

Central Bank of Ireland issues Prohibition Notice to Mr Darren Gleeson under the Fitness and Probity Regime

Following a fitness and probity investigation conducted in accordance with Section 25 of the Central Bank Reform Act 2010, a Prohibition Notice has issued against Mr Darren Gleeson, of Portroe, Nenagh, Co. Tipperary, formerly a director of a retail intermediary firm, prohibiting him from carrying out any controlled functions, including pre-approval controlled functions, in any regulated financial service provider for an indefinite period.

The Fitness and Probity Regime:

The Central Bank Reform Act 2010 (the “2010 Act”) gave the Central Bank a consolidated power to approve senior appointments to regulated firms and powers to investigate, suspend, or prohibit persons from the financial services industry where concerns arise about their fitness and/or probity.

Under the 2010 Act, the Central Bank issued a statutory code specifying the standards of Fitness and Probity with which all persons performing controlled functions or pre-approval controlled functions shall, at a minimum, comply (the “F&P Standards”). The F&P Standards provide that a person performing a controlled function or pre-approval controlled function is required to be:

- competent and capable;
- honest, ethical and to act with integrity; and
- financially sound.

One of the core functions of the Fitness and Probity Regime is to protect consumers from dealings with persons in controlled functions unless such persons are competent and capable, honest, ethical and of integrity and also financially sound. The regime allows the Central Bank to prohibit persons, by way of a Prohibition Notice, where it is found that a person is not of such fitness and/or probity as is appropriate to perform a particular controlled function or any controlled function (which includes pre-approval controlled functions).

NOTES TO EDITORS

A consolidated and enhanced Fitness and Probity Regime, introduced in the Central Bank Reform Act 2010 (the “2010 Act”) came into effect on 1 December 2011 for all regulated financial service providers (“RFSPs”) other than credit unions.¹ This regime was fully implemented by 1 December 2012. A Fitness and Probity Regime for credit unions came into effect on 1 August 2013.

In addition to the F&P Standards, the Central Bank has also issued Guidance on the Fitness and Probity Standards.

The Fitness and Probity Regime under Part 3 of the 2010 Act confers the following powers upon the Central Bank:

- a ‘Gatekeeper Function’ in respect of proposed appointments to senior roles in RFSPs known as pre-approval controlled functions (“PCFs”);
- an ‘Investigation Function’ which provides the Central Bank with a range of powers to investigate, suspend, or prohibit persons from PCFs and Controlled Functions (“CFs”) in the financial services industry where concerns arise about their fitness and/or probity; and
- a ‘Sanctions Function’. The regime requires RFSPs to ensure that persons performing CFs or PCFs comply with the F&P Standards. Failure to comply with this requirement may result in the imposition of sanctions by the Central Bank on the RFSP (and persons concerned in the management, where relevant) pursuant to Part IIIC of the Central Bank Act 1942 (further information on the Administrative Sanctions Procedure (“ASP”) can be found [here](#)).

Further detail on the Fitness and Probity regime is available on the [Fitness and Probity section](#) and [Enforcement section](#) of the Central Bank’s website.

¹ Since 4 November 2014, the European Central Bank is exclusively the competent authority for the fitness and probity assessments of the following applicants:

- the management board of **significant credit institutions**; and
- the management board of **all credit institutions applying for authorisation**.