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Newsletter

Investment Firm and Intermediary Newsletter

November 2026

Message from Des Ritchie, Head of Division, Investment Firms & Retail Intermediaries Supervision

Welcome to the second newsletter of 2026. This newsletter aims to highlight areas of interest across the Investment Firm and Retail Intermediaries sectors as well as to provide updates on key pieces of work carried out this year.

The Retail Intermediaries Insights section includes important reminders regarding the prior approval required for Acquiring Transactions and articles on PCF appointments and Temporary Officers. An article giving an overview of the recent annual Retail Intermediaries Roadshow is also included.

Our MiFID Insights section contains articles on recent thematic reviews across the areas of Fitness and Probity and Liquidity Risk Management as well as other key updates for the sector. Under our Central Bank Insights section, you will find articles on areas of interest from a range of topics across the Central Bank.

Our In Case You Missed It page contains links to key publications and to some important speeches that have been delivered this year. We welcome any suggested topics that you would like to see in future editions.

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Intermediary Insights

Reminder of Prior Approval Requirement for Acquiring Transactions

Authors: Grace Dunne/Laura Fitzgerald



Firms authorised under the Investment Intermediaries Act, 1995 (IIA) are subject to regulatory obligations when undertaking transactions involving a change in shareholding. Subject to certain thresholds (set out below), changes in shareholding known as **acquiring transactions** require the prior approval of the Central Bank of Ireland (Central Bank). Failure to obtain prior approval is likely to result in the firm having to apply to the High Court for retrospective approval, which may cause additional costs and delays in finalising the acquiring transaction. There has been an uptick in firms needing to seek this retrospective approval in the High Court recently. Consequently, we are reminding IIA firms of the requirement to apply for Central Bank approval prior to an acquiring transaction taking place.

Key Points for IIA Firms

1. The Central Bank must be notified of and provide approval **prior** to a transaction that:
    - meets/exceeds a qualifying holding[1] or meets/exceeds a direct/indirect holding of 20%, 33% or 50% of the shares/other interest in the capital or voting rights of the firm; or
    - if the authorised investment intermediary would become a subsidiary of the acquirer.

    The IIA Acquiring Transaction form to complete is located here.

2. The Central Bank does not have the power to retrospectively approve an acquiring transaction under the IIA after it has taken place. Where a person fails to notify the Central Bank prior to completing a change of shareholding that is an acquiring transaction, an application must be made to the High Court to deem the transaction(s) valid.

3. Further information in relation to acquiring transactions can be found on our website. If firms have any queries in relation to acquiring transactions, they can contact acquiringtransactions@centralbank.ie

4. Firms should seek legal advice if they are unsure as to their regulatory obligations in relation to the change of a firm's structure/shareholding.

[1] "qualifying holding" means a direct or indirect holding of shares or other interest in a proposed investment business firm or an authorised investment business firm which represents 10 per cent, or more of the capital or of the voting rights, or any direct or indirect holding of less than 10 per cent, which, in the opinion of a supervisory authority, makes it possible to control or exercise a significant influence over the management of the proposed investment business firm or authorised investment business firm in which a holding subsists.

Intermediary Insights

Temporary Officers

Author: Joe Donnelly

Firms are reminded that they should have adequate succession/contingency plans in place for all Pre-Approval Controlled Function (PCF) roles. The Central Bank recognises that there may be circumstances where a PCF role becomes vacant and the firm may wish to appoint a person to fulfil that role, on a temporary basis. Such temporary appointments can be made in circumstances where there is a PCF vacancy, and these circumstances no longer need to be deemed "exceptional" or "unexpected". In such circumstances, the firm may appoint a suitable individual as a 'Temporary Officer' to perform that PCF role for a period of no more than six months, subject to the prior written agreement from the Central Bank and the firm meeting the requirements set out below.

- **Permanent vacancy**: Where a Temporary Officer is appointed, to fill a PCF role that has been permanently vacated, a firm must submit a PCF application in respect of that role to the Central Bank within three months from the date of the appointment. Such a PCF application may be in respect of the Temporary Officer fulfilling the role on a permanent basis, or it may be in respect of another person who is proposed to fill the role. If no PCF application is submitted in respect of the role within this period, the agreement of the Central Bank to the appointment of the Temporary Officer on a temporary basis will lapse three months after the date of the agreement, and the Temporary Officer will no longer be permitted to continue to fill the role, save in exceptional circumstances.
- Where a PCF application in respect of the role filled by the Temporary Officer is submitted within three months, the Temporary Officer may continue to hold the role until such time as a decision has been made by the Central Bank on the PCF application for that role within the approved six-month period.
- **PCF temporary absence**: Where the previous PCF role holder returns to the role following a temporary absence, their PCF approval remains valid and another application will not be required in this case.

This and other information in relation to notification requirements and additional points to note are contained in the Temporary Officers section of the Guidance on the Standards of Fitness and Probity on the Central Bank's website.

Intermediary Insights

PCF Role Holders & Persons Responsible (as applicable to Retail Intermediaries)

Author: Joe Donnelly

The Central Bank requires that firms maintain adequate levels of resources and appropriate governance arrangements for the nature, scale and complexity of their operations.

Further guidance and the relevant contact details for queries are available on the Fitness and Probity section of our website.

New PCF being proposed

Firms must seek the prior approval of the Central Bank before appointing an individual to a PCF role. The individual must complete an online Individual Questionnaire (IQ) and submit this electronically via the Central Bank Portal for assessment. An individual must not take up the PCF role or responsibility until the Central Bank has approved the appointment in writing.

PCF Retiring or Resigning

The notification of the retirement/resignation of an individual who held a PCF role in the firm must be submitted through the Portal. Please include the reasons for the retirement/resignation, the date of departure from the firm and confirm whether there are any fitness or probity concerns that the Central Bank should be informed about.

Change of Person Responsible for Insurance Distribution/Mortgage Intermediation

The appointment or removal of a person responsible for insurance distribution/mortgage intermediation should be submitted as a request change via the Portal.

Firms that hold an insurance intermediary registration/mortgage intermediary authorisation, are required to have at least one individual identified as the person responsible for insurance distribution/mortgage intermediation at all times.

The Central Bank expects the person identified as being responsible for the insurance distribution/mortgage intermediation business to be a suitably experienced senior person such as a director, sole trader, partner, appropriate PCF role holder or senior manager.

