



April 2023

Changes to the Central Bank's Individual Questionnaire Application Process

Introduction

On 30 March, 2023, the Central Bank of Ireland (the “**CBI**”) published a revised individual questionnaire (“**IQ**”) [template](#) and [guidance](#) for regulated financial service providers (“**RFSPs**”) on how to complete the new IQ, in addition to a number of other amendments, following an overhaul to the Fitness and Probity (“**F&P**”) IQ application process for those applying to carry out a pre-approval control function (“**PCF**”).

CBI Portal

From 20 April, 2023 at 5 p.m., the F&P section of the CBI Online Reporting System (“**ONR**”) will be disabled. All individuals who are applying for PCF roles through the CBI, will now complete their IQ applications through a revised process via the CBI Portal (the “**Portal**”) from 24 April, 2023.

Therefore, applicants who have submitted IQs on the ONR which are clear of comments/have no queries outstanding with the CBI by 5 p.m. on 20 April, 2023 will be completed via the old system in the normal way. All other IQs will need to be submitted on the Portal from 24 April, 2023.

Individuals who are not currently registered as Portal users and who will be completing applications as a PCF, proposer or IQ point of contact, should ensure that they are registered as a user on the Portal. Guidance on registering for the Portal can be found on the CBI's website [here](#).

F&P Profile Information

Once registered, applicants will have their own new F&P Profile. This will include personal details, professional experience, qualifications, professional memberships, training, regulatory approvals and positions in other financial and non-financial firms. Helpfully, this F&P Profile will only require completion on an individual's first use, and can then be used for subsequent IQ

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submissions, rather than having to complete this F&P Profile for every application. This will likely be a welcome change amongst applicants. Updates to an individual's F&P Profile can be made in advance of subsequent IQ submissions as required.

The CBI have included an option for applicants to share their information relating to gender, country of birth and ethnic origin with them. This information will not have any impact on applications, nor will it be reviewed as part of the application by the CBI, rather the CBI are requesting this for analysis and comparison purposes in the context of diversity and inclusion. Applicants can choose not to share this information with the CBI.

New IQ Applications

There are now three stages of the IQ submission to the CBI, where previously there were only two stages. The additional stage is included at the start of the IQ process, whereby the proposer completes the first section of the IQ. The information to be included by the proposer at this initial stage of the IQ primarily relates to the proposing entity's details.

Once the proposer has completed the initial stage, the IQ application process follows the current normal stages, with the applicant completing most of the remaining questions including the applicant declaration and the proposer completing the final declaration.

New questions worth noting

In addition to the proposer section at the start of the IQ, a number of sections of the IQ have been amended to include new or updated questions. We have summarised below some of these changes that are worth noting.

In section 3 of the IQ, which relates to the professional experience of the applicant, there are questions in respect of the applicant demonstrating: the competence and skills appropriate to the proposed PCF role, sound knowledge of the business of the RFSP and clear and comprehensive understanding of the regulatory and legal environment appropriate to the relevant function. The proposer declaration may have previously addressed some of these additional questions, and the CBI may have sought clarity on these aspects after the IQ was submitted if insufficient information was provided in the proposer's response, whereas now, these questions are posed directly to the applicant in the IQ.

In section 5 of the IQ, which relates to the reputation of the applicant, the questions posed are similar to the current section 5 questions. However, there are some new questions for example, in respect of: remuneration clawbacks for alleged wrongdoing, disciplinary proceedings by an employer and requests for further information on prosecutions and proceedings. Helpfully, in respect of a number of questions, where an applicant ticks "yes", the CBI has listed the information it requires to consider this "yes" answer. This information includes the reason for the disciplinary measure, date/timeframe of the alleged wrongdoing, if the applicant appealed the disciplinary action, details of the company involved in the procedure and any other mitigating or aggravating factors. In addition, for some of the questions where a "yes" answer was provided, the CBI require the applicant to explain the circumstances as to why the answer was "yes" and why this issue does not affect their suitability to perform the proposed PCF role.

There appears to be a sub-section of section 10 of the IQ, which relates to an applicant's previous employer reference check. This is only mandatory for applicants applying for PCF roles in certain RFSPs. In this sub-section, there is a requirement to provide contact details for up to two referees, which should include the applicant's most recent employer(s).

Finally, in section 11 of the IQ, which relates to the proposer declaration, there are questions indicating whether: the proposing entity is making the appointment in compliance with its internal targets for gender diversity for PCFs, conflicts of interests have been considered and why any matters in section 5 of the IQ are not considered to affect the applicant's suitability to perform the role. If any changes are made to the IQ after it is initially submitted to the CBI, the proposing entity will need to confirm in section 11 that it has reviewed the changes and it is satisfied that they are accurate and complete and are in line with the due diligence enquiries carried out by the proposing entity as set out in the Guidance on F&P Standards.

Next Steps

As outlined above, individuals involved in the IQ application process as either an applicant, proposer or point of contact should ensure that they are registered as a user on the Portal. In addition, if an IQ does not need to be urgently submitted to the CBI, it may be worthwhile considering waiting to submit the IQ until the new system on the Portal is operational, so that individuals involved in the IQ application process can benefit from its improved functionality and avoid having to re-submit an IQ which needs to be unlocked/amended.

Should you have any queries on any of the information contained in this article, please get in touch with your usual contact in our Asset Management and Investment Funds Department.

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