ul> <p><b>Timing</b></p> <ul style="list-style-type: none"> <li>▪ The relevant provisions requiring certification that, on reasonable grounds, an individual complies with the Fitness &amp; Probity Standards, are due to commence on 29 December 2023.</li> <li>▪ <b>Central Bank Filing: Annual PCF Confirmation:</b> Regulation 9 of the Draft Certification Regulations requires this confirmation to be submitted to the Central Bank from 1 January 2025 for the year 2024 and on an annual basis thereafter.</li> <li>▪ <b>Central Bank Filing: Annual Overall Certification Process Return:</b> Regulation 9 of the Draft Certification Regulations require this confirmation to be submitted to the Central Bank from 1 January 2025 and on an annual basis thereafter.</li> </ul>



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<p><b>Disciplinary actions</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Fitness and Probity</b></li> <li>▪ <b>HR/Employment</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The Central Bank has removed the additional obligation for a regulated firm to report to the Central Bank where formal disciplinary action has been concluded against an individual in respect of a breach of the Conduct Standards.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Firms will no longer need to reflect, in internal regulatory reporting policies and procedures, the obligation to report to the Central Bank where formal disciplinary action has been concluded against an individual in respect of a breach of the Conduct Standards.</li> <li>▪ Firms should consider whether this change needs to be reflected in and/or supplemented to Conduct Standard training already given to CFs and PCFs as part of your preparation for fully embedding the Conduct Standards before the end of 2023.</li> <li>▪ Firms should also consider how their processes for identifying, assessing and reporting to the Central Bank regulatory breaches might need further amendment. For example, breaches of the Conduct Standards by PCFs and CFs still involve a ‘prescribed contravention’ that ultimately should be included in the Firm’s channel of reporting to the Central Bank.</li> </ul>
<p><b>Periodic reporting</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>▪ <b>SEAR Compliance (General)</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The Central Bank proposes to limit the extent of mandatory periodic reporting to the Central Bank. Instead, it is proposed that firms take responsibility for relevant documentation and make it available to the Central Bank on request.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Firms’ implementation plans should include a process for regularly updating IAF documents such as Statements of Responsibility, including considering periodic reviews and ‘event based’ reviews (e.g. restructurings, role changes, recruitment).</li> <li>▪ The Guidance also indicates that the Central Bank intends to issue further communications regarding the submission of Statements of Responsibilities and Management Responsibility Maps. However, it is unclear whether this will be generic public guidance or specific requirements through individual supervisory engagements.</li> </ul>

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<p><b>Business Standards</b></p> <p><b>Relevance to your Project:</b></p> <ul style="list-style-type: none"> <li>■ <b>Conduct Standards (Training)</b></li> </ul>	<ul style="list-style-type: none"> <li>■ The Business Standards are being reviewed and updated as part of the Central Bank’s ongoing review of the Consumer Protection Code 2012 (CPC). These will therefore not be effective until the revised CPC is implemented (which will be by way of statutory instrument).</li> </ul>	<ul style="list-style-type: none"> <li>■ Firms should await further guidance from the Central Bank before taking steps to implement the Business Standards.</li> <li>■ However, embedding the expectations on individuals under the IAF (i.e. the Common and Additional Conduct Standards) as part of your IAF implementation plan should include, for example, the way the firm conducts itself, trains all staff regarding engagements with customers and clients and approaches product development and general product, service and client engagement governance.</li> <li>■ Firms should ensure that training sessions and education seminars provided to CFs and PCFs on the IAF more generally address the anticipated application of the ‘Business Standards’ to ensure CFs and PCFs are cognisant of this development.</li> </ul>

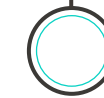


## Conduct Standards

### Key actions

- Notification to CFs and PCFs
- Appropriate training to CFs and PCFs
- Embed the Conduct Standards including policy and procedure enhancement
- Employment contract review

29 December 2023



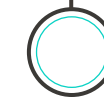
Common and Additional Conduct Standards in force

## Duty of Responsibility and SEAR

### Key actions

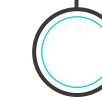
- Drafting and agreeing Statement of Responsibilities and Management Responsibility Map for in-scope firms
- Drafting and approving Management Responsibility Map
- Enhancing policies and procedures, systems and controls
- Training for PCFs and CFs

29 December 2023



Duty of Responsibility in force for all CFs and PCFs (applicable to those individuals who have Prescribed Responsibilities allocated)