Intermediary Insights

Voluntary Revocation

Author: Niall Daly

Retail Intermediaries are reminded that should a firm hold an authorisation/registration that is no longer required, an application to revoke the relevant authorisation/registration should be submitted to the Central Bank. Requests for voluntary revocation should be submitted to the Central Bank by completing the application form and submitting it to revoke@centralbank.ie.

Firms seeking to apply for a voluntary revocation need to ensure that their customers are not negatively affected by the process. As part of the revocation process, firms are reminded that their contact details and details of their Professional Indemnity Insurance policy should be submitted to the Financial Services and Pensions Ombudsman (FSPO) at the following email address; RegistrarofProviders@FSPO.ie

A 'Guide to Voluntary Revocations' is available on the Central Bank's website and should be read prior to completion of the voluntary revocation application form.

Should you have any further questions related to the revocation process, please contact revoke@centralbank.ie

Intermediary Insights

Annual Retail Intermediaries Roadshows 2026

Author: Andrea McElroy

The Central Bank held its 2026 Retail Intermediaries Roadshows in Dublin and Cork on 15 and 16 October respectively. The events were well attended by representatives from retail intermediary firms, compliance consultants, educational bodies, and Brokers Ireland.

These in-person Roadshows are an important part of the Central Bank's engagement with the sector, enabling us to communicate key regulatory messages to the audience whilst identifying emerging issues and responding to firms' questions in real time.

CPD Accreditation
Participants who attended the Roadshow were eligible to claim 2.5 hours of Continuous Professional Development (CPD), recognising the professional development value of the events.

Key Topics Covered
Speakers from across the Central Bank presented on a broad range of important topics relevant to the Retail Intermediaries sector, including:

- Authorisations and Supervision updates;
- Fitness & Probity;
- Outsourcing;
- Regulatory Policy updates;
- The new Anti-Money Laundering Risk Evaluation Questionnaire;
- Artificial Intelligence in Financial Services; and
- Financial Crime and Cyber Risk.

Industry Engagement

The Roadshows fostered constructive dialogue between the Central Bank and industry participants. A dedicated Q&A Hub provided attendees with the opportunity to raise questions and discuss specific concerns with Central Bank representatives on the two days.

Further Information
A link to the full slide deck from the Roadshows is included here.
Any queries in relation to the Roadshows can be directed to riroadshows@centralbank.ie.





Intermediary Insights

Roll-out of New AML/CFT Risk Evaluation Questionnaires to Life Insurance and Investment Intermediaries

Authors: Catherine Balfe/Niamh O'Malley

Background



To identify and assess Money Laundering/Terrorist Financing (ML/TF) and Quality of AML/CFT Controls risks, the Central Bank relies on a variety of data sources, including the submission of ML/TF-specific returns. To support this, we are introducing a new sector-specific Risk Evaluation Questionnaire (REQ) for Life and Investment Intermediaries. The aim of the REQ is to capture more detailed and insightful risk data to support data-based decisions and to meet the requirements of the new EU Anti-Money Laundering Authority (AMLA).

We will use the new REQ to assess risk using the AMLA-mandated methodology, to inform our decision-making and supervisory strategy both at firm and sectoral level, and to assist in identifying emerging and thematic trends.

Launch of REQ

The Life and Investment Intermediaries REQ was launched on 2 November. All Life and Investment Intermediaries will have received an e-mail with a letter attached formally imposing the requirement to submit the REQ. The REQ and associated Guidance on completion was also published on the Central Bank website.

The REQ is an Excel spreadsheet that you download and complete on your computer and then submit to the Central Bank via the Central Bank Portal by 24 March 2027. The REQ will be available to upload on the Portal at least 4 weeks in advance of the submission date. The information to be included in the REQ relates to the calendar year 2026 unless otherwise stated.

From 2028, the REQ will be an annual submission in March based on the preceding calendar year.

Support available

The following supports will be available to firms for the completion and submission of this first REQ:

- **January 2027:** Hold a workshop to provide practical advice on submission of the REQ and to answer questions on specific questions in the REQ. We aim to issue the invitations to firms via Portal broadcast message in late November;
- **January 2027:** Publication of an FAQ after the workshop addressing the most common queries received;
- **February 2027**: Open a test portal so that firms can (if they so choose) complete a "Dry Run" to see if their REQ can be successfully submitted;
- **March 2027**: Hold a short Q&A webinar to answer questions on the technical submission via the Portal; and
- **Ongoing:** If you have any queries on the content of the REQ please e-mail**:** AML_Analytics@centralbank.ie

What you should do now to prepare for the March 2027 submission

- Review the REQ and Guidance on the Central Bank's website to familiarise yourself with the information required;
- Review your systems and start making any changes necessary to ensure that you can capture and collate the data required;
- Start collating the information as soon as possible;
- Download the Excel REQ and start to complete the answers; and
- Be prepared coming to the January 2027 workshop to identify areas that you would like to discuss if not covered in the Guidance.

MiFID Insights

Reverse Solicitation: Reminder of MiFID II Requirements and ESMA Guidance

Author: Katie O'Callaghan



The Central Bank continues to monitor developments on the use of reverse solicitation within the Irish market. Recent observations indicate a presence of structured arrangements between regulated MiFID investment firms and third country firms who are relying on reverse solicitation to provide certain services to Irish clients. This may arise where the services of a regulated MiFID investment firm and a third country firm are provided together and are subject to commercial arrangements between the firms.

Under Regulation 51 of the MiFID Regulations, third country firms may only perform investment activities or provide investment services to retail clients in the European Economic Area (EEA) where the retail client initiates, **at its own exclusive initiative**, the provision of an investment service or activity. The European Securities and Markets Authority (ESMA) has provided important guidance on reverse solicitation that firms should carefully consider, including, a reminder to firms of the MiFID II rules on reverse solicitation and Section 13 of the ESMA Q&A on MiFID II and MiFIR investor protection and intermediary topics.

Firms should not facilitate arrangements where third-country firms provide services to EEA retail clients without authorisation, unless genuine reverse solicitation has occurred. Firms should:

- Maintain appropriate documentation demonstrating how client relationships with third-country providers were initiated, particularly where there is a link between the service offered by the firm and the third-country firm
- Implement effective compliance monitoring arrangements to ensure ongoing adherence to legal and regulatory requirements
- Seek appropriate legal advice where uncertainty exists

The reverse solicitation provision serves an important purpose in allowing clients who genuinely seek out third-country firm services to access them. However, it is not intended to provide a means for third-country firms to provide services in the EEA without authorisation. The Central Bank expects that regulated firms understand and comply with these requirements and act to secure clients' interests at all times.

