



Response from IBA to
New Methodology to Calculate Funding Levies for
Retail Intermediaries
Consultation Paper CP 102

24 May 2016

CONSULTATION QUESTION

Q: The Central Bank would like your views on this proposed methodology. If you do not agree with this approach please propose alternatives.

A; Section 32D and 32E of the Central bank Act 1942 allow the Imposition of levies and fees, on the financial services sector, to recoup the costs of financial regulation. Consultation Paper 102 is very narrowly focused on one single specific element of this multifaceted issue namely: The New Methodology to Calculate Funding Levies for Retail Intermediaries.

As identified in Consultation Paper 102 Brokers Ireland made representations to both the Central Bank and the Department of Finance in 2015 on behalf of retail intermediaries that the levies based on PRISM impact scores were

- Not transparent
- Subject to large differences between the bands and
- Inconsistent with best practice in financial planning due to the impact of variable unknown formulas applicable.

We believe a levy that is calculated, based on the application of an agreed percentage to the reported income from commissions and fees addresses the above concerns.

The more fundamental issues that were raised in the Brokers Ireland response to Consultation Paper 95 Sept 2015 and again in correspondence and at consultation meeting on 18 April 2016 remain outstanding.

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