Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

REVIEW OF THE CENTRAL BANK'S ENFORCEMENT ACTIVITIES

Terms of Reference - July 2026

In its strategic plan the Central Bank committed to transforming its approach to regulation and supervision, and over the last number of years has undertaken several initiatives to ensure it has an effective and efficient framework which enables it to deliver its mandate in a changing world. These have included changes to relevant legislative provisions, enhancements in how it collects and uses data, changes to how it makes regulatory policy and to its supervisory approach, as well as improvements to its gatekeeping processes.

Enforcement is a core component of the regulatory framework. It supports credible deterrence, accountability and high standards of conduct and, through transparent outcomes, it supports trust and public confidence in the financial system.

Over the last decade, the financial system has become larger, more complex and more interconnected. The regulatory framework has also changed significantly, with regulated firms and individuals subject to more robust requirements in relation to governance, conduct, operational resilience, consumer protection and accountability. Over this period, the Bank's enforcement framework has also evolved as a result of changes to its legislative framework and to its processes, as well as an evolution in case law related to the framework.

Given this evolution, it is timely to review the Bank's enforcement activities having regard to:

- their overall efficiency and effectiveness;
- best practice by regulators performing similar functions domestically and internationally; and
- applicable international standards and principles.

This review will be conducted within the framework of the relevant provisions of Irish financial services legislation.

The Review

The Review will:

- evaluate the effectiveness of the performance of enforcement activities by reference to the outcomes the Central Bank seeks to achieve and the role of enforcement in the supervisory framework. This should also include:
    i. a consideration of the Bank's structures and processes in terms of how enforcement activities are carried out and decisions made;
    ii. the arrangements between enforcement and supervisors;
    iii. the arrangements between the Legal Division, including the Regulatory Decisions Unit, and the Enforcement Directorate; and
    iv. the arrangements for engaging external legal advice.
- evaluate the criteria and processes used to decide when a case should be selected for enforcement action and continued for such action;
- evaluate the efficiency and timeliness of how enforcement activities are carried out having regard to legal processes, Bank-wide organisational priorities and available resources;
- consider the transparency of enforcement activities both for the public and the firms involved and individuals who may be impacted;
- make any suggestions that the reviewer considers would improve the effectiveness of the Bank's enforcement activities.

On conclusion of the review, the Reviewer will provide a report including recommendations to the Governor.

Modalities

- The Central Bank will support the Reviewer in any way s/he considers necessary.
- It is intended that the Reviewer will have a dedicated team and will be able to seek further (including external) legal advice if required.
- The Reviewer will be provided with a background document setting out the processes, responsibilities and recent changes made to the Bank's approach to regulation and supervision, as well as to the specific enforcement regimes comprised in the enforcement activities the subject of the review.

- The Reviewer will conduct interviews (and undertake assessments) with senior management across the Bank and other staff involved in enforcement processes and decisions. Separate from the specifics of individual ongoing cases, members of the Regulatory Decisions Panel may also be asked for their views.
- The Reviewer will also engage with external stakeholders as they deem necessary.
- The Reviewer will provide a report to the Governor by 31 January 2027.