MiFID Insights

MiFID Annual Conduct of Business Return Enhancements

Author: Scott Kinsella

Enhancements to MiFID Conduct of Business Returns

In line with the Central Bank's data-driven approach to supervision, we set out in the June 2026 edition of the newsletter our intention to deploy an enhanced Conduct of Business Return for the MiFID Investment Firm sector.

What's Changing?

Unified Conduct of Business Return: A consolidated reporting template combines the existing annual Conduct of Business Return and Investments Product Template into one submission. This streamlines the reporting process for firms by removing the requirement to complete two separate templates and make two separate submissions via the Central Bank Portal.

Enhanced Data Set: The new Conduct of Business Return incorporates additional conduct data points to reflect (i) the OECD recommendation that we continue to make targeted additions and refinements to the data we collect from regulated firms to inform our consumer protection supervisory functions; and (ii) the application of the Guidance on Securing Customers' Interests and Protecting Customers in Vulnerable Circumstances to MiFID regulated entities following the revised Consumer Protection Code coming into effect in March 2026. The new data points include:

- Age segmentation and vulnerable consumer data at service and complaints level (retail clients only)
- Fraud and scams reporting (all client types)
- Enhanced complaints data, including resolution timeframes and redress information

New Guidance Note: An updated Guidance Note reflecting the introduction of the new Conduct of Business Return and the new data points will assist firms in completing the new return.

The primary purpose of the sectoral Conduct of Business Returns collected by the Central Bank is to capture key metrics with the aim of supporting firms across sectors monitor and manage their consumer risks and assisting the supervisory functions within the Central Bank to carry out their own consumer protection responsibilities. The data captured in the returns is a key evidence source to help identify and analyse data and trends which may translate into conduct risk, consumer detriment and poor outcomes.

Implementation Timeline

These changes will take effect for the 2026 annual data collection exercise. The final version of the new Conduct of Business Return template and updated Guidance Note will be shared with investment firms early in Q1 2027. The new template will be accessible on the Central

Bank Portal in Q1 2027, with submissions due by 31 March 2027. It is important that firms ensure they complete and submit their return by this date. The Central Bank will proactively follow up with any firm that fails to submit their return on time.

Portal Access and Support

Firms should be registered on the Central Bank Portal so they can submit their returns. If your firm requires assistance with registration or login, please refer to the guidance material available on the Central Bank website or contact Portal Support at: **portalsupport@centralbank.ie**

We encourage all investment firms to ensure they have access to the Portal in advance of the 31 March 2027 submission date and to review the updated Guidance Note in respect of the new Conduct of Business Return when it becomes available.

MiFID Insights

Own Funds Requirements under the IFR: A Practical Guide for Class 2 and Class 3 Firms

Author: Elaine Hamill

The Investment Firms Regulation (IFR) establishes Own Funds requirements designed to ensure that investment firms maintain sufficient capital to absorb losses and support their operations. For Class 2 and Class 3 firms, understanding and meeting these requirements is essential for regulatory compliance and operational resilience.

Own Funds Composition
Investment Firms are required to hold a certain level of Own Funds which must be composed of ***Common Equity Tier 1 (CET1)*** capital but may also include ***Additional Tier 1 (AT1)*** instruments, and ***Tier 2 capital (T2)***, subject to certain proportions.

- ***CET1*** and ***AT1*** are loss-absorbing on an ongoing basis which allows the firm to undertake its activities whilst remaining solvent. Examples of CET1 include ordinary share capital, retained earnings, and share premium. An example of AT1 is a contingent convertible debt instrument.
- ***T2*** is generally loss-absorbing on a gone concern basis where the investment firm becomes insolvent. Examples of T2 include subordinated debt or hybrid instruments.

For most Class 2 and Class 3 firms, CET1 will form the primary component of Own Funds.

Minimum Requirements & Reporting Obligations
Class 2 firms must maintain Own Funds equal to the higher of the (i) Permanent Minimum Requirement (PMR) of €150k; or (ii) Fixed Overhead Requirement (FOR), which is calculated as 25% of the fixed overheads of the previous year's audited financial statements; or (iii) K-Factor Requirement (KFR). The KFR approach links the capital requirements of a Class 2 firm to the firm's activities across 3 categories – Risk to Client, Risk to Market and Risk to Firm. The KFR categories are designed to reflect the potential risks that an investment firm poses to consumers and markets.

For larger and more complex Class 2 firms additional own funds requirements may be imposed on the basis of assessments carried out as part of the Supervisory review and evaluation process (SREP), where the investment firm is exposed to risks or elements of risks, or poses risks to others that are material and are not covered or not sufficiently covered by PMR, FOR or KFR, or where certain other specific supervisory requirements are not met.

Class 3 firms are subject to a less onerous minimum own funds requirement and are required to maintain Own Funds equal to the higher of the (i) PMR of €75k; or (ii) FOR (as calculated for Class 2 firms above).

Reporting Obligations
Class 3 firms are required to submit an annual IFREP return whereas ***Class 2*** firms are required to submit the IFREP return on a quarterly basis. Whilst the IFREP reporting templates for Class 2 and Class 3 firms differ, both templates require the firm to include details of their own funds composition and own funds requirements. Firms are required to submit the returns via the Central Bank Portal.

Practical Compliance Considerations
Calculation and Monitoring: Firms should establish robust processes for calculating Own Funds and monitoring capital requirement compliance on an ongoing basis. Firms must ensure that they have:

- Correctly classified the capital instruments under the IFR (i.e. CET1, AT1 and T2)
- Obtained the prior approval of the Central Bank for their inclusion in the calculation of Own Funds
- Made any necessary regulatory adjustments to the calculation (e.g. deduction of goodwill, intangible assets, current year losses etc).

