Question 1:

Is Supplemental Guidance helpful? What other information would be useful to include?

The analysis:

CBI to be more transparent of decision making in fitness and probity areas; the mani guidance and supplementary guidance do suggest a path forward.

This allows for better controls and alignment from the perspectives of controlled function. I find it helpful for someone who is performing a controlled function in the credit institution.

The clarity on which behaviors may result in a prohibition allows for better alignment for training and education required. Not only for controlled functions but for potential candidates to learn ahead and use examples.

Economic and Operational Risks:

In my opinion, the risk from this draft when reading can be lacking sufficient distinction between serious, intentional breaches and errors resulting from systemic process deficiencies or misjudgments under conditions of uncertainty. In law it's called the eggshell rule. I suggest it can be applied here. In banking, I have observed that in areas such as risk management and compliance, decisions are often made based on incomplete data. This is one of the reasons why I strive extremely hard to learn better data analytics and to analyze the IFM charts as I think they are the leaders in the field of data visualization and analytics.

The too broad overview of "negligence" could lead to situations where accountability for systemic errors is avoided by shifting it onto individuals. This would not be fair and moral.

Psychological and Organizational Aspect:

I think the lack of examples with "good practice" alongside "bad practice" can amplify the chilling effect. Individuals in top positions may become extremely cautious, slowing down innovation, and the key point is decision making processes. In extreme cases, this will lead to defensive management. As a result, I think this will become avoiding personal liability rather than optimizing business outcomes. As a result, the sector's competitiveness will be harmful.

Proposed Amendment / Useful Additions:

I propose to add "Green Lines / Safe Harbours" Examples Section. I suggest propose that the guidance be accompanied by an annex with anonymized examples of circumstances in which the CBI had determined that, although an adverse event (such as a loss) had occurred, the party's conduct was nevertheless justified and made in good faith on reasonable business grounds (such as a credit decision made in accordance with policy, which turned out to be wrong in the light of unforeseeable macroeconomic events).

Clear Separation of Individual and Systemic Responsibility: The regulations must make it clear that the presence of poor internal controls, a toxic environment, or pressure from senior individuals to reach targets is a material mitigating factor in determining the individual's conduct. Otherwise, the use of prohibition notices could become arbitrary in the treatment of "scapegoats," while the problem at the institution goes unaddressed.

Question two:

Do you have any observations on the circumstances relevant to prohibition as set out in Table 1 of Supplemental Guidance?

Analysis:

Table 1 provides a useful assessment matrix. The classification of circumstances into "seriousness of the breach," "role and responsibility," and "post-event actions" is logical and consistent with best supervisory practices.

Remedial actions inclusion means significance, because it promotes responsible management during a crisis.

Economical Risk:

> The tightly concentrated Irish market use of factors may lead to talent pool impacts. If concepts like "gross violation" or "reckless conduct" are vague. It may be ap problem for bringing experienced directors from outside the country as current directors may see regulation as too high of a bar when compared to benefits. This may be an illusion. The standards in EU are even higher and compared to US are thriving for infrastructure innovation in a very quick speed example is T1 and shell settlement. I have bee implementing corporate governance for a decade now globally in JP Morgan Citi and Goldman Sachs. I think this could have an impact consequently on the quality of corporate governance.

Psychological Risk:

The "post-event actions" criterion is a positive addition. This is potential to shape the behavior. It will encourage individuals in controlled functions not only to avoid mistakes but, above all, to react swiftly, be transparent, and cooperate with the supervisor once a problem has arisen.

Proposed Amendment / Useful Additions:

1. Clarification of "Role and Responsibility" I suggest kindly to add statement that holding a CFO or CRO position, does not automatically equate to bearing responsibility for all errors in that area. The challenge should be to determine whether the individual had the actual power, resources, and information available to them to prevent the breach from occurring and whether they made reasonable efforts to achieve this. Otherwise, we are left with a situation where individuals in expert roles may shun promotion to management roles to avoid accountability for circumstances that are outside their control.
2. Addition of "Actions taken in good faith based on professional opinion" criterion. In order to determine the level of seriousness of a breach, it might be helpful to introduce a factor that distinguishes between conduct pursued in good faith on the basis of a justifiable but incorrect expert opinion, and conduct that was manifestly not in line with the rules and market practice at the time of its occurrence.

Question 3

Do you have any observations on any other aspects of Supplemental Guidance?

Overall, in my opinion, the document describes well on who is taken into consideration. I suggest the missing information is for how" the process works in practice. From the perspective of cost and institutions. On the other hand, I have only spent a decade as an AVP.

Economic

Prohibition notices lengthy time and negative impact on the banks. The reputational damage potential reputational damage during a multi-month proceeding can destroy a career. the operational cost may be increasing at fast peace causing damage. Simultaneously, the bank must allocate significant legal and compliance resources to handle supervisory inquiries.

Psychological

The "procedural effect" is often overlooked in the cost-benefit analysis of regulation. This may have an impact on banks and clients.

Proposed Amendment / Useful Additions:

1. Introduction of a section in the guidance on **"Proportionality and Procedural Efficiency**": We propose that the CBI include in its guidance a commitment to conducting proceedings efficiently and in a manner that focuses on key issues. This would include, for example,
   - timelines for different stages of the process
   - early identification of key areas of concern so that a focused defense can be mounted and not making disproportionate requests for information that are not key to the dispute (fishing expeditions).
2. Publication of anonymized statistics on the duration of proceedings: To increase transparency, we propose that the CBI publish anonymized statistics on the average duration of investigative proceedings relating to prohibition notices. This would enable institutions to better manage risk and prepare for contingency planning and would also provide a means of pressing for process improvements within the supervisor itself.