

Ireland's Fintech Sector INED Group submission to the Central Bank of Ireland (Central Bank's) CPI60 on Amendments to the Fitness and Probity Regime

Date: 10 July 2025

Dear Central Bank Fitness and Probity Team,

We are a small group of INEDs in the fintech sector in Ireland, recently brought together by Russell Burke, Sinead Halhed-Moran Walsh and Garrett Cassidy, as a safe, collaborative space for INEDs of regulated financial service providers (RFSPs), operating in this sector, to engage with and help each other, sharing relevant information and learnings.

We welcome the opportunity to provide feedback on CPI60 and the associated Draft Guidance on the Standards of Fitness and Probity (F&P). Our submission specifically reflects the perspective of independent non-executive directors (INEDs) and aims to address elements within the proposals of the consultation review that have particular relevance to the role and responsibilities of INEDs operating in the fintech environment here.

We very much welcome the continued efforts being made towards improvements to the Fitness and Probity process by the Central Bank.

1. Acknowledgement of INEDs' Enhanced Role in Governance

We note and welcome the Central Bank's explicit recognition of the importance of INEDs as a "fundamental safeguard within a firm's governance framework" and the emphasis placed on providing clarity on the expectations of INEDs, including through the role summaries and benchmarks for qualifications, experience and time commitment requirements.

The articulation of the INED role is particularly valuable for boards of smaller firms or new market entrants who may not have had to consider the INED role in their governance frameworks previously. However, we seek continued consideration of proportional application based on the nature, scale and complexity of the regulated financial services being provided a firm.

We note the challenge practically around sourcing experienced appropriate INED candidates, especially for smaller or newly authorised market entrants. We would propose scaling expectations by RFSP nature, scale and complexity, as well as firm maturity.

2. Time Commitments and Role Expectations

The guidance highlights expected time commitments for INEDs, noting that they must be able to commit sufficient time to effectively discharge their duties.

We would ask the CBI to further clarify the objectivity of:

- What is considered "sufficient" in terms of time commitment for INEDs across different firm sizes, considering proportionality and the nature, scale and complexity of the firm;

- How overlapping roles or other directorships (including non-financial sector appointments) are assessed for potential over-commitment. For example, would an INED be considered to be able to maintain acting in their INED role if acting as an Executive Director elsewhere?

This specificity will help ensure transparency for all involved, without deterring capable individuals from serving in multiple non-conflicting roles.

Table 4 of the draft Guidance states that, in respect of non-executive directors, the level of experience that should be held is “Three years of recent relevant practical experience at high-level managerial positions (including theoretical knowledge in relevant financial services). Practical experience gained in administrative or academic positions could also be relevant depending on the position held.”

It is unclear what “theoretical knowledge” refers to, and whether it includes practical experience. We ask the Central Bank to explain this term in the draft Guidance, or to instead remove it.

If it refers to formal educational qualifications, we ask that this pool of qualifications is considered broadly, as many qualification backgrounds would lend well to the role of INED on an RFSPs board, not just that of a lawyer or accountant. It is important that firms can determine the best skillset and experience of their leadership, especially for that of INED, without too much prescription.

We also note a number of CASP applicant firms, who may or may not have already held a VASP registration, here or elsewhere. The Central Bank has clarified that a minimum of two INEDs are required for CASP applicant firms. Potential INEDs being recruited for these firms may not have previously been on the board of a crypto business, or indeed may not have worked in the sector. We expect some level of flexibility around the expectations for this cohort. It must also be noted at this juncture that smaller CASP firms find the blanket requirement for at least two INEDs to be disproportionate, and would prefer a case by case consideration on same.

3. Independence and Conflict of Interest

We support the Central Bank’s emphasis on independence of mind and the application of a robust definition of independence, aligned with existing corporate governance standards.

We question what may be considered a conflict, for example, can an experienced INED operate in an Executive capacity in Firm X, while maintaining an INED role in Firm Y, as long as the required time commitments can be met for each and, of course, that Firm X and Firm Y are not direct competitors.