Documentation: Firms should provide the Central Bank with the necessary documentary evidence to support the classification of the instrument(s) as own funds. For example:

- New Share Issue requires the submission of an updated share register, a copy of the relevant CRO filing, Board minutes approving the share issue, and a copy bank statement evidencing receipt of funds.
- Capital Contribution[2] requires the submission of the standard Capital Contribution Agreement duly signed, Board minutes approving the capital contribution, and a copy bank statement evidencing receipt of funds.
- Where the firm is availing of deductions to the FOR, it must be able to provide independent verification (e.g. by reference to the audited financial statements, letter from the external auditor etc) of the amounts being deducted.

Scenario Planning: Given that Own Funds requirements can change with business growth or regulatory guidance updates, the firm should maintain forward-looking projections to ensure capital compliance on an ongoing basis with a capital buffer in place to absorb any unanticipated losses.

Capital Breach: Where a capital requirement breach has occurred, the investment firm must *immediately* engage with their supervisory team and submit a Breach & Incident reporting form[3] via the Central Bank Portal.

Next Steps
The Board of Directors are ultimately responsible for ensuring that the firm complies with its obligations under the IFR on an ongoing basis. Furthermore, a regular review of the firm's

[2] https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/investment-firms/documents-for-privacy-notice-gdpr/gns-4-4-9-4-6-capital-contribution-agreement-28-05-18.doc?sfvrsn=8347b21d_4
[3] https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/investment-firms/mifid-firms/reporting-requirements/gns-4-4-11-2-6-breach-error-and-incident-reporting-form-for-mifid-firms---part-2.docx?sfvrsn=870d51d_8

compliance with its obligations should be undertaken to ensure that any gaps that may have arisen between the firm's Own Funds composition and calculations against the IFR standards are identified and remediated promptly. If there is any doubt as to how the firm is complying with its obligations, the Board of Directors should consider if they need to obtain independent legal advice.

MiFID Insights

Thematic Assessment of the Implementation of Key Aspects of the Fitness and Probity Regime in the MiFID Investment Firm Sector

Author: Aoife Moore



In September 2026, the Central Bank issued the findings of its Thematic Assessment: Implementation of key aspects of the Fitness and Probity (F&P) Regime in the MiFID Investment Firm sector (the Assessment). The Assessment evaluated firms' approaches to policies and procedures in respect of the F&P Regime; due diligence and annual certification documentation, measures undertaken following the introduction of the Individual Accountability Framework (IAF) and records demonstrating compliance with the Minimum Competency Code 2017 (MCC).

Key Findings

Overall, the Assessment found that many of the firms in-scope had sufficiently detailed policies and procedures in place that were implemented in practice. Good practices observed included firms issuing certificates to Pre-Approved Controlled Function (PCF) role holders confirming compliance with the F&P Standards and undertaking regular reviews of continuous professional development records.

The Assessment also noted that most firms had taken proactive steps to embed the IAF into their governance framework, with some firms developing innovative approaches such as Reasonable Steps Frameworks to assist employees in understanding their roles and responsibilities.

However, deficiencies were identified in a cohort of firms regarding the due diligence undertaken. Some firms were unable to provide sufficient evidence of due diligence completed at the time of onboarding a PCF role holder and/or for the annual certification process. Common gaps included failure to obtain PCF signed agreements to comply with the F&P Standards, lack of evidence of self-certification of potential conflicts of interest, and insufficient documentation of competence assessments.

Additionally, some firms had not adequately embedded the IAF within their governance framework, with policies and procedures lacking specific details on how firms had tailored

their approach to embed the new framework. For firms in-scope of the Senior Executive Accountability Regime (SEAR) requirements, a small number had Management Responsibility Maps that did not meet the prescribed standards, with key information missing such as 'inherent' or 'other' responsibilities, and unclear reporting lines.

There were no significant adverse findings in relation to compliance with MCC requirements. The Central Bank has issued firm specific feedback to all in-scope firms.

Central Bank Expectations

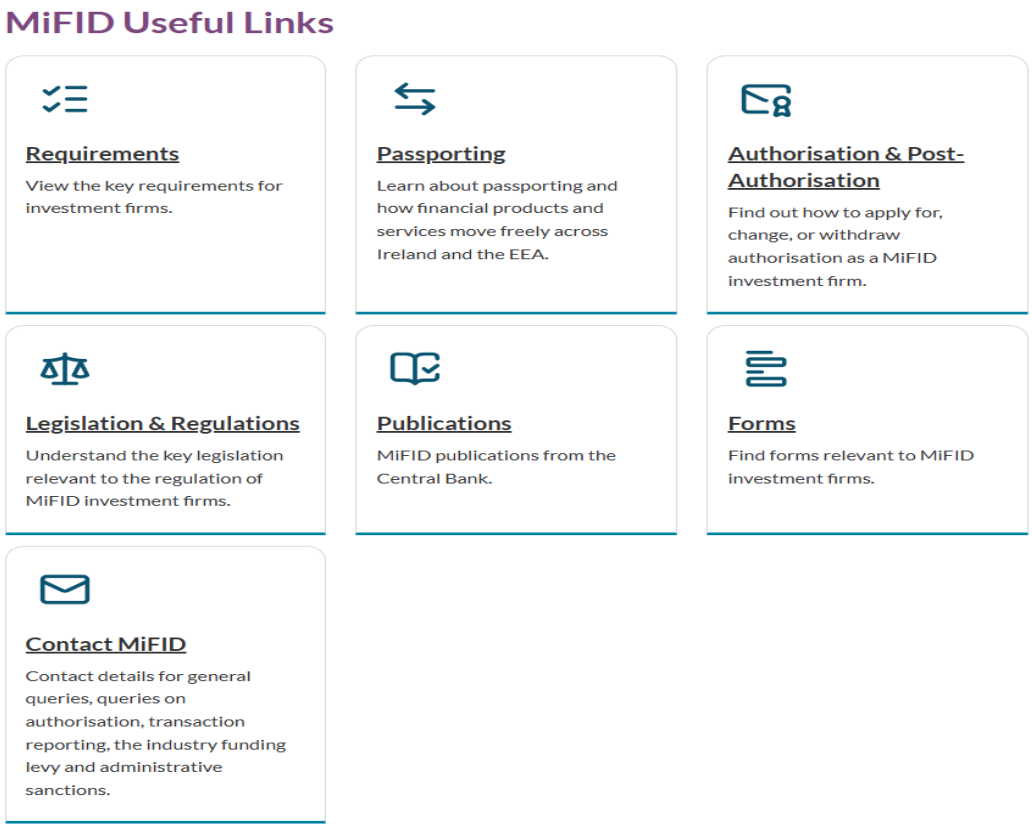
All firms should take time to review the contents of the Central Bank's report, consider the findings and make any necessary updates to their processes. Firms are encouraged to engage with their Supervisory Team if they require clarification on any of the findings or details set out in the report.

