

ASSET MANAGEMENT AND INVESTMENT FUNDS

## Designated Persons: Central Bank to Create Six PCF Roles Aligned to CP86 Managerial Functions

February 2020

On 25 February, the Central Bank published [a notice of intention](#) to remove the existing Designated Person (“DP”) pre-approval controlled function (“PCF-39”) and replace it with six new pre-approval controlled functions (“PCF”), each aligned to the specific managerial functions set out in the Central Bank’s Fund Management Company Guidance (commonly referred to as “CP86”).

### AWARDS

**Ireland M&A Legal Adviser of the Year 2019**  
Mergermarket European M&A Awards

**Best Firm in Ireland 2019**  
Europe Women in Business Law Awards

**Best National Firm for Women in Business Law 2019**  
Europe Women in Business Law Awards

**Best National Firm Mentoring Programme 2019**  
Europe Women in Business Law Awards

**Best National Firm for Minority Women Lawyers 2019**  
Europe Women in Business Law Awards

**Ireland Law Firm of the Year 2019**  
Who’s Who Legal

**European Finance Deal of the Year 2019 (NTMA Green Bond Transaction)**  
The Lawyer European Awards

**Most Inclusive Law Firm 2019**  
Managing Partners’ Forum Awards

The new PCF designations are:

PCF-39A	DP with responsibility for Capital and Financial Management
PCF-39B	DP with responsibility for Operational Risk Management
PCF-39C	DP with responsibility for Fund Risk Management
PCF-39D	DP with responsibility for Investment Management
PCF-39E	DP with responsibility for Distribution
PCF-39F	DP with responsibility for Regulatory Compliance

The changes will be introduced by amendment to the existing regulations designating PCFs (and controlled functions). The Central Bank has advised that DPs in situ on the date the amended regulations come into effect will not be required to seek the approval of the Central Bank to continue to perform the new PCF roles. However, fund boards will be required to review their PCF assessments conducted under section 21 of the Central Bank Reform Act 2010 in respect of the in situ DPs and submit confirmation of this assessment to the Central Bank.

Fund boards must conduct these assessments and provide their confirmations to the Central Bank within six weeks of the amended regulations

taking effect. Should the DP change after the new PCF roles have been introduced by the amended regulations, he/she will be required to seek the Central Bank’s prior approval in writing to that appointment by means of a new IQ submission.

Three new categories of PCF are also being introduced, one of which PCF 49: Chief Information Officer may be relevant to fund companies depending on their PRISM impact rating and if IT is a key enabler or core element of their business model.

### Actions

Once the amended regulations take effect, the fitness and probity assessment

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conducted by the fund board prior to the appointment of a DP will have to be reviewed and a confirmation provided to the Central Bank that the assessment has been carried out within the six week timeframe. The exact timings and specifics of the confirmation remain unclear. However, it is likely that a refresh of the fitness and probity assessments for the DPs will need to be done (notwithstanding that the annual PCF confirmations will have been filed by 28 February) and these

subsequent confirmations will be required during Spring/Summer 2020.

The Central Bank is inviting comments from stakeholders on this proposal until **26 March 2020**. Comments should be submitted by email to [governanceconsultations@centralbank.ie](mailto:governanceconsultations@centralbank.ie).

If you have any questions on, or would like to discuss the foregoing in more detail, please do not hesitate to contact a member of our team.

### KEY CONTACTS



**Kevin Murphy**  
Partner  
+353 1 920 1177  
[kevin.murphy@arthurcox.com](mailto:kevin.murphy@arthurcox.com)



**Tara O'Reilly**  
Partner  
+353 1 920 1787  
[tara.oreilly@arthurcox.com](mailto:tara.oreilly@arthurcox.com)



**Sarah Cunniff**  
Partner  
+353 1 920 1171  
[sarah.cunniff@arthurcox.com](mailto:sarah.cunniff@arthurcox.com)



**Dara Harrington**  
Partner  
+353 1 920 1206  
[dara.harrington@arthurcox.com](mailto:dara.harrington@arthurcox.com)



**Cormac Commins**  
Partner  
+353 1 920 1786  
[cormac.commins@arthurcox.com](mailto:cormac.commins@arthurcox.com)



**Ian Dillon**  
Partner  
+353 1 920 1788  
[ian.dillon@arthurcox.com](mailto:ian.dillon@arthurcox.com)



**Siobhán McBean**  
Partner  
+353 1 920 1052  
[siobhan.mcbean@arthurcox.com](mailto:siobhan.mcbean@arthurcox.com)