

Central Bank Enforcement Priorities in 2013

12 February 2013

The Central Bank of Ireland today published its Enforcement Priorities for 2013 highlighting the importance of enforcement within its risk-based regulatory framework (PRISM).

The Central Bank shall pursue enforcement actions across a number of topics, including non-compliance identified by our Supervisory Divisions in the following enforcement priority areas for 2013:

- Retail Intermediaries;
- Payment Protection Insurance;
- Client Asset Requirements;
- Prudential Requirements;
- Anti-Money Laundering and Counter Terrorist Financing;
- Systems and Controls;
- Timeliness and Accuracy of Information submitted to the Central Bank;
- Errors and Overcharging;
- Payment Services Regulations; and
- Suitability Requirements (Consumer Protection Code - 2012).

Where serious breaches of these regulatory requirements occur, regulated entities and their management can expect vigorous investigation and follow through by the Central Bank.

Industry should note that Enforcement actions taken in 2013 will not relate solely to these 'Pre-defined' Enforcement Priorities and that we have made provision in the allocation of our resources for 2013 to allow for a proportion of our work to relate to 'Reactive' Enforcement in respect of issues identified through day-to-day supervisory work and from other information sources.

Of the priorities identified, three new areas have been included relating to 'Payment Services Regulations', 'Suitability Requirements (Consumer Protection Code 2012)' and 'Errors and Overcharging'. The remaining priorities identified were as signalled in 2012 and the Central Bank will continue to target these areas to promote improvement within industry.

During 2012, the Central Bank entered into 16 enforcement settlements with regulated entities resulting in fines totalling €8,492,900 being imposed. All of the actions taken during 2012 related to one or more of the priority areas highlighted at the outset of the year. The Central Bank aims to build upon the work carried out in these priority areas in 2012.

Head of Enforcement 1 Division, Derville Rowland said: 'This is the third year that the Enforcement Directorate has published a list of Enforcement Priorities highlighting areas of significant importance to the Central Bank. We have again worked closely with our Supervisory Divisions to prioritise the areas of greatest concern to them.

'These priorities are aligned to the themes identified in the Central Bank's 'Programme for Themed Reviews and Inspections for 2013' and are also based upon the planned interactions with regulated entities as governed by PRISM.

'Enforcement plays an important role within the PRISM framework providing both a credible threat and acting as a

deterrent to those who are non-compliant, particularly in respect of low impact firms with whom we do not have a close regulatory relationship’.

Notes for editors

PRISM: The Central Bank’s risk-based regulatory framework, PRISM, is squarely focused on the Central Bank being more assertive and prioritising the allocation of resources to areas where we believe the greatest risks lie.

Programme of Themed Reviews and Inspections for 2013 published on www.centralbank.ie

See section 2.3 (Page 9) Enforcement Strategy 2010-2012, for details on the allocation of our Enforcement resources and explanation of ‘Pre-defined’ and ‘Reactive’ Enforcement.