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Ireland

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Introduction

Following the banking crisis (2008–2011), the Irish State went through a process of significant fiscal adjustments and structural changes to the banking sector through the introduction of various banking sector supports including a State guarantee of certain liabilities in specified banks and through the State-funded capitalisation of certain domestic banks. In late 2010, the State entered into an EU IMF programme of financial support for Ireland worth €85 billion (the **Programme**). The restructuring mandated by the terms of the Programme, included the recapitalisation of certain domestic banks, a deleveraging programme, the introduction of consumer protection initiatives (including the modification of personal insolvency laws) and the development of a comprehensive credit-reporting regime. Relatively high levels of personal debt remain and Ireland is currently suffering a shortfall in housing availability.

Since 2011, the Government enacted a broad range of primary and secondary legislation to address issues that arose prior to 2008, to provide more consumer protection and to ensure greater oversight, stability and sustainability of the Irish banking sector. In response to Ireland's financial crisis, the Central Bank of Ireland (**CBI**) also underwent significant organisational changes.

The Central Bank Reform Act 2010 modified the regulatory framework in Ireland including the CBI's supervisory culture and approach. The CBI's enforcement powers were further enhanced through the Central Bank (Supervision and Enforcement) Act 2013 (the **2013 Act**). The CBI has broad enforcement powers designed to deter institutions from acting recklessly and to promote behaviours consistent with those expected in the reformed financial system. The 2013 Act introduced an administrative sanctions regime that included increased monetary penalties. The penalties may be imposed on individuals and regulated firms. Relevant individuals are subject to fines of up to €1 million and regulated firms subject to fines of up to the greater of €10 million or 10% of the previous year's turnover.

Following the introduction of the Single Supervisory Mechanism (the **SSM**) on 4 November 2014, the European Central Bank (the **ECB**) became the competent authority for supervising banks operating in Ireland. The CBI operates a risk-based approach to supervision together with direct prudential supervision.

The current primary sources of risk to Irish financial stability are: (1) ongoing Brexit-related risks due to our close links to the UK; (2) mortgage arrears; (3) changes in the international trading and tax environment; (4) a re-emergence of sovereign debt sustainability concerns in the Eurozone; and (5) the potential for elevated risk-taking when the profitability of banks and other financial institutions remains below market expectations.

Regulatory Architecture: Overview of Banking

Regulators and Key Regulations

The regulatory authority responsible for the authorisation and supervision of banks in Ireland is the ECB. Under the SSM, banks designated as '*significant*' are supervised by a team led by the ECB, comprising members from the ECB and the CBI. There are currently six Irish banks designated as significant. Banks designated as '*less significant*' are directly supervised by the CBI in the first instance but the ECB has the power to issue guidelines or instructions to the CBI and to take over direct supervision of any less significant bank if necessary.

In 2011, the CBI introduced the Probability Risk and Impact System (**PRISM**), which acts as the CBI's framework for the supervision of regulated firms, including banks. The PRISM system is designed to determine the risk and potential impact of banks on financial stability and consumers. Under the framework of PRISM, banks are categorised as 'high impact', 'medium-high impact', 'medium-low impact' or 'low impact'. The category a bank falls into will determine the number of supervisors allocated to that bank and the level of supervisory scrutiny to which it will be subject.

Applications

Applications for authorisation of banks in Ireland are submitted to the CBI. If the CBI considers that the conditions for authorisation are met, then it will submit the application to the ECB with a recommendation that it is approved. The final authority to grant or refuse the application rests with the ECB. The authorisation of branches of banks from outside the EU is dealt with by the CBI pursuant to domestic legislation. Banks from Member States of the EU are permitted to operate in Ireland, with or without establishing a branch in Ireland, pursuant to the EU's '*passport*' procedure which requires a notification to the relevant bank's home state regulator and compliance with certain Irish conduct-of-business rules.

Irish law does not distinguish between retail and wholesale/investment banking. Irish law does not therefore provide for the ring-fencing of retail-banking activities. However, banks are not permitted to engage in any lines of business which have not been approved by the CBI/ECB during the authorisation process. If a bank wishes to engage in an activity which did not form part of its application for authorisation, such bank is required to submit an application to the CBI to extend its authorisation.

