

This briefing was produced by the Institute of Directors Ireland in association with McCann FitzGerald LLP for use in Ireland. McCann FitzGerald LLP is one of Ireland's premier law firms, providing a full range of legal services to many of Ireland's leading businesses. Clients include international organisations, major domestic concerns, emerging Irish companies and clients in the State and semi-State sectors.

# Briefing: Individual Accountability: SEAR now applicable to NEDs and INEDs

On 1 July 2025, Regulations 5, 6(3), 6(5) and 10(2) of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Senior Executive Accountability Regime) Regulations 2024 (the "**SEAR Regulations**") came into force.

This means that, from that date, the Senior Executive Accountability Regime (the "**SEAR**"), which forms part of the Central Bank of Ireland's ("**CBI**") Individual Accountability Framework (the "**IAF**"), applies to non-executive directors ("**NEDs**"), independent non-executive directors ("**INEDs**") and various types of chairpersons of credit institutions, certain insurance undertakings and certain investment firms.

All other parts of the SEAR Regulations became applicable to executive pre-approval controlled function ("**PCF**") role holders of in-scope regulated financial service providers ("**RFSPs**") from 1 July 2024. The CBI had previously noted its deferral of the applicability of the SEAR to NEDs and INEDs of in-scope RFSPs in its [feedback statement](#), following a consultation process to provide clarity on responsibilities and accountability ("**CP153**"). CP153 highlighted a number of concerns regarding the scope and number of people the SEAR would apply to, particularly in relation to NEDs and INEDs. As such, the application of the SEAR to NEDs and INEDs was deferred to allow for insights to be gained from the SEAR's application to executives in the first instance.

## Obligations under the SEAR

Since 1 July 2025, in-scope RFSPs must comply with Regulation 5, Regulations 6(3) and 6(5) and Regulation 10(2) of the SEAR Regulations. Regulation 5 provides that the responsibilities listed in Column 2 of Schedule 1A of the SEAR Regulations will be the inherent responsibilities of the PCF role holders listed in Column 1 of Schedule 1A. This covers NEDs, INEDs and different types of chairpersons. These inherent responsibilities and roles are listed in Table 1 below.

Briefing prepared for Institute of Directors Ireland | SEAR now applicable to NEDs and INEDs

**Table 1 – Inherent responsibilities of (I) NEDs and Chairpersons**

<b>Table 1 – Inherent responsibilities of (I) NEDs and Chairpersons</b>	
<b>PCF-2A – Non-executive director</b>	Overseeing and monitoring the strategy and management of the firm.
<b>PCF-2B – Independent non-executive director</b>	Overseeing and monitoring the strategy and management of the firm.
<b>PCF-3 Chair of the Board</b>	Chairing meetings of the Board, leading and overseeing its performance.
<b>PCF-4 Chair of the audit committee</b>	Chairing meetings of the audit committee, leading and overseeing the committee's performance.
<b>PCF-5 Chair of the risk committee</b>	Chairing meetings of the risk committee, leading and overseeing the committee's performance.
<b>PCF-6 Chair of the remuneration committee</b>	Chairing meetings of the remuneration committee, leading and overseeing the committee's performance.
<b>PCF-7 Chair of the nomination committee</b>	Chairing meetings of the nomination committee, leading and overseeing the committee's performance.

Regulation 6 of the SEAR Regulations provides for Prescribed Responsibilities ("PRs") which are to be allocated by in-scope RFSPs. Since 1 July 2025, Regulations 6(3) and 6(5) apply to in-scope RFSPs. This means that certain PRs apply to the roles set out in Table 1 above. Which PRs apply depend on the regulatory authorisation status of the RFSP in question. The various PRs are listed in Schedule 2 of the SEAR Regulations and are set out in Table 2 below. For low impact investment firms, only PR4, PR9 and PR11 need to be allocated. For in-scope RFSPs that are not low impact investment firms, all of the PRs in Table 2 below need to be allocated.

