

CBI fine for breach of Market Abuse Regs

The Central Bank of Ireland (the “CBI”) recently issued a fine of over €450,000 to a firm regulated in Ireland (the “Firm”) for breaches of the European Union (Market Abuse) Regulations 2016. Full details of the fine and the rationale for this were published by the CBI on the enforcement actions section of its website on 27th February 2025. This is the latest of a growing number of significant fines issued by the CBI and underlines the importance of ensuring ongoing regulatory compliance.

Background

The Firm was regulated in Ireland as an investment firm under MiFID. As such it was subject to the Market Abuse Regulation (596/2014/EU) as well as to the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017) under which it was authorised.

The Prescribed Contravention

The CBI investigated contraventions of Article 16(2) of MAR by the Firm in the period March 2017 to June 2023 and found evidence of:

- Failure to report suspicious transactions
- Failure in governance arrangements
- Failure to document analysis as to whether transactions were suspicious
- Failure to escalate suspicions internally.

The Firm admitted the breaches.

Factors for the Penalty Decision Process

As a general consideration, the CBI took into account the need to impose a proportionate penalty with an appropriate deterrent impact.

Specific factors deemed applicable in this case included the extent and duration of the contraventions, the failure to have effective governance arrangements to escalate suspicious transactions internally and to document related analysis as well as the failure to report suspicious transactions and the extent to which this was a departure from the standard required of a regulated firm.

Penalty

A fine of €646,840 was imposed, which was reduced by 30% to €452,790 by way of a settlement discount. The publication of details of the case on the website of the CBI could also be viewed as a penalty due to the inherent negative publicity.

How Clerkin Lynch Can Help

Clerkin Lynch’s regulatory team can advise on compliance with Irish regulations as well as interacting with regulatory authorities including the CBI regarding investigations and enforcement actions.

Contact us for more information.



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