

# Brokers Ireland's submission on CP136 "Enhancing our Engagement with Stakeholders"

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**BROKERS**  
I R E L A N D

Brokers Ireland is Ireland's representative body for insurance and financial brokers, with a combined strength of over 1,225 firms. We believe we represent a substantial number of insurance and financial brokers currently trading in Ireland. As the premier voice for insurance brokers and financial brokers, we advise members, liaise with regulators, government and other insurance industry stakeholders on key insurance issues, in order to raise and maintain industry standards.

Brokers Ireland's mission is to promote, support and protect our members, both collectively and individually, in the areas of education, compliance, lobbying and business development. We underpin this support by providing a forum for dialogue and debate, both within Brokers Ireland and with industry stakeholders. Meaningful stakeholder engagement is vital to ensure that a balance is struck between effective, proportionate regulation and practical application to the benefit of both consumers and the industry.

Brokers Ireland believe it is key that when engaging with stakeholders, it is important that the Central Bank acknowledges the differences between the various financial sector participants it regulates. Brokers Ireland supports mandatory application of the principle of proportionality by the CBI, across supervision, enforcement and compliance.

Outlined below are Brokers Ireland's responses to the questions posed:

**Proposal 1: Enhancing engagement with civil society and with consumer representatives.**

***Question 1: Do you agree with the proposals outlined above to enhance the role of the Consumer Advisory Group? What further enhancements could be made, given its statutory mandate?***

Yes, Brokers Ireland agree with the proposals in relation to enhancing the role of the Consumer Advisory Group. To get a better understanding of consumer requirements, we would propose that the membership of the group should be increased to include actual consumers who have experience of dealing with a cross section of providers, from banks to insurers to the intermediary sector. It would be beneficial if at least one meeting annually was dedicated to consumer feedback on their experiences with regulated firms in respect of sales process, value of documentation received with a view to highlight areas for focus and possible reform.

***Question 2: Do you agree with the proposals outlined above to enhance the role of the Civil Society Roundtable?***

Brokers Ireland agree with the proposals in relation to enhancing the role of the Civil Society Roundtable by inviting additional attendees and holding an additional annual meeting.

*Question 3: What other formal or informal mechanisms could the Central Bank consider to engage with civil society and consumer groups to ensure their perspectives and insights into the financial system are considered in decision-making?*

No comment.

## Proposal 2: Industry engagement

*Question 4: Do you agree that the Central Bank should look to formalise the current industry forum roundtables to discuss cross-sectoral, strategic issues relating to the financial system as set out above?*

Brokers Ireland believes that there is limited benefit in the proposed formal cross-sectoral engagement. Regulated entities differ greatly in nature, scale and complexity and will as a result will have different priorities and concerns. Despite the membership limited to 20, we believe that the forum would not offer an adequate opportunity for meaningful engagement. Brokers Ireland would have concerns that the larger institutions would always have a more dominant presence and their agenda would take precedence. We believe that it is important that matters relating to individual firm-level issues and to the implementation of individual pieces of legislation have a forum for discussion and note that it would be the intention for these issues to be discussed in the proposed cross-sectoral forum.

*Question 5: If yes, are there any suggestions you would like to make regarding the establishment of such a forum?*

N/A

*Question 6: If no, how do you think the Central Bank should seek to discuss cross-sectoral, strategic issues relating to financial sector oversight with the relevant industry stakeholders?*

Brokers Ireland recommend that sector relevant forums should be established: for example, a banking forum; an insurance relevant forum which includes both insurers and brokers; and a broker focused forum incorporating brokers of different nature and scale. These sector specific forums would provide an opportunity to discuss matters relating to practical implications of the implementation of legislation and individual firm-level issues. These individual forums could also discuss strategic issues relating to financial sector oversight and provide feedback to the Central Bank to inform their strategic plan and objectives.

It is important that individual engagements with representative bodies should continue on a bi-annual basis as is the case currently with Brokers Ireland.

### Proposal 3: Financial System Conference

#### *Question 7: Do you have any observations in respect of the proposed Conference?*

We believe that the proposed conference could offer an opportunity to promote the various sectors in the financial services industry. Panel discussions where representative bodies and practitioners are offered an opportunity to promote their various sectors would be very beneficial. The financial services industry in Ireland is highly regulated and the conference could provide an opportunity for consumers to engage and learn in relation to the various sectors.

We note that it is proposed that attendance at the conference will be by invitation only following a call for interested attendees. Has consideration been given as to how the average consumer will be encouraged to attend and engage in the conference? It would be important that attendees represent consumers from all financial sectors.

Given the ongoing Covid pandemic and possible restrictions on large scale events for some time, it would be beneficial if the proposed conference was held as a virtual event, this would also ensure that attendees are from throughout Ireland rather than Dublin based.

#### *8. Are there formal or informal mechanisms that you think the Central Bank should consider to ensure the perspectives of the business community are heard and contribute to the Central Bank's decision making?*

Brokers Ireland believe that where new regulatory or legislative requirements are to be introduced, workshop style forums should be held with representative bodies and practitioners from the relevant sectors. These forums would offer an opportunity for the Central Bank to understand how the industry operates in practice and the impact of proposed new requirements.

The sharing of information, research and data by the Central Bank with stakeholders such as Brokers Ireland would be beneficial and help to ensure future regulation is structured so as to be proportionate and beneficial to consumers.

#### *9. Are there any other matters that the Central Bank should take into account or practical steps it should take, to engage more effectively with domestic stakeholders, as it works to develop its overall strategy for stakeholder engagement?*

A key issue is that financial sector legislation (both at EU and national level) is often developed and implemented in silos which has resulted in duplicative requirements, as well as contradictions and inconsistencies. It is important that there is a cohesive approach between regulatory bodies so differing requirements do not apply. An example of this is inconsistencies between the retention of records requirements of the CPC and requirements under GDPR.

Brokers Ireland supports the government's recognition of the importance of the SME sector to the Irish economy. The SME Test and the "think small first principle" must be applied whenever policymakers are reviewing or drafting regulation.

