



Policy & Risk Division
Central Bank of Ireland
New Wapping Street, North Wall Quay
Dublin 1, D01 F7X3
Ireland

9th July 2025

By email to: CP160@centralbank.ie

Re: Consultation Paper 160 – Draft Guidance on Fitness and Probity (“F&P”) Standards

Dear Sir/Madam,

Finvisor Limited (“Finvisor”) is a fintech-focused professional service firm, and we are pleased to submit this response to Consultation Paper 160 (“CP160”) on behalf of our regulated clients and prospective firms operating across the payments, electronic money, and crypto-asset sectors in Ireland. Our clients range from early-stage fintechs to financial institutions navigating evolving regulatory obligations under the Markets in Crypto-Assets Regulation (MiCAR), PSD, and the Central Bank’s supervisory frameworks.

We commend the Central Bank’s initiative to modernise and consolidate the F&P regime. With targeted refinements, the final Guidance can deliver a robust, transparent, and proportionate framework that supports innovation, protects consumers, and strengthens Ireland’s position as a leading financial hub.

Our submission sets out key observations from our clients’ perspectives, acknowledging positive elements of the draft Guidance while offering constructive suggestions to improve proportionality, clarity, and sectoral alignment, particularly for smaller firms and those in the crypto-asset ecosystem.

We fully support the aim of raising governance standards in a manner that is transparent, consistent, and proportionate. The refinements suggested in our submission will ensure the Guidance is robust yet flexible, supporting innovation and growth across Ireland’s financial sector.

We look forward to continued engagement with the Central Bank and stand ready to provide further input as needed to ensure the successful implementation of these important standards.

Potential Refinement Areas

While supportive of the proposed enhancements, there are areas where further refinement could ensure the Guidance is proportionate, practical, and future-proofed for Ireland's dynamic financial sector.

1.1 Sector-Specific Guidance

Unified PCF List: Risks and Recommendations

The move to a unified Pre-Approval Controlled Function ("PCF") list simplifies the framework to an extent, but the approach risks self-imposition of irrelevant roles by firms. This is based on our assumption that firms will be overly conservative, anticipating a challenge from the Central Bank. As such, the removal of sector categories could create uncertainty and unintended burdens, particularly for new entrants, smaller or innovative firms. This is very important for new firms when looking at Ireland as a new entrant and comparing the cost of business here with other European markets without equivalent F&P requirements.

Recommendation:

Introduce a PCF-by-sector matrix or mapping to clarify which roles apply to each sector, to create baseline minimum standards. This approach would:

- Help firms identify relevant PCF roles for their business model.
- Prevent misinterpretation and unnecessary regulatory burden.
- Promote a level playing field by tailoring expectations to each sector's context.

Alignment with CASP-Specific Guidance

The Guidance could explicitly incorporate or cross-reference requirements unique to CASPs, such as:

- The need for a Head of Client Asset Oversight, as outlined in the Central Bank's MiCAR Authorisation and Supervision Expectations.

- Board expertise in safeguarding and segregation of client crypto-assets and funds.

Recommendation:

Ensure all sector-specific expectations published by the Central Bank across various publications, especially those for CASPs, are either included in or referenced by the main Guidance to avoid regulatory inconsistency.

1.2 Proportionality for Smaller Firms

Time Commitments, Dual-Hatting & Full-Time Roles

The Guidance's expectation that executive PCF roles be carried out on a "full-time" basis may not reflect the realities of early-stage or leanly staffed firms. Many startups and fintechs operate with small teams where dual roles are both practical and necessary. This critical also given the practice of an individual holding more than one PCF, for example, Independent Non-Executive Director (PCF-2B) & Board Chair (PCF-3), and Executive Director (PCF-1) & Chief Executive Officer (PCF-8).

The stance on dual-hatting in the Guidance is cautious, does not appear to leave much room for a risk-based approach, and lacks objective criteria on when dual-hatting could be suitable, leading to uncertainty for smaller or start-up firms.

Recommendation:

- Allow dual-hatting or part-time executive PCF roles in firms below a certain asset or staff threshold.
- Require full-time, dedicated roles only as firms grow in size or complexity.
- Define thresholds or examples to clarify when dual hatting is permissible.

Diversity Expectations

While diversity and inclusion are essential in every workplace, we consider that it should be focused more on a holistic approach as opposed to just the Board's composition. Additionally, practical constraints in Ireland's labour market may not have been fully considered by the Central Bank, especially when other requirements are expected, such as experience in safeguarding, crypto-assets, or a number of years' experience.

Recommendation:

Apply diversity expectations proportionately, allowing for phased achievement and supporting firms with transparent recruitment and inclusion strategies.

2. Recognition of Relevant Experience**Broader Definition of Experience**

The Guidance could explicitly recognise fintech, crypto, and digital asset sector expertise as relevant for PCF roles, not just traditional financial services backgrounds. Allowing for this broader recognition of suitable experience is aligned with MiCAR requirements, and is particularly important for emerging sectors where:

- The pool of candidates with conventional financial services experience may be limited.
- Technological and innovative expertise is critical to effective governance and risk management.

Recommendation:

- Expand “relevant experience” to include experience in digital assets, fintech startups, RegTech, distributed ledger technology, information technology, cybersecurity, and digital innovation.
- Reference this broader definition in both the main Guidance and any sector-specific annexes or application documents.

3. Location of PCF Holders

The Guidance lacks clarity on the Central Bank’s expectations regarding PCF holders based outside Ireland. This is a key issue for firms with international leadership structures or when firms are unable to find the right talent in Ireland.

Recommendation:

- Clearly state whether PCF roles can be performed from outside Ireland and under what conditions (e.g., time zone requirements, availability for supervision, minimum time spent in Ireland etc).

- Provide guidance on the authorisation and ongoing supervision of non-resident PCF holders to support international business models and talent mobility.

4. Additional Points

4.1 Appendix 4 Wording

- Change the words "Garda Check/Convictions" to "Declaration of criminal convictions" to reflect current practice, as criminal-history vetting is obtained (as required by the Guidance) solely through self-declaration.

4.2 Financial Soundness Standard

- Clarify that insolvency concerns should focus on cases where a director was subject to restriction or disqualification, aligning with the Companies Act 2014. This ensures that only directors at fault for insolvency are scrutinised under the F&P regime.

END