



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Guidance for Sole Traders Incorporating as Single Director Companies

Under the:

Investment Intermediaries Act 1995 (IIA)

European Union (Insurance Distribution) Regulations 2018 (IDR)

European Union (Consumer Mortgage Credit Agreements)

Regulations 2016 (CMCAR)

Consumer Credit Act 1995 (CCA)

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Guidance for Sole Traders Incorporating as Single Director Companies

This application process is available only to existing authorised Sole Traders who wish to incorporate their business as a Single Director Company (the applicant), **where there is no material change to the existing business, ownership or operations.**

Please note, the applicant will be issued a new C number for the new legal entity, however, the Portal (P) number of the PCF-1, Executive Director (formally the Sole Trader, PCF-10) will remain the same¹.

Before applying for authorisation from the Central Bank of Ireland (the Central Bank), please read the following information **carefully** before requesting access to the Confirmations Based Online Application Form (the application).

1. Eligibility:

- This application process applies only where the business model, structure, ownership and authorisation(s) of the Single Director Company will remain unchanged from that of the Sole Trader.
- If the applicant intends to change its business model, introduce new shareholders or expand its authorisation, the applicant must complete the full authorisation process, via the [Online A Form Application Form](#).
- **If the Sole Trader has any outstanding regulatory issues, for example, supervisory concerns (such as an outstanding Risk Mitigation Programme), he/she is not eligible to apply under this process.**

2. Legal and Corporate Requirements:

- In accordance with Part 2, Chapter 15, Section 125(1)(b), of the Consumer Protection Regulations 2025, the Sole Trader must provide all affected consumers with a minimum of two months' notice in advance of the proposed transfer of the existing Sole Trader business into the Single Director Company.
- **Please note, the Sole Trader should not issue the two-month notification to consumers if they do not fully meet the eligibility criteria as outlined above. The onus is on the firm to ensure that they meet this. Where such issues exist, or where there is uncertainty, Sole Traders should engage with the Central Bank before proceeding with the notification to consumers.**
- Once this consumer notification has been issued, the applicant may proceed to complete and submit the application for the Single Director Company during the two-month notice period. **Please note, application will also act as the Sole Trader's revocation form.**

¹ Please note that we use the term "applicant", when referring to the Sole Trader's application to be authorised/registered as a retail intermediary in circumstances where they are incorporating as a single director company, The reference to "Sole Trader" relates to their existing authorisation/registration, where they are operating as a sole trader.

- The Central Bank will not revoke the existing Sole Trader authorisation until the two-month notification period has fully elapsed.
- The Sole Trader is responsible for ensuring the new legal entity is properly incorporated and registered with the Companies Registration Office (CRO).
- The applicant should obtain its own legal advice in relation to incorporation, transfer of business, contracts and tax implications.
- The Central Bank does not provide legal advice.

3. Central Bank Requirements for the Revocation of the Sole Trader Registration/Authorisation:

- Professional Indemnity Insurance (PII): The Sole Trader is expected to maintain full and adequate PII cover for the entire two-month notification period prior to the revocation of the Sole Trader authorisation/registration. This includes ensuring that policy limits, expiry dates and cover levels remain in place and that the insurer is informed of any matters that may give rise to a claim. We also strongly encourage you to avail of run-off PII cover, as this will help ensure that you can adequately deal with any settlements, claims or compensation awards from complaints which arise in the future (during the period of run-off PII cover) If you have not obtained run-off PII cover, you must have an alternative plan in place which will enable you to deal with potential settlements, claims or compensation awards as regards your activities as a Sole Trader.
- Complaints Management: Where any complaints are currently open or under assessment by the Financial Services Pensions Ombudsman (FSPO), the Sole Trader is expected to continue managing and responding to these complaints in full until they are resolved. Firms should co-operate with any FSPO investigations and ensure appropriate provisions are in place for any potential liabilities arising.
- Information Provided to the FSPO: Sole Traders should ensure that updated contact details and relevant PII information have been provided to the FSPO in advance of revocation, in line with current requirements.
- Levies: Sole Traders will remain liable for all applicable industry funding and investor compensation scheme levies (as applicable) up to the date on which the Sole Trader authorisation/registration is revoked.

4. Accuracy of Information:

- The applicant must ensure that all information provided in application is accurate and complete.
- Any material oversight may result in rejection or regulatory action.

5. Documentation:

- Please answer the required confirmations in the application.

6. How to Apply for the Confirmations Based Online Application Form:

- Applicants should email Rlauthorisations@centralbank.ie with the following information:

- Full legal name of the new legal entity.
 - The name and P-number for the individual responsible for completing the Confirmations Based Online Application Form.
- The applicant will then be issued with a new C-Code for the new firm, which is its own unique identification number, and the applicant will be provided secure access to the application. The firm can add the application to its [Portal Administrator's](#) profile on the Portal by going to 'My Institution Profile' and 'My Permissions'. The application is available under 'Authorisation Applications'. Only the Portal Administrator will be able to access to the application in the first instance. If the firm wishes to grant access to other users, the Portal Administrator can provide that user's P-number to Rlauthorisations@centralbank.ie and request secure access for that person to the firm's application form.

7. Fitness and Probity Requirements:

- The Central Bank will not require the submission of new Individual Questionnaires (IQs) where the Sole Trader performing a Pre-Approval Controlled Function (PCF) has already been approved under the Fitness and Probity regime, and their role and responsibilities remain unchanged.
- The PCF-10, Sole Trader role will convert into PCF-1, Executive Director once authorisation/registration has been granted.
- The Fitness and Probity Standards must be met at all times by persons performing PCF roles and all ongoing compliance requirements must have been met including submission of annual PCF confirmations.

8. Next Steps:

- The Central Bank will acknowledge receipt of the application submission and review it.
- Where the Central Bank is satisfied that the firm meets the criteria, a Letter of Intention will be issued to confirm that the Central Bank is minded to authorise/register the applicant, subject to receipt of the following documents:
 - Professional Indemnity Insurance documentation (receipt, policy documentation and schedule) in the new company name;
 - The Irish Revenue Tax Clearance Certificate with the Tax Reference Number redacted for the new company; and
 - CMCAR Letters of Appointment in the new company name (if applicable)
- Once the Central Bank has assessed the submitted documents, the authorisation can be finalised and the Letter of Authorisation will issue.
- Please note, the clients from the Sole Trader business cannot be transferred to the new Single Director Company until the two-month notice period has elapsed.



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