



PIBA submission on the Consultation on Authorisation of Regulated Firms, Funds and Intermediaries: Process Improvements and Service Standards

Consultation Paper CP 67

OCTOBER 2013

The Professional Insurance Brokers Association (PIBA) is the largest representative body for financial and insurance brokers with over 860 member firms throughout Ireland. This submission outlines a response to the proposals contained in the consultation paper on Authorisation of Regulated Firms, Funds and Intermediaries: Process Improvements and Service Standards - CP 67, on behalf of our members.

PIBA welcomes the Central Bank's proposals in relation to the introduction of a more streamlined application process and associated timelines for Retail Intermediaries as outlined in section 11.3, given that at present authorisation can take up to 6 months.

We note that it is envisaged that the Central Bank will introduce an online questionnaire that solicits feedback from applicants on their experience of the authorisation process. PIBA is in favour of this proposal but would suggest that this online questionnaire should be submitted on an anonymous basis as often firms are reluctant to voice issues they may have experienced with the Central Bank for fear of it having a negative impact on the Central Bank's relationship with the concerned firm in the future.

PIBA believes that the authorisation process should take into account the authorisation sought and the structure of the applicant firm. Feedback from members indicates that often current delays stem from a repetition of queries from the Central Bank, where answers have already been submitted.

We would suggest that there should be recognition in the authorisation process of situations where the regulated entity is changing legal status e.g. restructuring from a sole trader/partnership to a ltd. company and the Central Bank already holds information on the applicants through previously completed individual questionnaires. Rather than requiring this information again, the applicant could be asked to confirm if there has been any change in the applicant's circumstances and sign a declaration to confirm same. This would speed up the process for these applicant firms.

Additional Comments

PIBA believes that the proposed introduction of an application fee should only commence once the processing timeframes as outlined in Section 11.3 have been achieved by the Central Bank. We note the reference that a consultation will take place in 2014 in relation to the introduction of the application fee. PIBA has concerns about the introduction of a

high fee which would act as a barrier to entry, which in turn may lead to a shrinking of the intermediary sector. This would drive choice and independent advice out of the market to the detriment of the consumer. It would also act as a barrier to efficient re-structuring of existing firms.

PIBA believes the fact that applicants also complete individual questionnaires and submit required supplementary documentation online thereby removing the manual processing of paperwork should be taken into account.

We also feel that an application fee should not be charged where an intermediary is restructuring i.e. a sole trader moving to a ltd. company.