1 July 2024



Statements of Responsibilities for all PCFs and CFs except NEDs and INEDs

1 July 2025



Statements of Responsibilities (and therefore full application of the Duty of Responsibility)

## Fitness and Probity

### Key actions

- Refresh Due Diligence in line with Guidance
- Issue certificates to CFs and PCFs
- Provide required confirmations
- Consider fitness and probity on an ongoing basis

29 December 2023



Commencement of relevant provisions of the IAF Act on certification

1 January 2025



Firms required to confirm completion of certification for 2024

Ongoing assessment of CF/ PCF's Fitness and Probity

## Your SEAR team

For further information on the Individual Accountability Framework and SEAR, and how ALG can assist your business, please contact :

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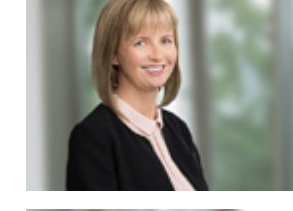


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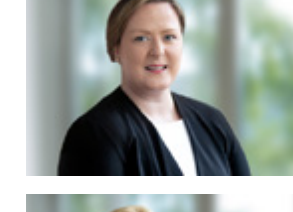
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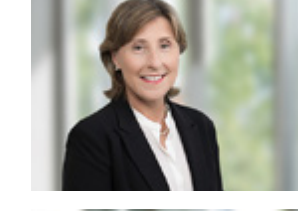


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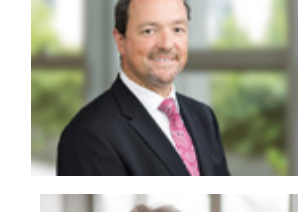
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# ANNEX

## PRESCRIBED RESPONSIBILITIES

Draft Guidance PR Number	Final Guidance PR Number	Final Guidance Text (additions underlined and deletions in strikethrough)
PR1	PR1	Responsibility for the firm's performance of its obligations under the Senior Executive Accountability Regime.
PR2	PR2	Responsibility for the firm's performance of its obligations under the Fitness and Probity Regime ( <del>including certification</del> ) <u>under Part 3 of the 2010 Act.</u>
PR3	PR3	Responsibility for embedding the conduct standards throughout the firm.
PR4	PR4	Responsibility for leading the development of the firm's culture including <del>conduct, by the Board as a whole including the implementation of effective conflicts of interest policies and procedures in relation to</del> <u>on matters relating to consumer protection risk, diversity and inclusion, by the Board.</u>
PR5	PR5	Responsibility for <del>adopting</del> <u>overseeing the adoption of</u> the firm's culture, <u>including on matters relating to diversity and inclusion,</u> in the day-to-day operation of the firm.
PR6	PR6	Responsibility for overseeing the development of, <del>and embedding positive culture, consumer protection and conduct risk into, the firm's and the firm's remuneration policies and practices.</del>
PR7	PR7	Responsibility for ensuring that action is taken to prevent further harm or detriment to customers where the firm becomes aware that a decision or action taken or failure to act has caused harm or detriment to customers.
PR8	Removed	-
PR9	PR8	Responsibility for safeguarding the independence of the internal audit function and for oversight of the function and the Head of Internal Audit.
PR10	PR9	Responsibility for safeguarding the independence of the compliance function and for oversight of the function and the Head of Compliance.
PR11	PR10	Responsibility for safeguarding the independence of the risk function and for oversight of the function and the Chief Risk Officer.
PR12	PR11	Responsibility for leading the development and monitoring implementation of effective policies and procedures for succession planning, induction, training and professional development of all members of the Board.
PR13	PR12	Responsibility for ensuring the independence, autonomy and effectiveness of the firm's policies and procedures on whistleblowing.
PR14	PR13	Responsibility for monitoring implementation of effective policies and procedures for succession planning, induction, training and professional development of staff.
PR15	PR14	Responsibility for developing and maintaining the firm's recovery plan, the accurate and timely reporting of all information required for recovery and resolution purposes, the implementation of measures necessary to achieve the operationalisation of recovery and resolution strategies, and for overseeing the internal processes regarding their governance, including the coordination of the entity's compliance in those respects.