Primary Legislation

The primary pieces of legislation applicable to banks in Ireland are the Central Bank Acts 1942–2018 (the **Central Bank Acts**), the European Union (Capital Requirements) Regulations 2014, the European Union (Capital Requirements) (No. 2) Regulations 2014 (the **Irish Capital Regulations**), EU Directive 2013/36 (**CRD IV**) and EU Regulation 575/2013 (**CRR**). Banks are also required to comply with various pieces of secondary legislation and codes issued under the Central Bank Acts including the CBI's Corporate Governance Code for Credit Institutions 2015 (the **Code**) and the 2012 Consumer Protection Code (**CPC**).

The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended) is the primary legislation governing anti-money laundering in Ireland and implements the EU Money Laundering Directives. The CBI is the competent authority for monitoring compliance with this legislation by banks and other financial services providers.

Recent Regulatory Themes and Key Regulatory Developments

Some of the key regulatory themes and developments in Ireland applicable to banks are set out below.

Tracker Mortgage Examination

The CBI's tracker mortgage examination covered all lenders that offered tracker mortgages to customers, including mortgages used for family homes or investment properties. During the global financial crisis, the ECB dramatically lowered its main borrowing interest rate, which made tracker loans much less profitable for banks, when compared with fixed-rate and variable mortgages. Certain tracker customers switched to a fixed-rate mortgage for a period on the understanding they would return to the original tracker rate but were in many instances prevented from doing so by the banks. This practice contributed to additional financial pressures being incurred on borrowers and in some instances led to family homes being repossessed.

In 2015, the CBI carried out an industry-wide review of mortgage products with agreed interest rates tracking the ECB rate ('*tracker mortgages*'). The review has been the largest and most complex ever undertaken by the CBI. The supervisory phase of the examination concluded in July 2019 at which point over 40,000 customers have been identified as affected and over €680 million has been paid by lenders in redress and compensation. The CBI's enforcement investigations are continuing and further significant fines are anticipated.

Individual Accountability

The CBI's increased focus on culture in regulated firms in recent years and its experience with the tracker mortgage investigation has led to it advocating legislative change to assign regulatory responsibility to individuals working in regulated entities. In a report issued in July 2018 entitled 'Behaviour and Culture of the Irish Retail Banks', the CBI recommended reforms to establish a new 'Individual Accountability Framework'. Modelled upon the Senior Managers and Certification Regime in the UK and similar regimes in Australia and Malaysia, the proposed new framework will consist of four distinct but complementary elements:

(i) new conduct standards;
(ii) a Senior Executive Accountability Regime (**SEAR**);
(iii) enhancements to the existing Fitness and Probity Regime; and
(iv) changes to the CBI's enforcement process.

The new conduct standards will set out the behaviour which the CBI expects of regulated firms and the individuals working within them. Three sets of standards are proposed: (i) common standards for all staff in regulated financial services providers; (ii) additional conduct standards for senior management; and (iii) standards for businesses. Common standards required of all staff will include requirements to act with due care and diligence and to act honestly, ethically and with integrity in the best interests of customers. Senior management are expected to take all reasonable steps to ensure that the business is controlled effectively, delegated tasks are overseen effectively and that relevant information is promptly disclosed to the CBI. The standards for businesses will build upon existing requirements upon firms in the CPC.

The most talked about element of the proposed new framework is SEAR. SEAR will initially apply to banks, insurers and certain investment firms. The proposed senior executive functions within scope are board members, executives reporting directly to the board and heads of critical business areas. Each senior executive function will have prescribed responsibilities inherent to the role. The intention is that all key conduct and prudential risks will be assigned to one or other of the senior executive functions and will therefore be the responsibility of the relevant individual holding the role.

Each individual holding a senior executive function will be required to have a documented statement of responsibilities clearly setting out their role and areas of responsibility. These statements are intended to provide for a more targeted assessment of the fitness and probity of the relevant individuals by allowing their competence, experience and qualifications to be measured against the responsibilities they have been allocated. They are also designed to make it easier to hold individuals to account by making it more difficult for them to claim that culpability for wrongdoing lies outside their sphere of responsibility.

Firms will be required to produce responsibility maps documenting key management and governance arrangements in a single, comprehensive source. The responsibility maps will be required to include matters reserved to the board, terms of reference for board committees and reporting lines. Where firms are part of a larger group, they will be required to provide details of the interaction of the firm's and the group's governance arrangements.