MiFID Insights

Website Update

Author: Helena Martin

We recently undertook a project to review, update and streamline the MiFID investment firm section of the Central Bank's website. Key enhancements include a dedicated section for viewing key regulatory requirements, access to authorisation and post-authorisation resources, consolidated applicable legislation and regulatory guidance, and a dedicated hub for all MiFID sector publications. We hope you find it useful. Check it out at this link.



MiFID Insights

Liquidity Risk Management Thematic Review

Author: Olwyn McConkey

During 2025 the Central Bank completed a Thematic Review of Liquidity Risk Management (the Review) on a cohort of MiFID investment firms. This Review was conducted to establish an understanding of the level of inherent liquidity risk that in-scope firms are exposed to, and how this is managed within the firms' risk management framework. In September 2026, we published an industry report with our findings. The Review determined that overall, the sample of firms were found to be managing their liquidity risk exposures broadly in line with the Joint EBA and ESMA Guidelines and the Central Bank's expectations. However, varying degrees of maturity across firms' liquidity risk management frameworks were observed.

Evaluation of Liquidity Risk

The Central Bank observed that most firms reviewed performed an adequate assessment of their business model and the liquidity risks arising due to their activities. All firms demonstrated consideration of intraday liquidity risk and its relevance to their individual businesses. Firms also clearly demonstrated the ability to ensure ongoing compliance with the minimum liquidity requirement, both in BAU circumstances and under stressed conditions. All firms also demonstrated they had considered the stability of their funding.

Liquidity Risk Management

The Review identified that all firms had enacted a three lines of defence structure for the management of liquidity risk. While all firms had implemented specific liquidity risk limits, the rationale for their calibration was not always clear. Monitoring arrangements in place for firms appeared adequate with most firms conducting daily monitoring of their liquidity positions. While stress testing was found to be in place, some firms provided insufficient detail regarding the impacts of stress scenarios on the firm's liquidity position. Furthermore, in certain instances contingent funding is uncommitted in nature giving rise to the potential risk that this funding is not made available in a stressed scenario.

Next Steps

The Central Bank expects all MiFID investment firms, their boards and senior management, to revisit the Joint Guidelines to consider their adherence to same. Where weaknesses have been identified, firms should implement actions to address these in a timely manner. The Central Bank would like to emphasise the responsibilities of the board and senior management when considering liquidity risk as part of an investment firm's overall risk management framework, to ensure the financial resilience of the firm. Boards and senior management should ensure that risk management frameworks are well designed, are operating effectively, and are sufficiently robust.

MiFID Insights

ESMA clarifies the application of product intervention measures on binary options to event contracts

Prediction markets are a relatively new and rapidly evolving class of market in which participants trade contracts that pay-out based on the outcome of future events. They can cover a broad range of political, economic, geopolitical, technological and cultural events.

On 3 July 2026 ESMA issued a public statement[4] reminding firms of their obligations regarding "event contracts" and prediction markets. Event contracts with binary outcomes that qualify as financial instruments fall within the scope of existing product intervention measures on binary options and are prohibited from being marketed, distributed or sold to retail clients. Firms should carefully assess whether these product intervention measures apply to products they offer, regardless of how they are commercially branded, and ensure full compliance with MiFID II authorisation requirements.

The issuance of the public statement is a timely reminder for firms to familiarise themselves with the Central Bank's product intervention measures, which includes a ban on the sale of binary options[5] and restricts the sale of contracts for difference[6] in the context of retail clients.

Investor protection and robust product governance arrangements should always be central to firms' approach when manufacturing and distributing financial products. When designing and bringing products to market, firms must ensure proper design and governance oversight, taking into account the interests and characteristics of the target market to avoid potential customer detriment. Firms should never wait for regulatory intervention before taking necessary steps to secure their customers' interests, particularly where products have similar features to those subject to regulatory restrictions.

[4] https://www.esma.europa.eu/press-news/esma-news/esma-reminds-firms-existing-rules-and-obligations-under-binary-option-measures
[5] https://www.centralbank.ie/docs/default-source/Regulation/industry-market-sectors/investment-firms/mifid-firms/regulatory-requirements-and-guidance/central-bank-binary-options-intervention-measure.pdf
[6] https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/investment-firms/mifid-firms/regulatory-requirements-and-guidance/central-bank-cfd-intervention-measure.pdf?sfvrsn=8b92b91d_8

Central Bank Insights

European Accessibility Act

Author: Lyndsey Smyth



In the May 2025 newsletter, we highlighted to firms that the European Accessibility Act (Directive (EU) 2019/882) as transposed into Irish law by S.I. No. 636 of 2023, European Union (Accessibility Requirements of Products and Services) Regulations 2023 (the EAA) applied from 28 June 2025.

The EAA aims to ensure that products and services within its scope are accessible to people with disabilities. There are a variety of regulated financial service providers in-scope of the EAA, including firms authorised to provide services as follows:

- Pursuant to Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 [**Mortgage Credit Directive**]; and,
- Services as defined in points 1, 2, 4 and 5 in Section A and points 1, 2, 4 and 5 in Section B of Annex I to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 [**MiFID**].

Since the implementation of the EAA, the Central Bank has been engaging with Retail Intermediaries and MiFID Investment Firms who are in-scope as part of our supervisory activities. We expect that the EAA will remain an area of focus for supervisors in 2027. We have also updated the Consumer Hub with helpful information for consumers on the role of in-scope firms and the role of the Central Bank.

The Central Bank engaged with the Department of Children, Disability and Equality to provide clarity to firms regarding the application of transitional arrangements. The recent updates on Gov.ie clarify that the transitional measure outlined in Regulation 38(1)(a) does not allow for the continued use of websites or mobile apps that are not in compliance with the EAA. Websites and mobile apps are not "products" as defined in the EAA and therefore cannot benefit from the transitional measure.