## PRESCRIBED RESPONSIBILITIES

Draft Guidance PR Number	Final Guidance PR Number	Final Guidance Text (additions underlined and deletions in strikethrough)
PR16	PR15	Responsibility for managing the firm's internal stress- tests and ensuring the accuracy and timeliness of information provided to the Central Bank for the purposes of stress-testing.
PR17	PR16	Responsibility for the board's development and maintenance of the firm's business model.
PR18	PR17	Responsibility for managing the calculation and maintenance of the firm's <del>financial resources including accuracy of capital, funding and liquidity.</del>
PR19	Moved to Sector or Circumstance Specific List	-
PR20	PR18	Responsibility for ensuring accuracy, completeness and timely production and submission of the firm's financial <del>reports</del> <u>information and financial regulatory returns.</u>
PR21	PR19	Responsibility for <del>developing structures and mechanisms to oversee, monitor, and assess the appropriateness and performance of the firm's outsourcing framework including outsourcing arrangements and associated outsourcing risks.</del> <u>the firm's outsourcing framework.</u>
PR22	PR20	Responsibility for managing the anti-money laundering/ countering the financing of terrorism ('AML/CFT') <u>compliance</u> function in order to address the firm's money laundering and terrorist financing risks including: <ul style="list-style-type: none"> <li>• the development, <del>implementation</del> and oversight of a robust AML/CFT framework <del>including effective systems and controls.</del></li> <li>• <u>overseeing the implementation and effective application of AML/CFT systems and controls.</u></li> </ul>
PR23	Moved to Sector or Circumstance Specific List	-
PR24	PR21	Responsibility for oversight and governance of the <u>strategic decisions, key business initiatives, including development, design and distribution of products, review of products and sale and post-sale to ensure focus on arrangements to ensure delivering fair customer outcomes for customers.</u>
PR25	PR22	Responsibility for the development and implementation of Information and Communication Technology (ICT) strategy; ensuring the efficient and secure operation of ICT systems; oversight of delivery of ICT projects; and management and development of ICT resources.
PR26	Removed	-
PR27	PR23	Responsibility for developing an internal audit charter, developing a risk based audit plan with appropriate and timely actions and reporting taken in relation to audit findings.
PR28	PR24	Responsibility for managing the firm's approach to identifying, assessing and managing climate-related <u>financial risks from</u> and <del>environmental risks across the firm.</del> <u>climate change.</u>
PR29	Merged with PR4 and PR5	-



## SECTOR OR CIRCUMSTANCE SPECIFIC RESPONSIBILITIES

Draft Guidance PR Number	Final Guidance PR Number	Final Guidance Text (additions underlined and deletions in strikethrough)
<b>SECTOR SPECIFIC RESPONSIBILITIES – CREDIT INSTITUTIONS</b>		
<b>PR30</b>	<b>PR25</b>	Responsibility for overseeing the credit granting process for new, renewal and re-financing of existing credits, providing challenge in relation to all aspects of current and proposed credit risk exposures, providing comprehensive and timely information to senior management and credit committee on the firm’s adherence to policies, guidelines, procedures and limits.
<b>SECTOR SPECIFIC RESPONSIBILITIES – INSURANCE UNDERTAKINGS</b>		
<b>PR31</b>	<b>PR26</b>	Responsibility for developing and implementing the insurance undertaking’s reinsurance/retrocession programme.
<b>PR32</b>	<b>PR27</b>	Responsibility for implementing the ORSA process in the insurance undertaking.
<b>PR33</b>	<b>PR28</b>	Responsibility for ensuring that appropriate independent validation of the technical provisions is conducted in the insurance undertaking.
<b>CIRCUMSTANCE SPECIFIC RESPONSIBILITIES</b>		
<b>PR19</b>	<b>PR29</b>	<u>Where the firm has a treasury management function</u> , responsibility for managing the firm’s treasury management functions and associated risks.
<b>PR23</b>	<b>PR30</b>	<u>Where the firm holds client assets</u> , responsibility for the firm’s compliance with client asset requirements.
<b>PR34</b>	<b>PR31</b>	Where the firm carries out proprietary trading, responsibility for the firm’s proprietary trading activities.
<b>PR35</b>	<b>PR32</b>	Where the firm does not have a CRO, responsibility for the compliance of the firm’s risk management systems, policies and procedures.
<b>PR36</b>	<b>PR33</b>	Where the firm outsources its internal audit function, responsibility for taking reasonable steps to ensure that every person involved in the performance of that function is independent from the persons who perform external audit.
<b>PR37</b>	<b>PR34</b>	Where the firm has established a specific steering committee to address regulatory matters, responsibility for managing the operation of the committee and for providing comprehensive and timely reporting to senior management and to the board.