The CBI also proposed a new framework including strengthening its existing Fitness and Probity Regime. Most significantly, firms will be required to certify, on an annual basis, that the individuals performing prescribed '*controlled functions*' within the firm are fit and proper to do so. Changes are proposed to the CBI's enforcement process to remove current complexity and fragmentation and to break the '*participation link*'. Currently, the CBI can only pursue an individual concerned in the management of a firm where: (1) a case has first been proven against the firm; and (2) the CBI can prove that the individual participated in a breach by the firm. Breaking this 'participation link' will make it easier for the CBI to hold individuals to account for their own actions by pursing them directly. It is also proposed that a breach of the new conduct standards will be a ground for direct enforcement action.

Legislation to implement the new framework is currently being drafted. The CBI is expected to conduct a consultation process prior to the reforms being implemented.

Brexit

Brexit will remain a key regulatory priority following the UK's departure from the EU on 31 January 2020 and the entry into the 11-month transition period. The CBI has stated that it will continue to push firms to implement plans to minimise any risks to customers.

Product oversight and governance

In 2020 the CBI plans to complete consumer protection risk assessments on product oversight and governance at some of the main retail banks. The aim is to assess risk practices, new product development processes and product management information and to ensure that banks understand the risks and take account of the consumer perspective when designing new products.

Technological innovation

The CBI has stated its intention to focus on technological innovation, including big data and algorithms, in order to assess the risks posed by the inappropriate use of technology and information asymmetries between firms and customers.

Mortgage arrears

Mortgage arrears has and continues to be a priority of the CBI since the financial crisis. The CBI closely monitors compliance with the treatment of mortgage borrowers in arrears and works to encourage banks and other loan owners to put in place long-term sustainable restructuring arrangements. The CBI also subjects all new non-bank mortgage owners to authorisation and supervision.

Anti-money laundering and countering the financing of terrorism

Ireland has implemented the Fourth EU Money Laundering Directive (Directive 2015/849/EU). The Fifth EU Money Laundering Directive (Directive 2018/843/EU) is expected to be fully implemented shortly (the deadline for implementation was 10 January 2020). This will be followed by the implementation of the Sixth EU Money Laundering Directive (Directive (EU) 2018/1973) which is due to be implemented by December 2020. As required by Article 30(1) of the Fourth Directive, a central register of beneficial ownership of corporate entities has been established. A central register of beneficial ownership of trusts is to be established soon. The CBI has been particularly active in anti-money laundering enforcement and has issued six-figure fines to a number of banks in recent years.

IT and Cyber

In 2016 the CBI published its 'Cross Industry Guidance in respect of Information Technology and Cybersecurity Risks'. The guidance identifies the risks associated with IT and cybersecurity as key concerns for the CBI given their potential to have serious implications for prudential soundness, consumer protection, financial stability and the reputation of the Irish financial system.

The CBI expects boards and senior management of regulated firms to fully recognise their responsibilities in relation to IT and cybersecurity governance and risk management, and to place these among their top priorities. Robust oversight and engagement on IT matters at board and senior management level is expected. Banks are expected to document a comprehensive IT strategy that addresses cyber risk and is aligned with the overall business strategy. They should also have in place a sufficiently robust IT governance framework which is subject to independent assurance.

IT risk management frameworks are expected to be comprehensive, encompassing risk identification, assessment, monitoring, testing, IT change processes, cybersecurity incident response, risk mitigation and recovery strategies. Roles and responsibilities in managing IT risks, including in emergency or crisis decision-making, should be clearly defined, documented and communicated to relevant staff. Banks which are part of a larger multinational group should ensure that group IT strategies and governance arrangements are appropriately tailored from a regulatory and operational perspective for the Irish entity.

Banks are required to notify the CBI upon becoming aware of an IT incident that could have a significant and adverse effect on the bank's ability to provide adequate services to its customers, its reputation or financial condition.

Bank Governance and Internal Controls

Corporate governance requirements

All banks authorised in Ireland are subject to minimum corporate governance standards as set out in the Code. Additional requirements set out in the Code apply to banks designated as 'high impact' by the CBI. All banks are required to submit an annual compliance statement to the CBI specifying whether they have complied with the requirements of the Code.

