



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Holding Companies HCPCF Roles

INTRODUCTION OF PRE- APPROVAL CONTROLLED FUNCTIONS (PCFs)

December 2023

Further to the IAF Act, the Central Bank of Ireland will introduce two new PCF roles relating to Holding Companies based in Ireland from 29th December 2023. The new roles will be:

- **HCPCF1 – the office of the chair of the board of the holding company**
- **HCPCF2 – the office of director of the holding company**

Section 9 of the IAF Act makes an amendment to Section 20 of the 2010 Act to extend the F&P Regime to holding companies established in Ireland and to provide the Central Bank with a regulation making power to prescribe CFs and PCFs of these holding companies (Holding Companies Regulations).

The change means that individuals proposed for PCF roles in holding companies will be assessed by the Central Bank under the existing F&P Regime in the same way as individuals proposed for PCF roles in firms are assessed.

For individuals that are deemed by the holding companies to be already performing these roles within the holding company, an in-situ process will be implemented and the Central Bank will not require submission of an IQ.

For new entrants, the PCF application form (Individual Questionnaire – IQ) will be updated so that from the effective date they will be able to submit a new IQ through the Central Bank of Ireland Portal.

In addition, CF role holders in holding companies will be required to comply with the F&P Standards. There are two CF roles as follows:

- HCCF-1: a function which is likely to enable the person responsible for its performance to exercise a significant influence on the conduct of the affairs of the HoldCo.
- HCCF-2: a function which is related to ensuring, controlling or monitoring compliance by a HoldCo with its relevant obligations.

Individuals who are performing CF roles at a holding company level only will not be subject to the Conduct Standards given that the holding company is not itself a regulated financial service provider.

The roles apply to holding companies of credit institutions, insurance undertakings and investment firms and holding companies are defined in the IAF Act as follows:

Holding Company: means any of the following established in the State:

- (a) a financial holding company, within the meaning given by point (20) of Article 4(1) of the Capital Requirements Regulation;
- (b) a mixed financial holding company, within the meaning given by point (21) of Article 4(1) of the Capital Requirements Regulation;
- (c) an insurance holding company, within the meaning given by Regulation 215(1) of the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015)*;
- (d) an investment holding company, within the meaning of the European Union (Investment Firms) Regulations 2021 (S.I. No. 355 of 2021)

*On the basis that insurance holding companies established in Ireland are now subject to the Central Bank of Ireland's Fitness and Probity Regime, the '*Guidance on Fit & Proper Notification Process for Insurance Holding Companies and Mixed Financial Holding Companies under Solvency II*' will no longer apply and will be withdrawn by the Central Bank of Ireland.

The Fitness and Probity Standards and the Guidance on the Fitness and Probity Standards will be updated to include holding companies.