## PRESCRIBED RESPONSIBILITIES IN THE APPLICATION OF PROPORTIONALITY TO LOW IMPACT IN-SCOPE MIFID INVESTMENT FIRMS (REMOVAL OF MIFID)

Draft Guidance PR Number	Final Guidance PR Number	Final Guidance Text (additions underlined and deletions in strikethrough)
<b>GENERAL PRESCRIBED RESPONSIBILITIES</b>		
PR1	PR1	Responsibility for the firm's performance of its obligations under the Senior Executive Accountability Regime.
PR2	PR2	Responsibility for the firm's performance of its obligations under the Fitness & Probity regime <del>(including certification)</del> ; <u>under Part 3 of the Central Bank Act 2010.</u>
PR3	PR3	Responsibility for embedding the conduct standards throughout the firm.
PR4	PR4	Responsibility for leading the development of the firm's culture, including <del>conduct, by the Board as a whole including the implementation of effective conflicts of interest policies and procedures in relation to consumer protection risk.</del> <u>on matters relating to diversity and inclusion, by the Board.</u>
PR10	PR9	Responsibility for safeguarding the independence of the compliance function and for oversight of the function and the Head of Compliance.
PR14	PR11	Responsibility for leading the development and monitoring implementation of effective policies and procedures for succession planning, induction, training and professional development of all members of the Board.
PR18	PR17	Responsibility for managing the calculation and maintenance of the firm's <del>financial resources including accuracy of capital, funding and liquidity.</del>
PR20	PR18	Responsibility for ensuring accuracy, completeness and timely production and submission of the firm's financial <del>reports</del> <u>information and financial regulatory returns.</u>
PR22	PR20	Responsibility for managing the anti-money laundering/ countering the financing of terrorism ('AML/CFT') <u>compliance function</u> in order to address the firm's money laundering and terrorist financing risks including: <ul style="list-style-type: none"> <li>the development, <del>implementation</del> and oversight of a robust AML/CFT framework <del>including, effective systems and controls.</del></li> <li><u>overseeing the implementation and effective application of AML/CFT systems and controls.</u></li> </ul>
PR24	PR21	Responsibility for oversight and governance of strategic decisions, key business initiatives, including the development, <del>design and distribution</del> of products, <del>review of products and sale and post-sale arrangements to ensure,</del> <u>to focus on delivering fair customer outcomes for customers.</u>
PR25	PR22	Responsibility for the development and implementation of Information and Communication Technology (ICT) strategy; ensuring the efficient and secure operation of ICT systems; oversight of delivery of ICT projects; and management and development of ICT resources.
PR23	PR30	Responsibility for the firm's compliance with client asset requirements.



PRESCRIBED RESPONSIBILITIES IN THE APPLICATION OF PROPORTIONALITY TO LOW IMPACT IN-SCOPE MIFID INVESTMENT FIRMS (REMOVAL OF MIFID)

Draft Guidance PR Number	Final Guidance PR Number	Final Guidance Text (additions underlined and deletions in strikethrough)
<b>PRESCRIBED RESPONSIBILITIES FOR INCOMING THIRD COUNTRY BRANCHES (PREVIOUSLY PR BUT RENAMED TO TCBPR)</b>		
PR1	TCBPR1	Responsibility for the Third Country Branch's performance of its obligations under the Senior Executive Accountability Regime.
PR2	TCBPR2	Responsibility for the Third Country Branch's performance of its obligations under the Fitness and Probity Regime <del>(including certification)</del> under Part 3 of the Central Bank Act 2010.
PR3	TCBPR3	Responsibility for the Third Country Branch's embedding the conduct standards throughout the firm.
PR4	TCBPR4	Responsibility for managing the anti-money laundering/ countering the financing of terrorism ('AML/CFT') <u>compliance</u> function in order to address the firm's money laundering and terrorist financing risks including: <ul style="list-style-type: none"> <li>▪ the development, <del>implementation</del> and oversight of a robust AML/CFT framework <del>including, effective systems and controls</del>;</li> <li>▪ <u>overseeing the implementation and effective application of AML/CFT systems and controls.</u></li> </ul>
PR5	TCBPR5	Responsibility for the Third Country Branch's compliance with client asset requirements.
PR6	TCBPR6	Responsibility for ensuring that the Third Country Branch has effective processes in place to identify and manage the risks to which the Third Country Branch is or might be exposed.
PR7	TCBPR7	Responsibility for monitoring, and on a regular basis assessing, the adequacy and effectiveness of measures and procedures put in place by the Third Country Branch to comply with its regulatory and supervisory obligations, as well as associated risks.
PR8	TCBPR8	Responsibility for the escalation of correspondence from the Central Bank and other regulators in respect of the Third Country Branch to the board of the Third Country Branch or, where appropriate, of the parent undertaking or holding companies of the Third Country Branch's group.
PR9	TCBPR9	Responsibility for ensuring that the internal control framework is effective.
PR10	TCBPR10	Responsibility for management of the Third Country Branch's capital and liquidity or, where relevant, the submission of information to the Central Bank/relevant competent authority on the Third Country Branch's capital and liquidity position.
PR11	TCBPR11	Responsibility for ensuring accuracy, completeness and timely production and submission of the Third Country Branch's financial reports and regulatory returns.
PR12	TCBPR12	Responsibility for the development and maintenance of the Third Country Branch's business model by the board.
PR13	TCBPR13	Responsibility for managing the Operational Risk within the Third Country Branch.

