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# Briefing: The CBI's Roadmap for Simplifying Regulation and Supervision

As Irish financial services firms look ahead to the next few years, the Central Bank of Ireland (the "CBI") is signalling that "simplification" will be a defining theme—without diluting outcomes. In its report, 'Regulating & Supervising well – a more effective and efficient framework', the CBI sets out a roadmap to streamline supervision, consolidate and clarify rules, strengthen gatekeeping, and reduce unnecessary reporting burdens. The work sits within the broader European simplification agenda and reflects the CBI's risk-based, proportionate and outcomes-focused approach.

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## Simplification, but not simplification at any cost

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The CBI's starting point is clear: it is seeking to achieve the same regulatory and supervisory outcomes in simpler and more efficient ways. This includes improving the clarity, consistency, coherence and predictability of rules, while reducing unnecessary burdens and complexity. It also involves ensuring that frameworks and supervisory engagement are risk-based, proportionate and clear, and that protections and resilience are preserved.

This theme is closely tied to the CBI's wider efforts to transform its approach—enhancing agility, adaptability and risk sensitivity.

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## The CBI's "guardrails" for change

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The CBI has set out guardrails that will shape how it decides what to simplify and how:

- ***Mission first:*** This means that simplification should not undermine the delivery of the CBI's mission, including protecting consumers and investors and safeguarding the resilience, stability and integrity of the financial system.
- ***Proportionality and materiality:*** This means that regulatory burdens should correspond to the scale and complexity of firms and the materiality of the risks involved.

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- *Evidence-based change*: Proposals should be informed (where possible) by data, supervisory insight and cost-benefit analysis.
- *European harmonisation and convergence*: This means that domestic rules should enhance coherence within the Single Market where possible, and any divergence should be justified by differences in risk landscapes or statutory requirements.
- *Implementation before legislation*: The CBI will aim to simplify the application and supervision of existing rules before turning to legislative amendments—reducing uncertainty and improving delivery efficiency.
- *Clarity and transparency*: The CBI will seek to ensure that stakeholders can identify, understand and assess changes and their rationale, supporting predictability and certainty.
- *Adaptability and supervisory judgement*: The CBI explicitly acknowledges key trade-offs—such as simplicity versus precision, efficiency versus insight, flexibility versus certainty, proportionality versus consistency, and speed versus due process—and frames its approach as reducing unnecessary burdens while preserving resilience, protections and supervisory insight.

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## A multi-year plan: 2026 to 2028

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The roadmap is framed as a multi-year domestic workplan running from 2026 to 2028, alongside the CBI's contribution to EU reforms. Across that period, the focus is on clarity, predictability and supervisory convergence, delivered through work in four areas.

- *Supervision*: Supervision is the first pillar. Following the introduction of a new supervisory approach in 2025, the CBI intends to continue refining its engagement with firms, be clearer in supervisory communications, and build on risk-based and proportionate supervision—while maintaining financial stability, consumer and investor protection, the safety and soundness of supervised entities, and the integrity of the financial system.
- *Regulation*: Regulation is the second pillar, with simplification initiatives that must remain proportionate, clear and predictable.
  - o In insurance, the CBI plans to review Ireland's insurance rulebook for compatibility and to eliminate duplicative domestic instruments in light of Solvency II reforms, and to review the 2021 Recovery Planning Regulations in light of the EU Insurance Recovery and Resolution Directive (IRR) applying in 2027.
  - o In banking, the CBI plans to review the national banking regulatory framework in light of updated EU capital requirements standards (including specified domestic codes and policies), enhance the Section 149 process for approvals of new or changed bank fees and charges, continue updating

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- o the Credit Union Handbook and guidance, and update the resolution framework.
  - o For capital markets and funds, the CBI plans changes to the AIF rulebook and UCITS Regulations aligned to the updated EU funds framework, a comprehensive review of the Fund Service Provider Framework, and consolidation of Q&As and guidance into an organised framework.
  - o Cross-sectoral initiatives include a review of the Corporate Governance Codes in 2026, updates to Cross-Industry Guidance on Outsourcing in 2026, a three-year SEAR review in 2027, continued withdrawal and consolidation of AML/CFT frameworks in light of the new EU AML Regulation (AMLR), and consultation on a new Regulatory Impact Assessment Framework in 2026.
- **Gatekeeping:** Gatekeeping is the third pillar. The CBI sees scope to streamline and strengthen gatekeeping through improved guidance, expectations and engagement, improvements to Fitness and Probity processes (including a dedicated unit to accelerate processing of individual questionnaires), establishment of a Gatekeeping Division, updates to authorisation and change-of-business requirements for insurance, a review of the Pre-Approval Controlled Function framework in 2026 ahead of the SEAR review in 2027, further standardisation and clarification of authorisation processes across several areas, and greater transparency on timelines and expectations.
  - **Reporting and data:** Reporting and data form the fourth pillar. Recognising that high-quality data underpins risk-based supervision, the CBI plans to consolidate data reporting requests and undertake a detailed review of its data collection methods, aligned with ECB and EBA initiatives to integrate and simplify reporting.

The report points to continued updates between now and 2028 to deliver a more streamlined approach where possible. At the same time, the CBI is explicit that simplification does not rule out new requirements, reflecting the complexity of the financial sector and the evolving risk landscape. The message is that complexity should be necessary and purposeful—and that consumer protection and the protection of the financial system remain central.

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## Relevance for Directors

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For directors of firms regulated by the CBI, this roadmap represents an important shift in the regulatory landscape that warrants board-level attention. Directors bear ultimate responsibility for ensuring that their organisations comply with regulatory requirements. As the CBI refines its supervisory approach and consolidates its rulebooks, directors should understand how these changes may affect their firm's compliance obligations, governance structures and regulatory engagement.

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Several specific workstreams have direct implications for director oversight. The planned 2026 review of the Corporate Governance Codes will likely affect the standards against which director conduct and board effectiveness are assessed. The three-year SEAR review commencing in 2027 may result in changes to the accountability framework that applies to senior individuals, including directors holding Pre-Approval Controlled Functions (PCFs). Directors should also note the CBI's stated intention to review the Pre-Approval Controlled Function framework, which may affect the fitness and probity processes applicable to their own appointments and those of other senior personnel.

More broadly, directors should anticipate that the CBI's emphasis on risk-based and proportionate supervision may result in more tailored supervisory engagement. Directors should ensure their firms have adequate processes to identify, assess and respond to supervisory communications and expectations as they evolve.

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## Concluding Remarks

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For regulated firms, the coming years will require careful attention to the evolving framework. The multi-year workplan to 2028 will bring tangible changes across supervision, regulation, gatekeeping and reporting. Firms—and their boards—should monitor these developments closely. Firms should also engage constructively with consultations to the extent relevant. In addition, firms should ensure compliance and governance arrangements remain fit for purpose.

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