Matters dealt with in the Code include:

- composition of the board including a requirement for a majority of independent non-executive directors (subject to certain exceptions for banks which are subsidiaries of groups) and a minimum of seven directors for banks designated as 'high impact';
- a prohibition on a person who has been an executive director or member of the senior management of the bank during the previous five years from becoming Chairman;
- a requirement to appoint a suitably qualified and experienced chief risk officer;
- a requirement to establish audit and risk committees of the board and, in certain cases, remuneration and/or nomination committees;

- a requirement for a formal annual review of board and individual director performance and, in the case of banks designated as 'high impact', an external evaluation every three years; and
- a requirement for boards of banks designated as high impact to put in place formal skills matrices to ensure an appropriate skills mix on the board.

Banks deemed significant institutions for the purposes of the CRR are required to comply with certain requirements of those regulations relating to limitations on the number of directorships and sub-committees of the board instead of the requirements in the Code dealing with the same matters.

Banks are also required to comply with the European Banking Authority's (**EBA**) 'Guidelines on Internal Governance under CRD IV' and its 'Guidelines on the Assessment of Suitability of Members of the Management Body and Key Function Holders', each of which came into force on 30 June 2018.

Fitness and Probity

The CBI has put in place a Fitness and Probity Regime which applies to individuals performing prescribed roles in regulated firms, including banks. These roles are referred to in the legislation as '*controlled functions*' or '*pre-approval controlled functions*'. The purpose of the regime is to ensure that persons performing these important roles are sufficiently capable and of good character. Banks are therefore required to ensure that those persons:

- are competent and capable;
- act honestly, ethically and with integrity; and
- are financially sound.

Before appointing an individual to a pre-approval controlled function, CBI approval must be obtained, which may involve a face-to-face interview with the CBI. Pre-approval functions in banks include board directors, the CEO, heads of control functions and the heads of finance, retail sales, treasury, asset and liability management, and credit.

The assessment of the fitness and probity of the management board of banks applying for authorisation and of members of the management board and key function holders of banks designated as '*significant institutions*' pursuant to the SSM is the responsibility of the ECB.

Minimum competency

The CBI's Minimum Competency Code 2017 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Minimum Competency Regulations 2017 set out minimum competency standards applicable to staff of regulated firms (including banks) who exercise specified functions in relation to specified financial products and services. The aim of the standards is to ensure that consumers obtain a minimum acceptable level of competence from individuals acting on behalf of regulated firms in connection with retail financial products.

Remuneration

Banks in Ireland are required to comply with the remuneration requirements set out in the Irish legislation implementing CRD IV, the remuneration disclosure requirements set out in the CRR and the relevant EBA Guidelines.

A bank's remuneration policy must promote sound and effective risk management and must not encourage risk-taking that exceeds the bank's level of tolerated risk. The policy must apply to all staff whose professional activities have a material impact on the risk profile of the bank, including senior management, risk-takers, staff engaged in control functions and any employees whose total remuneration takes them into the same pay bracket as senior management and risk-takers.

Staff in control functions are required to be remunerated in accordance with the achievement of objectives linked to their functions which are independent of the performance of the business areas they control. Variable elements of remuneration must be based on assessment of performance over a multi-year period with payments spread over a period that takes account of the business cycle. The variable component of remuneration for each individual is generally not permitted to exceed 100% of the fixed competent and must be subject to clawback arrangements.

Outsourcing

Banks in Ireland are required to comply with the EBA's 'Guidelines on Outsourcing Arrangements' which came into effect in September 2019. These guidelines specify the governance arrangements and risk management measures banks must adopt when outsourcing activities, particularly when outsourcing '*critical or important functions*' (as defined in Section 4 of the Guidelines).

Banks must also have regard to the CBI's 'Outsourcing – Findings and Issues for Discussion' paper of November 2018 which was issued following a survey of 185 regulated firms on their outsourcing arrangements. The paper also addresses some of the key outsourcing risks identified by the CBI and the issues regulated firms must consider in order to mitigate those risks effectively.

When relying on outsourcing service providers of IT services, the outsourcing requirements set out in the CBI's 'Cross Industry Guidance in respect of Information Technology and Cybersecurity Risks' must also be taken into account.

Bank Capital Requirements

Irish Capital Requirements

The CRR has direct effect in Ireland. As stated above, the Irish Capital Regulations transposed CRD IV and certain elements of the CRR into Irish Law. Under the Irish Capital Regulations, a bank must have initial capital of at least €5 million and must be in a position to meet ongoing capital requirements.