## INHERENT RESPONSIBILITIES

Draft Guidance Number	Final Guidance Number	Heading Draft Guidance	Heading Final Guidance	Final text (additions underlined and deletions have a strikethrough)
<b>PART 1</b>				
1.	1.	PCF-1 Executive director	PCF-1 Executive director	Directing the business of the firm.
2.	-	PCF-2A Non- executive director	Moved to separate table, see below.	-
3.	-	PCF-2B Independent Non- executive director	Moved to separate table, see below.	-
4.	-	PCF-3 Chair of the Board	Moved to separate table, see below.	-
5.	-	PCF-4 Chair of the audit committee	Moved to separate table, see below.	-
6.	-	PCF-5 Chair of the risk committee	Moved to separate table, see below.	-
7.	-	PCF-6 Chair of the remuneration committee	Moved to separate table, see below.	-
8.	-	PCF-7 Chair of the nomination committee	Moved to separate table, see below.	-
9.	2.	PCF-8 Chief Executive	PCF-8 Chief Executive	Overall responsibility for managing and steering the business activities of the firm.
10.	3.	PCF-11 Head of Finance	PCF-11 Head of Finance	Overall responsibility for managing the financial resources, financial planning and financial reporting of the firm and reporting directly to the Board <u>and/or relevant sub-committee</u> on financial affairs.
11.	4.	PCF-12 Head of Compliance	PCF-12 Head of Compliance	Overall responsibility for managing the operation of the compliance function and reporting directly to the Board <u>and/or relevant subcommittee</u> on compliance matters.
12.	5.	PCF-13 Head of Internal Audit	PCF-13 Head of Internal Audit	Overall responsibility for managing the operation of the firm's internal audit function and reporting directly to the Board <u>and/or relevant sub-committee</u> on internal audit matters.
13.	6.	PCF-14 Chief Risk Officer	PCF-14 Chief Risk Officer	Overall responsibility for managing the firm's risk function and reporting directly to the Board <u>and/or relevant sub-committee</u> on risk management matters.
14.	7.	PCF-16 Branch Manager of branches established outside the State	PCF16 Branch Manager of branches established outside the State	Overall responsibility for managing the operations of a branch of the firm located outside of the State.



## INHERENT RESPONSIBILITIES

Draft Guidance Number	Final Guidance Number	Heading Draft Guidance	Heading Final Guidance	Final text (additions underlined and deletions have a strikethrough)
15.	8.	PCF-17 Head of Retail Sales	PCF-17 Head of Retail Sales	Overall responsibility for managing the <del>financial reporting of the firm and reporting directly to the Board on financial affairs;</del> <u>operation of the firm's retail sales function.</u>
16.	9.	PCF-42 Chief Operating Officer	PCF-42 Chief Operating Officer	Overall responsibility for managing the internal operations of the firm.
17.	10.	PCF-41 Manager of a branch in Ireland of a regulated financial service provider established in a country that is not an EEA country	PCF-41 Manager of a branch in Ireland of a regulated financial service provider established in a country that is not an EEA country	Overall responsibility for managing the operations of a branch of the firm located in the State.
18.	11.	PCF-49 Chief Information Officer (CIO)	PCF-49 Chief Information Officer (CIO)	Overall responsibility for managing the firm's information and <del>use of</del> <u>communications</u> technology which the firm relies upon.
19.	12.	PCF-52 Head of Anti-Money Laundering and Counter Terrorist Financing	PCF-52 Head of Anti- Money Laundering and Counter Terrorist Financing	Overall responsibility for managing the <del>operations of a branch of the firm located outside of the State</del> firm's anti-money laundering/counter financing of terrorism compliance functions and reporting directly to the board on anti- money laundering/counter financing of terrorism compliance matters.