The Central Bank’s approach, particularly the reference to expectations even in sectors without prescribed corporate governance codes, helps reinforce the principle of independence as a standard to be expected across the sector. It could be helpful to include a non-exhaustive list of examples of relationships or situations that would typically be considered to impair independence, to further aid consistency in application.

4. Collective Suitability, Diversity and Inclusion

The enhanced emphasis on collective board suitability and diversity is welcome, aligning with global good governance practice. We appreciated that diversity “particularly at senior level” was encouraged in the CBI’s [Expectations for Authorisation of Payment and Electronic Money Institutions and Registration of Account Information Service Providers](#) in April 2024. We note that more diversity at senior level, particularly on boards and with INED roles, will ensure rounded consideration and should improve the board's capacity to positively impact performance generally.

INEDs are frequently key drivers of board diversity and can bring different industry or technical experience, beyond the specific firm type knowledge that has to be sought for the executive leadership team. The reinforcement of the INED role in achieving collective suitability is valuable and appreciated. We note here again the cohort of CASP firms, who are finding it difficult to source appropriately experienced INEDs, and thus could ‘struggle’ to also consider/ensure a diverse board make-up at the start of their CASP authorisation.

We would ask the Central Bank to provide:

- Further guidance on how boards might document and evidence collective suitability, always in a proportionate manner;
- Examples of what constitutes good practice in board composition and diversity evaluation.

5. Relevance of Past Events

The clarification around how past events (such as prior regulatory or legal issues) will be considered in PCF applications is also welcome.

The emphasis on materiality and context in the consideration of past events is considered crucial. We support this balanced approach and ask that the Central Bank continues to engage with firms pre-emptively where there may be any uncertainty, to avoid discouraging otherwise suitable INEDs from applying for roles.

6. Certification and Ongoing Monitoring

We recognise the ongoing certification obligations placed on firms to assess INEDs’ continued fitness and probity. Given the non-executive and part-time nature of INED roles, we encourage the Central Bank to issue proportional expectations on the depth and frequency of internal due diligence firms must carry out, especially for INEDs who have demonstrated long and sound tenures in their role holding.

7. Application Authorisation Process

Feedback from multiple PCF applicants, not just INEDs, is that the Central Bank portal is not user friendly and not very intuitive to use, with instructions and support far too generic in nature. We would suggest that the Central Bank take this opportunity to review its portal and process for completing a PCF application and strongly recommend inviting industry feedback and user testing. Our group would be very happy to support any such initiative.

Further, we note that INED's (and other PCF applicants) in the fintech sector, over recent years, have found an application requirement via the Individual Questionnaire (IQ) on the portal to be onerous and difficult to satisfy. The section 5 additional legal attestation requirement to 'no' responses, only applicable to Electronic Money Institutions, Payment Institutions and Crowdfunding Service Providers, can be costly, difficult to fulfil and cause additional stress to an IQ application process for INEDs (and other proposed PCF role holders) applying for approval with the Central Bank for these sector firm types. The requirement is not in line with that in other European jurisdictions, and is thus an additional requirement that makes seeking approval here unattractive. When it comes to non-resident INEDs seeking the approval of the Central Bank for an Irish regulated firm, the requirement, historically, has also been extremely difficult to satisfy, with some efforts at evidencing the attestation being accepted for one application, and the same effort not being accepted for another, with different reviewers considering the submission. We would ask for this Consultation review period to consider making the application/evidencing process less onerous, and in line with other sectors the Central Bank oversees, and with EU norms.

Conclusion

Overall, we consider that the proposed enhancements reflect a thoughtful and balanced evolution of the F&P regime. We acknowledge the Central Bank alignment with international best practices and welcome the greater clarity provided to INEDs.

We would encourage continued dialogue with INED communities and boards to ensure the evolving regulatory framework supports strong, independent and appropriate oversight, without imposing unnecessary barriers to board participation.

We remain available to engage with CBI representatives at any time, as a small group of INEDs involved in the fintech sector in Ireland, with representation from those with long, established INED tenures and those newly entering the role.

Yours sincerely,

Garrett Cassidy, Russell Burke, and Sinead Halhed-Moran Walsh, on behalf of the INED community growing under Ireland's Fintech INED Network