Regulatory Capital

The CBI has issued a set of rules and guidance on the application of CRR and CRD IV. The CRD package in Ireland, while primarily derived from CRD IV and CRR, is informed by international standards promulgated by the Basel Committee on Banking Supervision. The CBI is cognisant of international developments, including pronouncements and decisions made by the Basel Committee on Banking Supervision, the Financial Stability Board and the OECD when determining its approach to capital adequacy and liquidity requirements.

Irish banks are obliged to maintain financial resources equal to or greater than a percentage of their risk weighted assets (**RWA**).

The own funds of an institution must at all times be in excess of the initial capital amount (currently €5 million) required at the time of its authorisation. Own funds' requirements need to be determined in line with the credit risk, market risk, operational risk and settlement risk. The Irish banks are subject to the following capital requirements:

The Pillar 1 requirement: being a regulatory minimum amount of capital which the banks must hold. This is a total capital ratio of 8% of the RWA. A minimum of 4.5% of RWA must be Common Equity Tier 1 and at least 6% of RWAs should be met with Tier 1 capital. This Pillar 1 requirement applies to all banks uniformly.

The Pillar 2 requirement is an additional capital requirement that applies on a case-by-case basis, subject to the supervisory review and evaluation process. Any additional capital required, by reference to Pillar 2, is specifically tailored to a bank's individual business model and risk profile.

The combined buffer requirement: The CBI also applies the individual buffers provided for in CRD IV being, (1) the capital conversion buffer which is fixed at 2.5% of a bank's total RWAs; and (2) the global/other systemically important institution (GSII/OSII) buffer which is designed to ensure that systemically important financial institutions hold a higher level of capital to protect against the risk they pose to the national financial system.

The six banks regulated by the CBI are subject to the OSII buffer ranging from 0% to 1.5%. The OSII buffer in Ireland is subject to a phase-in period to be completed by July 2021; (3) the counter-cyclical capital buffer which is currently at 1% in Ireland; and (4) the systemic risk buffer (the **SRB**) which is designed to mitigate long-term, non-cyclical risk which may have serious adverse consequences for the economy. The SRB has not yet been implemented in Ireland.

Articles 124 and 164 of the CRR provide for augmented measures to address real estate exposure. The CBI, under Article 124, apply higher minimum risk rates on lending for the acquisition of commercial property. The CBI also uses this Article to establish a maximum LTV of 75% for lending for owner-occupied residential property.

The types of capital that qualify for capital adequacy purposes are common equity tier 1 comprising ordinary share capital and reserves, additional tier 1 being perpetual co-ordinated debt instruments which contain certain specified features, including restrictions on redemption and automatic triggers for write-down of the debt or conversion of the debt into equity and tier 2 being subordinated debt with an original maturity of at least five years.

In July 2019, a counter-cyclical capital buffer of 1% came into effect. The CBI considered the 1% rate to be consistent with its objective of promoting resilience in the banking sector, particularly against potential losses associated with a build-up of cyclical and systemic risk, in light of the strong growth in the domestic economy, coupled with recovery in asset values in commercial and residential real estate. The level of non-performing portfolios remains a significant feature of banks' balance sheets, which also necessitates Irish banks holding greater levels of capital than many similar sized European banks.

In addition to the requirements of CRD IV/CRR, the Bank Recovery and Resolution Directive (**BRRD**), as implemented in Ireland, also requires banks to meet the minimum requirement for own funds and eligible liabilities (**MREL**) to enable banks to absorb losses and restore its capital position in a resolution scenario. If a resolution tool under the BRRD is to be implemented, the default MREL requirement is calculated as approximately two times the sum of Pillar 1, Pillar 2 and the combined buffer requirement. This may be adjusted upwards or downwards in accordance with the provisions of the BRRD.

Liquidity

Macro-prudential liquidity instruments are utilised to mitigate systemic liquidity risks. Liquidity ratios contained in the CRR apply to Ireland. The liquidity cover ratio (**LCR**) requires Irish banks to maintain sufficient unencumbered high-quality assets against net cash outflows over a 30-day period. The purpose of the ratio is to ensure that a bank has sufficient capital to meet any short-term liquidity disruptions that may affect a particular market. The high-quality liquid assets (**HQLA**) include only those that can be converted reasonably easily and quickly into cash, such as cash, treasury bonds or corporate debt.

