

**Comments on Regulation and Guidance under the Central Bank  
(Individual Accountability Framework) Act 2023**

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**Question 1:**

What are your views and comments on the draft SEAR Regulations and related draft guidance?

Comments:

Basically, the proposed SEAR Regulation should be effective, it is important that without prejudice to the generality of paragraph (2) of the SEAR Regulation, the management responsibilities map shall include at least the following information in relation to the firm's management and governance arrangements: (a) a description of each aspect of the firm's activities, business areas and management functions identified pursuant to paragraph (1) including: (i) how each aspect operates within the overall business of the firm, (ii) the reporting lines and the lines of responsibility that apply in relation to each aspect of the firm's activities, business areas and management functions including, how decision-making and governance operate in respect of those matters; (b) matters reserved for the governing body and how its subcommittees, and other senior level committees, contribute to decision making by the governing body; c) an organisation chart illustrating- (i) where the firm sits within the overall group structure (if applicable), (ii) how the firm's management and governance arrangements interact with those of the group, including the extent to which such arrangements are provided by, or shared with, other group entities.

**Question 2:**

Do you agree with our proposed approach to the Inherent Responsibilities?

Comments:

In terms of PCF6 Chair of the remuneration committee, 'Chairing meetings of the remuneration committee, leading and overseeing the committee's performance'. I suggest that it is significant to require the regulated firms to arrange separate review committee to remuneration, in some given circumstances external review bodies is necessary. Other proposed inherent responsibilities are proper.

**Question 3:**

Do you agree with our proposed approach to the Prescribed and Other Responsibilities?

Comments:

In terms of the PR6 'Responsibility for overseeing the development of, and embedding positive culture, consumer protection and conduct risk into, the firm's remuneration policies and practices', I would like to suggested that the 'positive culture' should be guided by the Central Bank of Ireland in a general sense, as it is too vague at the current stage.

**Question 4:**

Do you agree with our proposed approach to the sharing of roles and responsibilities including job sharing?

Comments:

Basically I agree with it, the only point I would like to suggest is that the legal mechanism of co-trustee should be taken into account when assessing the responsibilities shared among different individuals because the joint liability is an effective regime to enhance customer protection in financial sector.

**Question 5:**

Do you agree with our proposed approach to the inclusion of INEDs/NEDs within scope of SEAR?

Comments:

In fact, I believe that the responsibility and accountability of INEDs and NEDs should be linked closely to fiduciary duty and in particular, the Central Bank of Ireland should consult with judicial bodies to make sure that appropriate directorial fiduciary duties should be imposed and enforced by the court in due circumstances.

**Question 6:**

Do you agree with our proposed approach to the Statements of Responsibilities?

Comments:

It is appropriate at least theoretically.

**Question 7:**

Do you agree with our proposed approach to the Management Responsibilities Map?

Comments:

It is quite clear, a good one indeed.

**Question 8:**

Do you agree with our proposed approach to submission of documents?

Comments:

Yes, I agree with this approach.

**Question 9:**

Do you agree with our proposed approach to outsourcing in the context of SEAR?

Comments:

Yes, I basically agree with this, but I would like to suggest that the Irish financial regulator should consider to provide supervisory approach to make ensure that outsourcing is effective and safe enough.

**Question 10:**

Do you agree with our proposed approach to reasonable steps in respect of SEAR and the Conduct Standards?

Comments:

Yes, it looks effective approach in respect of SEAR.

**Question 11:**

Does the guidance assist you in understanding the Duty of Responsibility and the non-exhaustive list of factors to be considered with regard to reasonable steps?

Comments:

Yes, currently I believe that it should be an effective guidance for understanding Duty of Responsibility but still depends on practical testing to see whether any revision is needed.

**Question 12:**

What are your views and comments regarding the guidance on the Common Conduct Standards and Additional Conduct Standards?

Comments:

Basically, I agree with the proposed Conduct Standards, in addition, I suggest that An individual should ensure that they have the necessary framework in place to effectively and proactively oversee the monitoring, identification and rectification of any weak and ineffective systems and controls, in the areas for which they are responsible. Recommendations on system and control improvements, including those arising from internal and external reviews, should be considered and implemented, where appropriate, in a timely manner. In the event that a recommendation is not implemented, an individual should have a documented rationale to support the course of action adopted.