



January 2018

## Publication of Second Edition of Central Bank Investment Firms Regulations

### *Background*

As readers will be aware from [previous briefings](#), in March of last year the Central Bank published the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2017 [S.I. No. 60 of 2017] with the intention of consolidating all of the requirements applicable to MiFID firms and IIA firms into a single document.

Following on from a consultation paper CP111 which the Central Bank issued in July, these regulations have now been repealed and have been replaced by [S.I. No. 604 of 2017 Central Bank \(Supervision and Enforcement\) act 2013 \(Section 48\(1\)\) \(Investment Firms\) Regulations 2017](#) (the “**Revised Regulations**”).

Signed into law in late December, the Revised Regulations took effect on 3 January 2018.

### *Changes introduced*

The Revised Regulations make certain amendments to the Central Bank rules in order to give full effect to MiFID II, as well as addressing certain matters which have arisen since the first edition of the regulations took effect last year.

The Revised Regulations revoke the existing Client Asset Regulations<sup>1</sup> and incorporate the existing client asset requirements into Part 6. In addition to making certain amendments to the existing client asset rules in order to address MiFID II, the Revised Regulations also put certain

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<sup>1</sup> S.I. 104 of 2015 The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Client Asset Regulations 2015.

matters which had been set down in the existing CAR Guidance on a legislative footing.

The Central Bank Investor Money Regulations<sup>2</sup> have also been revoked with relevant provisions now incorporated as Part 7 of the Revised Regulations, subject to certain modifications. In particular, certain matters which had been set down in the existing IMR guidance have now been incorporated into the Revised Regulations, putting same on a statutory footing.

The Central Bank has confirmed that it will issue further guidance on Part 6 (Client Asset Requirements) and Part 7 (Investor Money Requirements) and that pending the issuance of this guidance, the current guidance continues to apply.

Part 8 of the Revised Regulations now sets down the minimum capital requirements applicable to market operators.

### *Publication of revised Central Bank Q&A on Investment Firms*

As part of its market update, the Central Bank has also published a revised edition of its Questions and Answers on Investment Firms, available [here](#).

Helpfully, it has also [guidance](#) to fund administrators in completing the Annual Outsourcing Return required under Regulation 25 of the Revised Regulations.

If you have any questions about the Revised Regulations, please contact:

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<sup>2</sup> S.I. No. 105 of 2015 Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations for Fund Service Providers.