Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Financial Industry Forum
Innovation Subgroup
Discussion Summary

07 September 2026

In attendance:

Members:
- Blockchain Ireland
- Electronic Money Association
- Financial Services Ireland
- Fintech and Payments Association of Ireland
- Insurance Ireland
- Irish Funds
- Irish MiFID Industry Association
- Credit Union Development Association
- Irish League of Credit Unions
- Irish Association of Investment Managers

Central Bank Attendees:
- Mary-Elizabeth McMunn (Deputy Governor, Financial Regulation) – Chair
- Domhnall Cullinan (Director of Banking and Payments)
- Seána Cunningham (Director of Insurance)
- Patricia Dunne (Director, Horizontal Supervision)
- Adrian Varley (Director of Supervisory Risk, Analytics and Data)
- Trevor Fitzpatrick (Head of Risk Analytics, Data and Supervisory Technology)
- Denise Delaney (Head of Market Firms Supervision Division)
- Ray O'Connell (Head of Payments & Securities Settlement Division)
- Patrick Casey (Head of Cross Sectoral Policy)
- Allan Kearns (Head of Operational Resilience and Technology Risk Supervision)
- Niamh Lynn (Innovation Policy Manager)
- Eoin Fitzgerald (Innovation Hub Manager)
- Sonya Felton (Senior Engagement and Communications Manager)

Agenda
The following agenda items were discussed:

- Session 1: Artificial Intelligence in Financial Services
- Session 2: Innovation Sandbox and Innovation Hub Update
- Session 3: Digital Identity Wallet Update

1. Opening Remarks

Deputy Governor Mary-Elizabeth McMunn (Chair) opened the meeting and outlined the agenda highlighting the Central Bank's continued focus on artificial intelligence in the financial sector. She noted the importance of understanding firms' preparedness for Artificial Intelligence (AI) deployment ahead of the implementation of the rules for high-risk AI systems in December 2027.

She also outlined a number of key updates since the last meeting, noting the completion of the consultation period for the Discussion Paper on Tokenisation and the discussion on the topic planned for the International Subgroup in November. She invited submissions to the Consultation Paper 170 regarding Regulatory Impact Assessments (RIA) and the Central Bank's approach to consultation which will be open until 30 September 2026.

2. Artificial Intelligence in Financial Services

The Central Bank provided an update on the Artificial Intelligence (AI) Act in Ireland, advising that the Artificial Intelligence (AI) Office of Ireland will act as a single point of contact, liaising between sectoral competent authorities and the EU AI Office. Two high-risk AI systems were identified which the Central Bank is mandated to assess - creditworthiness and credit scoring, and risk and pricing for life and health insurance.

The Central Bank outlined its supervisory approach to AI, noting Ireland as a strong adopter of AI technology with increasing numbers of firms deploying AI in practice. The Central Bank also emphasised the importance of developing an understanding of how firms are using AI, with core focus areas being strategic alignment, accountability and explainability, proportionate governance and compliance.

The Central Bank sought industry members' views on the bias and explainability requirements within the Act, particularly around the gap between the potential capability of AI systems and the ability to evaluate them. On agentic AI specifically, the importance of understanding how firms ensure appropriate oversight of autonomous actions was highlighted.

A discussion followed with industry members. Industry members wanted to better understand the Central Bank's views in relation to AI deployment. The Industry members advised that AI deployment is primarily in business areas such as back-office tools rather than consumer-facing products, although there were some very specific examples of potentially transformational developments. For instance, one industry member noted some signals of potentially more widespread consumer use of AI for financial advice, noting that large language models may increasingly be a source of financial guidance for consumers. The Central Bank emphasised that firms already have invested significantly in risk management governance & frameworks in recent years (e.g., DORA), and these should be providing strong foundations on which to build good practices around the risk management of AI tools. The Bank noted the important topic of the equivalence of existing EU legislation like DORA, SII, CRR/CRD with the requirements in the AI Act, but we are awaiting a formal view from the EU Commission (EU AI Office).

The Central Bank noted that while there is no formal role for European Supervisory Authorities in the AI Act, it is on the agenda at EU level, and the EU AI Office is the main decision-making body and is effectively the main guidance providing body on issues like the system definition, interplay with existing sectoral legislation, and classification. It was emphasised that the risks around the deployment of AI models is being considered from a supervisory perspective and that reports such as the Regulatory and Supervisory Outlook report provide more information to industry members on supervisory perspectives and plans in this regard. Industry members were invited to engage with Central Bank teams on any shifts they are observing in relation to the deployment of AI. While the request for structured regulatory guidance was heard, it was

noted that EU relevant decision-making bodies are still making some decisions, and the more specific request needed to be also balanced against requests for a broader reduction in number and layers of guidance.

3. Innovation Sandbox and Innovation Hub Update

The Central Bank reported that the Innovation Hub continues to serve as the primary gateway for innovation initiatives. The Hub has received 78 enquiries so far this year with over 600 engagements since 2018. The Insights Report on the second Sandbox is being developed and will be published before year end. The Central Bank advised that it is considering the next Sandbox theme, with *Advancing AI for Consumer Good* being a potential area of focus for the next Sandbox. Four potential problem statements were discussed:

1. Supporting consumers in vulnerable circumstances
2. Fairness and explainability in automated decision-making
3. Strengthening consumer resilience to fraud and scams
4. Accountability as AI moves from advising consumers to acting on their behalf

Industry members welcomed the problem statements and noted the importance of addressing emerging risks and gaps in terms of the voice of the consumer. It was agreed that industry members would share the problem statements with their members to seek feedback and to ensure they are sufficiently broad. They suggested including more business case topics to ensure Sandbox success. The Chair noted that critical mass is considered when creating problem statements and acknowledged that the statements may require refinement. It was also noted that because AI is a broader topic, the Sandbox may have longer timelines than previous programmes.

Financial Services Ireland then provided a brief update on the feasibility report for the National Fintech Hub, advising that it is nearing completion. The National Fintech Hub is a commitment included in the Programme for Government and the report indicates that the Hub would be beneficial in Ireland given the large size of the financial services sector, respected regulatory environment, public sector support and numerous accelerator programmes. The report identifies fragmentation within the current ecosystem as a key issue. The Hub would provide clear pathways and signposting for both new entrants and incumbent organisations. A public/private funding mechanism is proposed.

4. Digital Identity Wallet Update

Aligned to a commitment under the National Payments Strategy, the Office of the Government Chief Information Officer (OGCIO) provided an update on the ongoing work on the digital identity wallet (eIDAS) both at a national and European level. The update outlined that this app helps Ireland meet the EU's eIDAS 2 Regulation, which requires every EU Member State to implement a digital wallet by December 2026. A general discussion followed with attendees keen to understand more about the Digital Identity Wallet. Industry members had queries including the demographics of users who were participating in testing, if the wallet was available for commercial use as well as the interaction between the Digital Euro and the Personal Investment Account (PIA) and the digital ID. The Chair thanked the OGCIO for the presentation and encouraged Forum members to sign up to the pilot.

Instech closed this session by providing an overview of their work on the digital wallets and insurance. They highlighted a use case with which concerned new business.

5. Closing Remarks

The Chair thanked the members for attending and for their contributions. A summary of the meeting will be circulated to members and published on the Central Bank's website.

The meeting ended.