### PART 2 - INVESTMENT FIRMS

20.	13.	PCF-28 Branch Managers in Ireland	PCF-28 Branch Managers in Ireland	Overall responsibility for managing the operations of the branch in the State.
21.	14.	PCF-29 Head of Trading	PCF-29 Head of Trading	Overall responsibility for managing the operation of the firm's trading function.
22.	15.	PCF-30 Chief Investment Officer	PCF-30 Chief Investment Officer	Overall responsibility for managing the operation of the firm's investment functions.
23.	16.	PCF-45 Head of Client Asset Oversight	PCF-45 Head of Client Asset Oversight	Overall responsibility for managing the operation of the firm's client asset function.
-	17.	-	PCF-5X Head of Material Business Line	<u>Overall responsibility for managing the operation of a material business line at the firm.</u>

## INHERENT RESPONSIBILITIES

Draft Guidance Number	Final Guidance Number	Heading Draft Guidance	Heading Final Guidance	Final text (additions underlined and deletions have a strikethrough)
<b>PART 3 - INSURANCE UNDERTAKINGS</b>				
24.	18.	PCF-18 Head of Underwriting	PCF-18 Head of Underwriting	Overall responsibility for managing the operation of the firm's underwriting function.
25.	19.	PCF19 Head of Investment	PCF19 Head of Investment	Overall responsibility for managing the operation of the firm's investment function.
26.	20.	PCF-43 Head of Claims	PCF-43 Head of Claims	Overall responsibility for managing the operation of the firm's claim's function.
27.	21.	PCF-48 Head of Actuarial Function	PCF-48 Head of Actuarial Function	Overall responsibility for managing the operation of the firm's actuarial function.
-	22.	-	PCF-5X Head of Material Business Line	<u>Overall responsibility for managing the operation of a material business line at the firm.</u>
<b>PART 4 - CREDIT INSTITUTIONS</b>				
28.	23.	PCF-21 Head of Treasury	PCF-21 Head of Treasury	Overall responsibility for managing the operation of the firm's treasury function.
29.	24.	PCF-22 Head of Credit	PCF-22 Head of Credit	Overall responsibility for managing the operation of the firm's credit function.
30.	25.	PCF-23 Head of Asset and Liability Management	PCF-23 Head of Asset and Liability Management	Overall responsibility for managing the operation of the firm's asset and liability management function.
31.	26.	PCF-50 Head of Material Business Line	PCF-50 Head of Material Business Line	Overall responsibility for managing the operation of a material business line at the firm.
32.	27.	PCF-51 Head of Market Risk	PCF-51 Head of Market Risk	Overall responsibility for managing the operation of the firm's market risk function.
-	28.	-	PCF-5X Head of Client Asset Oversight	<u>Overall responsibility for managing the operation of the firm's client asset function.</u>



## INHERENT RESPONSIBILITIES

Draft Guidance Number	Final Guidance Number	Heading Draft Guidance	Heading Final Guidance	Final text (additions underlined and deletions have a strikethrough)
<b>NON-EXECUTIVE ROLES</b>				
2	1.	PCF-2A Non-executive director	PCF-2A Non-executive director	Overseeing and monitoring the strategy and management of the firm.
3	2.	PCF-2B Independent Non-executive director	PCF-2B Independent Non-executive director	Overseeing and monitoring the strategy and management of the firm.
4	4.	PCF-3 Chair of the Board	PCF-3 Chair of the Board	Chairing meetings of the Board, leading and overseeing its performance.
5	5.	PCF-4 Chair of the audit committee	PCF-4 Chair of the audit committee	Chairing meetings of the audit committee, leading and overseeing the committee's performance.
6	6.	PCF-5 Chair of the risk committee	PCF-5 Chair of the risk committee	Chairing meetings of the risk committee, leading and overseeing the committee's performance.
7	7.	PCF-6 Chair of the remuneration committee	PCF-6 Chair of the remuneration committee	Chairing meetings of the remuneration committee, leading and overseeing the committee's performance.
8	8.	PCF-7 Chair of the nomination committee	PCF-7 Chair of the nomination committee	Chairing meetings of the nomination committee, leading and overseeing the committee's performance.