The onus is on in-scope firms to ensure compliance with relevant legislation. As a reminder, if a firm (other than a 'microenterprise' as defined under the EAA) is intending to avail of an exemption the firm must first provide the Central Bank with the following information:

1) A copy of the assessment undertaken, specifying which exemption is being relied on.
2) Details of whether the exemption assessment applies to all consumer banking services conducted by the firm or only to certain services (list all services availing of an exemption).
3) The date of the next assessment to be conducted by the firm.
4) The governance process and details of the person(s) in the firm who approved the exemption assessment.

In addition, where a firm is not compliant with the applicable accessibility requirements then the firm must immediately inform the Central Bank and provide details of the non-compliance and the corrective measures taken. In such circumstance, the firm should provide the Central Bank with the following information identifying the case of non-compliance:

1) Date the issue of non-compliance was identified;
2) Details of the non-compliance, to include which consumer banking service(s) and relevant products placed on the market on or after 28 June 2025 are impacted;
3) The firm's plan to become compliant, including timelines and any interim measures in place; and
4) Details of the individual(s) in the firm with overall responsibility for this matter.

Any submissions should be made to your Supervisory Team.

Central Bank Insights

IOSCO's World Investor Week (WIW)

Author: Neasa Howley

The Central Bank was proud to support IOSCO's World Investor Week (WIW) – an annual, global, week-long campaign in over 100 countries, including Ireland, dedicated to raising awareness of the importance of investor protection and investor education, and to highlight the various initiatives of securities regulators in these two critical areas.

This year's WIW ran from 5 - 11 October and the campaign themes, focused on:

- Investor Resilience,
- Digital Deception and
- Scam Alert

Colm Kincaid (Deputy Governor, Consumer and Investor Protection) outlined in a video on the Central Bank website, how the Central Bank is playing its part in raising awareness on all these issues through our support of the Government's National Financial Literacy Strategy, including looking ahead to the Government's introduction of a new Investment Account. The Central Bank will continue to raise people's awareness on how to protect themselves against frauds and scams. The new rules introduced in this area will strengthen protections against frauds and scams and better safeguard consumers using financial services online.

Please see here a link to the WIW page on IOSCO's website which provides further information and materials in relation to the campaign themes.

Central Bank Insights

Moving the Dial on Customer Experience

Author: Linda Murphy/Caroline Delaney (Retail Conduct Supervision)



The Central Bank is committed to ensuring the financial system operates in the best interests of consumers, investors, and the wider economy. The fair treatment and protection of customers is central to all our supervisory work. Improving customer experience is a key priority for the Central Bank as highlighted in the 2026 Regulatory and Supervisory Outlook Report (RSO) and in our ongoing engagements with industry, consumers, and various representative groups.

In line with this priority, in October 2026, the Central Bank published its cross-sectoral industry feedback report – Moving the Dial on Customer Experience (Customer Experience Feedback report)– bringing together findings from our broad programme of supervisory work on customer experience. The report, which is aimed at all retail financial services providers operating in Ireland, **including Retail Intermediaries and MiFID Investment Firms**, summarises findings from our cross-sectoral supervisory activities on customer experience conducted during 2025-2026; i.e., that there is work to be done in improving customer experience in financial services and improving customer experience is not optional but a fundamental obligation in securing customers' best interests. The report outlines the Central Bank's feedback and expectations for all firms across all sectors to elevate and improve customer outcomes.

As part of the overall programme of supervisory work on customer experience the Central Bank hosted a hybrid industry seminar at its Docklands Campus on 23 October. The seminar covered a range of topics linked to customer experience – why it matters in financial services, and how complaints handling and customer support build trust. Participants shared ideas for improving customer experience, including best practices from other industries that could benefit financial services customers. Patricia Dunne, Director of Horizontal Supervision, spoke at the event and her opening remarks can be found here.

Key Findings and Expectations of Firms as outlined in the Customer Experience Feedback report

- **Quality of Direct Customer Engagement:** Inconsistent customer engagement standards were identified across firms. The Central Bank expects firms to ensure staff communicate clearly and professionally, provide accurate information, demonstrate accountability, and honour commitments to minimise repeat contact.
- **Complaints Handling:** Some firms failed to recognise complaints at the earliest opportunity, with customers not always getting their right to a firm's formal complaints procedures. The Central Bank expects firms to recognise all expressions of dissatisfaction as complaints regardless of language used, maintain compliant systems for investigation and resolution, provide timely communications, and ensure

staff are adequately trained. The responsibility to identify and resolve complaints rests with the firm, not the customer.

- **Quality Assurance (QA):** The Central Bank found that whilst firms had QA processes in place, these tended to prioritise process compliance over assessment of customer experience quality. The Central Bank expects firms to design QA processes that assess both regulatory compliance and customer experience outcomes, incorporate independent oversight to provide objective assessment, and use QA findings to drive training and continuous improvement initiatives.
- **Root Cause Analysis (RCA):** Firms conducted ineffective RCA, generally failing to make proper use of data and insights to drive improvements in customer service standards. The Central Bank expects firms to take a proactive approach to RCA, particularly for recurring issues, moving beyond addressing immediate symptoms to identify and address root causes.
- **Measuring Effectiveness:** Firms with established data and metrics were better positioned to evidence positive customer outcomes from their actions. The Central Bank expects firms to use good quality conduct data and improve management information frameworks to support better tracking of customer outcomes.
- **Communication Channels:** Communication channels MI are not consistently monitored; some firms fail to meet their own service level agreements, particularly during peak periods. The Central Bank expects firms to maintain adequate resources, monitor key performance metrics across all communication channels, and take timely action to mitigate service risks.
- **Resourcing, Staff Competence and Training:** Firms have implemented tailored training programmes covering regulatory topics. However, some firms failed to maintain adequate records of training and competency assessments required. Training for existing staff generally focused on regulatory and product knowledge without attention on soft skills development. The Central Bank expects firms to demonstrate full compliance with relevant requirements, ensure adequate resourcing levels, and provide ongoing customer service and soft skills training, to support effective customer interactions.

Firms should review the Customer Experience Feedback report in full and implement meaningful improvements to customer experience tailored to the nature, scale and complexity of each individual firm's circumstances. Aligned to the customer experience supervisory work, a thematic review was undertaken on Complaints Handling in the MiFID Investment Firm sector. The findings from this review will be published in the coming weeks.