There are three categories of HQLA: Level 1 assets which are not subject to a discount while calculating the LCR; Level 2A assets which are subject to a discount of 15%; and Level 2B assets which are subject to a discount of 50%. No more than 40% of HQLA can comprise of Level 2 assets with Level 2B assets comprising no more than 15% of all total stock of HQLA. While the LCR ensures that institutions can address stress events on a short-term basis, it does not address stable funding on a longer-term basis. The stable funding requirement was introduced as a ratio of an institution's available stable funding to its required stable funding over a one-year period (**NSFR**). The NSFR obliges banks to hold sufficient stable funding to meet their funding needs over a 12-month period, both in normal and stressed conditions. Basel III requires NSFR to be equal to 100% on an ongoing basis.

Rule Governing Banks' Relationships With Their Customers and Other Third Parties

Deposit Guarantee Scheme

The State's Deposit Guarantee Scheme (**DGS**) is overseen and administered by the CBI. It provides protection for eligible depositors of a bank if that entity is unable to repay their deposits. The protection is limited to €100,000 per person per institution and relates to the balances in various types of accounts comprising current accounts, deposit accounts and share accounts in banks and building societies. The DGS covers deposits in the names of individuals, sole traders, partnerships, clubs, associations, schools, charities, companies, small self-administered pensions, trust funds and other monies held by professional service providers on behalf of their clients. However, deposits by banks, credit unions, building societies, investment firms, pension schemes, financial institutions and other regulated entities are not covered by the DGS. Securities issued by a bank are also not subject to the DGS.

Credit Reporting

One of the requirements of the Programme was the introduction of a credit reporting regime designed to enhance financial transparency. The Credit Reporting Act (the **CRA**) was enacted in 2013. Lenders subject to the CRA are obliged to report details of qualifying loans provided by them. The types of agreements captured by the CRA are credit agreements of more than €500 which are (i) entered into with Irish borrowers, and/or (ii) governed by Irish law. Where an application for credit is made in respect of a qualifying loan, such applications will also need to be reported. Included in the credit-reporting regime are consumer loans provided through credit cards, mortgages, personal loans, overdrafts, money lender loans, local authority loans, business loans and hire-purchase personal contract plans and asset finance loans. The types of borrowers that are covered are companies, consumers, individuals, partnerships and sole traders.

Consumer Protection

In addition to primary and secondary legislation, the CBI has produced a number of codes governing banks' interactions with their customers.

The CPC is primarily designed to ensure fair treatment of customers. The CPC sets out rules regarding how banks interact with their clients (including vulnerable customers), how information is to be provided (including disclosures to be made on the face of documents regarding certain investment and other products), assessing the suitability of financial products and addressing arrears and arrangements arising out of distressed consumers.

The Code of Conduct on Mortgage Arrears (**CCMA**) governs how mortgage lenders and entities regulated as credit servicers treat borrowers in or facing mortgage arrears where a mortgage loan is secured by the borrower's primary residence. The CCMA specifies arrangements regarding borrowers that are in arrears, including how they are to be communicated with, the assessment of their financial position, how repossessions are to be conducted and information to be provided to borrowers.

The Central Bank (Supervision and Enforcement) Act 2013 (Section 48) Lending to Small and Medium Sized Enterprises Regulations 2015 apply to credit provided to SMEs. The SME Regulations distinguish between micro and small enterprises (turnover of less than €10 million) and medium-sized enterprises (turnover of less than €50 million). The SME Regulations set out conduct of business parameters, the nature and content of information to be provided to SMEs and dealing with SMEs in financial difficulty.

Anti-Money Laundering

The Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and 2013 updated Irish anti-money laundering and terrorist financing legislation to bring it in line with the requirements of the Third EU Anti-Money Laundering Directive (2005/60/EC). The Criminal Justice (Money Laundering and Terrorist Financing) Amendment Act 2018 transposed the Fourth EU Anti-Money Laundering Directive (2015/849/EU) into Irish law. The CBI published Anti-Money Laundering and Countering the Financing of Terrorism Guidelines for the financial sector on 6 September 2019. The Guidelines outline the expectations of the CBI regarding banks' compliance with their AML obligations and include a detailed analysis around risk management, customer due diligence requirements, reporting obligations and integral governance and training.

The CBI is actively enforcing AML compliance and has recently fined various regulated entities for breaches of AML requirements.

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