Briefing prepared for Institute of Directors Ireland | SEAR now applicable to NEDs and INEDs

**Table 2 – Prescribed responsibilities of (I) NEDs and Chairpersons**

<b>PR4</b>	Responsibility for leading the development of the firm's culture, including on matters relating to diversity and inclusion, by the Board.
<b>PR6</b>	Responsibility for overseeing the development of the firm's remuneration policies and practices.
<b>PR8</b>	Responsibility for safeguarding the independence of the internal audit function and for oversight of the function and the Head of Internal Audit.
<b>PR9</b>	Responsibility for safeguarding the independence of the compliance function and for oversight of the function and the Head of Compliance.
<b>PR10</b>	Responsibility for safeguarding the independence of the risk function and for oversight of the function and the Chief Risk Officer.
<b>PR11</b>	Responsibility for leading the development and monitoring implementation of effective policies and procedures for succession planning, induction, training and professional development of all members of the Board.
<b>PR12</b>	Responsibility for ensuring the independence, autonomy and effectiveness of the firm's policies and procedures on whistleblowing.

Briefing prepared for Institute of Directors Ireland | SEAR now applicable to NEDs and INEDs

Regulation 10 deals with Statements of Responsibility ("SoRs") and Regulation 10(2), which now applies since 1 July 2025, provides for the preparation and maintenance of up-to-date SoRs in respect of the roles set out in Table 1 above. Each SoR should be a standalone document containing the relevant PCF role holder's:

- a) inherent responsibilities;
- b) prescribed responsibilities as allocated in accordance with Regulations 6(3) and 6(5) of the SEAR Regulations; and
- c) other responsibilities allocated in accordance with Regulation 8(3) of the SEAR Regulations<sup>1</sup>.

---

## Updates from the CBI

---

Considering the entry into force of the remaining provisions of the SEAR Regulations, the CBI has added a number of questions to its Questions from Stakeholders document ([here](#)) in relation to NEDs, INEDs and chairpersons. In answering these questions, several key clarifications are made, including:

- the CBI acknowledges that audit, risk, nomination and remuneration committees may not exist in all firms. In these circumstances, PR6, PR8, PR9, PR10 and PR11 should be allocated to the most appropriate NED or INED.
- only PRs described as non-executive in nature can be allocated to NEDs or INEDs. Specifically, references in PR16 and PR33 are not references to the allocation to a NED or INED.
- a substantive review of the PCF list will be coordinated with the planned three-year review of the SEAR in 2027.

---

## How Can McCann FitzGerald LLP Help?

---

Our Financial Services Regulation and Employment, Pensions & Incentives Groups have significant experience in advising on senior executives and individuals in controlled functions, including PCFs, and would be happy to assist with any queries you may have. More information is also available on our IAF Hub ([here](#)).

1. Regulation 8(3) of the SEAR Regulations provides "The firm shall allocate a responsibility - (a) designated by the firm as an 'other responsibility' pursuant to paragraph (1), or (b) declared by the Bank to be an 'other responsibility' in accordance with paragraph (2), to a PCF holder in the firm."

**Further information is available from:**

© McCann FitzGerald LLP  
and IoD Ireland 2025. All  
rights reserved.

This document is for general  
guidance only and should not  
be regarded as a substitute for  
professional advice. Such  
advice should always be taken  
before acting on any of the  
matters discussed.



**Josh Hogan**  
Partner  
+353 1 607 1720  
josh.hogan@  
mccannfitzgerald.com



**Darragh Murphy**  
Partner  
+353 1 607 1433  
darragh.murphy@  
mccannfitzgerald.com



**Clare Gillett**  
Partner  
+353 1 607 1307  
clare.gillett@  
mccannfitzgerald.com



**Donal Hamilton**  
Partner  
+353 1 607 1782  
donal.hamilton@  
mccannfitzgerald.com



**James FitzGerald**  
Of Counsel  
+353 1 607 1339  
james.fitzgerald@  
mccannfitzgerald.com



**Holly Draper-Spillane**  
Senior Associate  
+353 1 511 1514  
holly.draper-spillane@  
mccannfitzgerald.com



**John Boyle**  
Senior Associate  
+353 1 611 9110  
john.boyle@  
mccannfitzgerald.com

Alternatively, your usual contact in McCann  
FitzGerald LLP will be happy to help you further.