Customer Experience will continue to be an area of focus for the Central Bank and is included in the supervisory strategies of all relevant sectors**, including that of Retail Intermediaries and MiFID Investment Firms**, across a three-year cycle. As part of this, the Central Bank will consider how firms have implemented the expectations outlined in the Customer Experience Feedback report and, where firms fall short, will utilise our full supervisory toolkit to drive compliance with expected standards and hold firms accountable where necessary.

Our work will continue until such time as it is clear that the risks are effectively identified and managed by firms and that customers have a much-improved customer experience.

Central Bank Insights

EU Distance Marketing Directive Transposed into Irish Law

Author: Mary Ferguson

On 30 June 2026, the second Distance Marketing of Financial Services Directive (DMFSDII) was officially transposed in Ireland by way of the European Union (Distance Contracts for Financial Services) Regulations 2026 (S.I. 309 of 2026) (the Regulations). These Regulations insert relevant requirements into Part 5A of the Consumer Rights Act 2022 (2022 Act).

DMFSDII applies to contracts concluded at a distance (e.g. via phone or on-line) and reflects the evolution in the provision and regulation of financial services since the first Distance Marketing of Financial Services Directive was introduced in 2002.

The main DMFSDII requirements relate to:

- **Enhanced information requirements** for distance contracts – takes account of digital presentation of information e.g. layering.
- **Right of withdrawal** - in general a consumer has a period of 14 calendar days to withdraw from a distance contract without penalty and without giving any reason, extended to 30 calendar days for personal pension operations.
- **Online cancellation function** through a clearly visible and easily accessible online function.
- **Adequate explanations** – traders are required to provide adequate explanations to the consumer concerning the proposed financial services contract. At the pre-contractual stage, consumers have the right to request and obtain **human intervention** when using the trader's online interface.
- Additional protections regarding **online interfaces/use of dark patterns** – they may not be designed in a way that misleads or manipulates consumers or materially impairs their ability to make free and informed decisions.

It is important to note that certain provisions of Part 5A of the 2022 Act apply only where the subject matter is not already governed by sector-specific EU legislation or national implementing measures. Where such specific EU rules exist, those rules take precedence.

In conclusion, DMDSDII modernises Irish consumer financial services law and strengthens the safeguards for consumers who enter financial services contracts at a distance.

Central Bank Insights

Industry Funding Levy

Author: Adrian O'Mahony



On 25 September 2026 the Central Bank published Consultation Paper CP172 "Consultation on Industry Funding Levy Proposals" to solicit views on methodology changes that we propose to introduce for certain industry categories. These changes concern how the Levy is distributed across firms in an industry category; not how much is collected from the category.

By way of background, the annual Industry Funding Levy is paid by regulated entities to recover the costs of financial regulation from those firms we regulate. The main changes proposed in CP172 are in respect of those categories where PRISM Impact-based scales currently apply, being MiFID investment firms, investment fund service provider and insurance undertakings. The proposal is to move instead to an "ad valorem" approach whereby the Levy amount is directly related to the value of one or more metrics taken from firms' regulatory returns. Such an approach already applies in other industry categories, for example credit institutions and retail intermediaries.

In the case of the MiFID investment firm category, it is proposed that firms will be allocated to one of six sub-categories which are: firms with no client assets, client asset firms, trading firms, OTF / MTF Operators, broker dealers and trading firms. The Levy payable by a firm will then be calculated using metrics relevant to each sub-category as set out on pages 33 to 36 of the consultation paper. For example, under the proposals MiFID investment firms with no client assets will pay a minimum Levy amount with a variable amount determined by turnover, balance sheet size and assets under management.

The consultation paper is available here on our website and the closing date for submissions is **8 January 2027**. A dedicated FAQ section is also available here providing further information and this will be updated periodically.

Should you wish to engage with us directly on CP172 or if you have any questions, we have an email address for these to be submitted to (levyconsultation@centralbank.ie).

Central Bank Insights

Insurance Compensation Fund Levy Reduction

Author: David Ring

On 29 September 2026 the Central Bank announced a reduction in the Insurance Compensation Fund Levy to 0%, which will take effect from 1 January 2027. This marks the second change in the levy in two years, following the reduction from 2% to 1% in January 2026. The change will affect many customers with non-life insurance policies such as home and motor insurance (if the motor insurance firm is regulated by the Central Bank). The fund is collected by the Revenue Commissioners and used to pay compensation to consumers for claims on failed insurance firms. The Central Bank expects insurance ntermediaries to take the removal of the levy from premiums paid on or after 1 January 2027 into account when advising their clients.

The Central Bank gave notice that, following the annual review of the state of the Insurance Compensation Fund (the Fund), the Central Bank is of the opinion that the financial state of the Fund is such that financial support need not continue to be provided for it. The obligation on each insurer and insurer authorised in another Member State to pay the appropriate contribution of 1% of the aggregate of the gross premiums paid to that insurer or insurer authorised in another Member State in respect of policies issued in respect of relevant risks in the State, will cease to apply on 1 January 2027. The 1% appropriate contribution, which has applied since 1 January 2026, continues to apply to any gross premiums **paid** to that insurer or insurer authorised in another Member State in respect of premiums received in respect of relevant risks in the State prior to 1 January 2027.

Although this is an industry contribution, the Central Bank is aware some firms explicitly pass the charge to policyholders. If your firm is passing this charge to policyholders and listing it as a separate charge to be borne by the policyholder in the policyholder documentation issued, then the reduction in the levy should be passed to the policyholder. Policyholder documentation should also be updated as necessary to reflect the fact the levy is 0%, or ceases to apply, from 1 January 2027. Firms should not collect levies from policyholders from 1 January 2027.

Pursuant to section 6(13)(a) of the Insurance Act 1964, the Minister for Finance has, by order dated 7 October 2011, appointed the Revenue Commissioners as the collector. Insurers or insurers authorised in another Member State shall:

1. File an electronic statement via Revenue ROS platform showing the aggregate gross premiums paid in that quarter by the holders of policies that the insurer or insurer authorised in another Member State issued in respect of risks in the State; and
2. Pay to the collector the appropriate contribution calculated within the timeframe specified in section 125(2) of the Stamp Duties Consolidation Act 1999.

Until the effective date, 1 January 2027, on which the obligation to pay the appropriate contribution shall cease.

