

Central Bank of Ireland | Strategic Plan 2019 - 2021

On 9 November 2018, the Central Bank of Ireland (**CBI**) published its Strategic Plan for the next three years. This briefing summarises the **Strategic Plan** and highlights the priorities of the CBI that may be of interest to regulated entities.

In the foreword, Governor Philip Lane highlights an increased concern about financial misconduct and the corresponding shift by the CBI to a more intrusive supervisory approach. The Governor mentions two other significant challenges that call for particular attention: the successful handling of the impact of Brexit and the implementation of a new approach to financial conduct regulation and behaviour of regulated firms.

The CBI's five thematic priorities for 2019-2021

1. Strengthening Resilience

The CBI aims to ensure the Irish financial system is better able to withstand external shocks and future crises, including any Brexit-related crisis scenarios. It will increasingly monitor threats to financial stability. The CBI envisages that through its supervisory role, it will identify firms that pose a threat to financial stability and react accordingly.

2. Brexit

The CBI is particularly focused on ensuring any Brexit-related risks will cause minimal impact to the Irish economy and sees the management and mitigation of any risks as squarely within its mandate. As part of that mandate, the CBI seeks to ensure regulated firms are properly informed and are appropriately prepared for all Brexit scenarios. It is committed to facilitating expansion in the Irish financial services sector by ensuring a robust and effective authorisation process for migrating firms.



3. Strengthening Consumer Protection

The CBI intends to continue its work in promoting a consumer-focused culture and building trust in financial institutions. It plans to conduct more intrusive and target-based assessments of those firms that pose the greatest threat to consumer welfare, taking action to protect consumers where necessary. The CBI seeks to improve firms' culture and individual accountability and seeks to engender in firms a consumer-focused culture. The CBI is also particularly focused on money laundering/terrorist financing issues and market abuse.

4. Engaging and Influencing

The CBI reiterates its commitment to allow itself to be appropriately informed by the public and by relevant stakeholders and to, in turn, shape relevant policy at the EU and international level. The CBI recognises the wider European framework is playing an increasingly significant role and it is important that the CBI effectively shapes the EU financial agenda to reflect the CBI's mandate.

5. Enhancing Organisational Capability

This theme is inward focused, and the goal is to ensure that the CBI practises the highest standards of governance, accountability and risk management. The CBI seeks to embed appropriate cultural values that reflect its commitment to public service, diversity and inclusion.

Other noteworthy statements

Review of Strategy 2016-2018

The CBI, in reflecting on its work throughout 2016-2018, noted:

- The period was marked by the introduction of a great number of regulatory measures many of which were transposed from EU Directives, eg, MiFID II, PSD2 and Solvency II.
- A key development was the introduction of the Central Credit Register.
- A key area of work was the Tracker Mortgage Examination which has resulted in significant redress to consumers from Irish retail banks.
- The CBI concluded its review of culture in the five main Irish retail banks and shone a light on the negative cultural behaviours within the banking sector. It issued lenders with findings to remedy and it continued to pursue a credible and effective approach to enforcement during this period.

Focus on Culture

Of particular interest is the CBI's focus on culture and individual accountability. The CBI aims to complete supervisory reviews of governance and risk management cultures in regulated firms through day-to-day supervision and inspection work. The CBI will take action where standards are not met and will press for further strengthening of existing standards of individual accountability.

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