Central Bank Insights

Combatting Cloning: Central Bank Registers Enhancement

Authors: Tracy Cruikshanks/Niamh Duggan

As part of our communications on how to avoid frauds and scams, the Central Bank recommends that consumers verify whether firms/individuals are authorised by checking the Central Bank's Registers before engaging with them.

Clone entities remain a significant threat to consumers. Fraudsters continuously develop sophisticated tactics to impersonate legitimate regulated firms, sometimes even directing consumers to the Central Bank's Registers to create a false impression of authorisation. As of the end of October 2026, the Central Bank had issued 95 warning notices, of which 61 concerned clone entities.

How clone firms operate

Fraudulent entities typically mimic authorised firms by copying their websites with minor alterations, such as changing a phone number or creating email addresses closely resembling those of genuine firms. They use near-identical web addresses with subtle differences, such as adding hyphens or changing the domain extension (for instance .com instead of .ie).

Important note: Simply using the correct name and postal address does not verify legitimacy. Consumers should independently verify authorisation rather than relying on these details alone.

Register Enhancement Initiative

To strengthen consumer protection against clone firms, the Central Bank is enhancing its online Registers on a phased basis. Currently, the Registers do not display websites, phone numbers, or email addresses—a gap scammers actively exploit.

The enhanced Registers will include verified website addresses, contact email addresses and contact phone numbers (where available). These enhancements will enable consumers to compare details from suspicious communications against authentic information, making it significantly easier to confirm they are dealing with a legitimate firm.

Verification step: An important measure for the consumer to take is to call the firm using the telephone number listed on the Registers and to verify that the person who contacted them actually works for the firm and had contacted them.

Regulated firms have been, or will soon be, requested to submit their contact details to support this initiative. Once enhancements are completed, regulated firms will manage this information directly through the Central BankPortal.

Taking Action

The Central Bank Registers are available here. If consumers suspect a scam or believe they have been contacted by a fraudster, they can report it here. Consumers should take the SAFE test before making financial decisions or providing personal information.

Central Bank Insights

Central Bank Secures Criminal Conviction for Unauthorised Debt Management Services

Author: Jacinta Enright

One of the ways the Central Bank fulfils its objective of ensuring that financial services are properly regulated and that the interests of consumers are protected is to take action against those who act without authorisation.

On 17 November 2026, the Central Bank's summary criminal prosecution against one such individual for the unlawful provision of debt management services concluded before Longford District Court. The defendant, Ms Rose Grier, had pleaded guilty to two offences of unlawful provision of debt management services to another individual over a period of more than six months between November 2022 and June 2023. Having heard a summary of the facts, the court imposed a conviction and ordered that she pay a fine of € 500 and a contribution to the costs of the Central Bank in respect of the first offence. With respect to the second offence, the court applied Section 1(1) of the Probation of Offenders Act, 1907 and directed that €1200 be paid in compensation to the victim.

This outcome is the result of a detailed investigation which was conducted by the Central Bank. The victim in this case had been receiving assistance from Ms Grier after she offered to help them obtain a 'write down' of the debts they owed to an Irish bank. The investigation uncovered that Ms Grier did not hold any authorisation from the Central Bank and had received in excess of €3500 from the victim. No such write down ever materialised.

Karen O'Leary, Director of Enforcement, has commented as follows:

"*Protecting consumers by combatting financial crime is a priority for us at the Central Bank. Financial crime is not limited to websites or social media – it can and does occur in person, in our villages, towns and cities. The breach of trust and the impact of this crime on our families, friends and neighbours is considerable.*

The Central Bank has the power to bring criminal prosecutions against those who provide regulated services, like providing financial advice or debt management without the necessary authorisation. This case demonstrates our commitment to protecting consumers by detecting and punishing those unauthorised providers. Where consumers engage with unauthorised firms, they lose the protections of regulation and can also lose access to important protections designed to look after them if things go wrong. Unauthorised providers undermine the trust that consumers have in firms authorised by the Central Bank to provide essential services.

Our recommendation is that before you engage with any financial firm or adviser, check the Central Bank website to make sure they are authorised"

Central Bank Requirements

It is a requirement for all persons or businesses who provide regulated business services to be authorised by the Central Bank. Before engaging a firm or individual for the provision of regulated services, consumers should check the Central Bank's official online registers to verify the firm is in fact authorised. If a consumer suspects they are engaging with an unauthorised provider of services, they should report the matter to the Central Bank.

In Case You Missed It

- In June 2026 the Central Bank launched a new map showing the location of every ATM and cash service points in Ireland. Deputy Governor Vasileios Madouros said: "The Central Bank is committed to ensuring that cash remains available as a means of payment for individuals and businesses across Ireland. Today's publication of the local deficiency guidelines and cash access map follows a public consultation and engagement with stakeholders." View the cash access map, local deficiency guidelines, and local deficiency notification form.

- Central Bank appointed Gavin Curran as Director of Capital Markets and Funds and Max Patanella as Chief Information Officer.

- In September 2026, the ESMA published QA 2785 in relation to interests earned from client funds deposited at a credit institution, which is relevant to MiFID investment firms holding client assets. The Central Bank expects all firms holding client funds to consider the implications of this QA on their client asset arrangements.

- In November 2026, the Governor of the Central Bank Gabriel Makhlouf, delivered a speech to open the Financial System Conference 2026, highlighting the accelerating technological transitions reshaping our economy and financial system and the Central Bank's response to these changes.

- The Governor announced on 2 November that the third cohort of our Innovation Sandbox Programme will focus on Advancing AI for Consumer Good. Applications open in January 2027.

- FinCoNet has published a report on Complaints reporting and Data.

- The involuntary revocation of a firm's authorisation is a measure that can be taken by the Central Bank where a firm is failing to comply with the requirements of its authorisation. The Central Bank publishes details of Involuntary Revocations on this section of the Central Bank's website.

- Deputy Governor Vasileios Madouros made the keynote address at the annual conference of the European Capital Markets Institute.

- Deputy Governor Colm Kincaid spoke at the Compliance Institute Annual Conference 2026 on turning consumer protection commitment into delivery.

Contact Us

Retail Intermediary Queries	Division	Contact
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MiFID Queries	**Division**	**Contact**
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Supervision		crowdfundingsupervision@centralbank.ie
Other Queries	**Division**	**Contact**
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Funding Levy	Financial Control Division	billing@centralbank.ie
Online Reporting	Regulatory & Business Services Division	onlinereturns@centralbank.ie
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