

# SEAR: Statutory Obligations on Directors

12<sup>th</sup> December 2024

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# ADDLESHAW GODDARD (AG) INTRODUCTION



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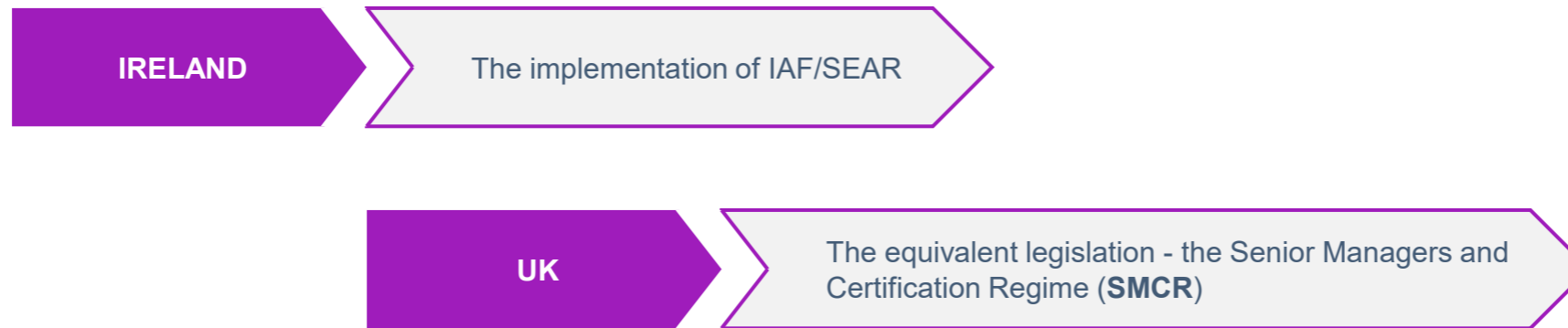


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# ADDLESHAW GODDARD (AG)

International UK based Law Firm - uniquely positioned to advise on:



AND

Share our valuable learnings to help you avoid potential pitfalls



# SEAR PREPARING FOR JULY 2025

(I)NEDS - how prepared are you for SEAR?

**JOHN MAHER**

Legal Director, Financial Regulations



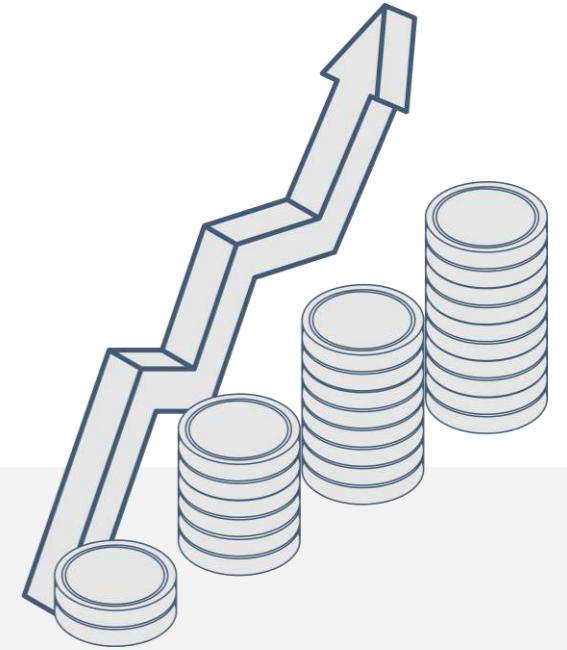
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MORE IMAGINATION MORE IMPACT



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# CONTEXT



Report on the Behaviour and Culture of the Irish Retail Banks



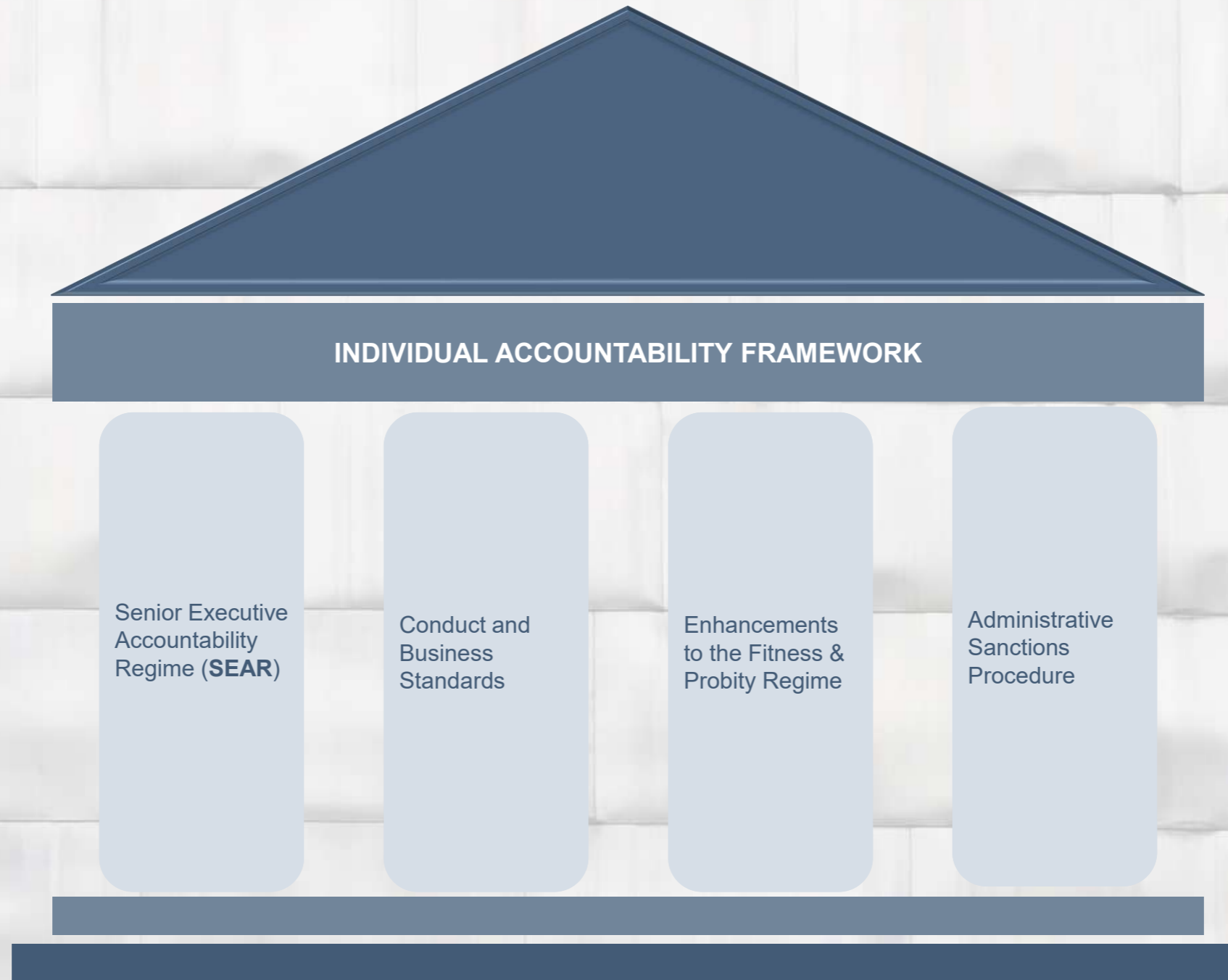
Individual Accountability Framework (Ireland)  
v  
Senior Managers and Certification Regime (UK)



Other Individual Accountability  
Regimes around the globe



# DESIGN



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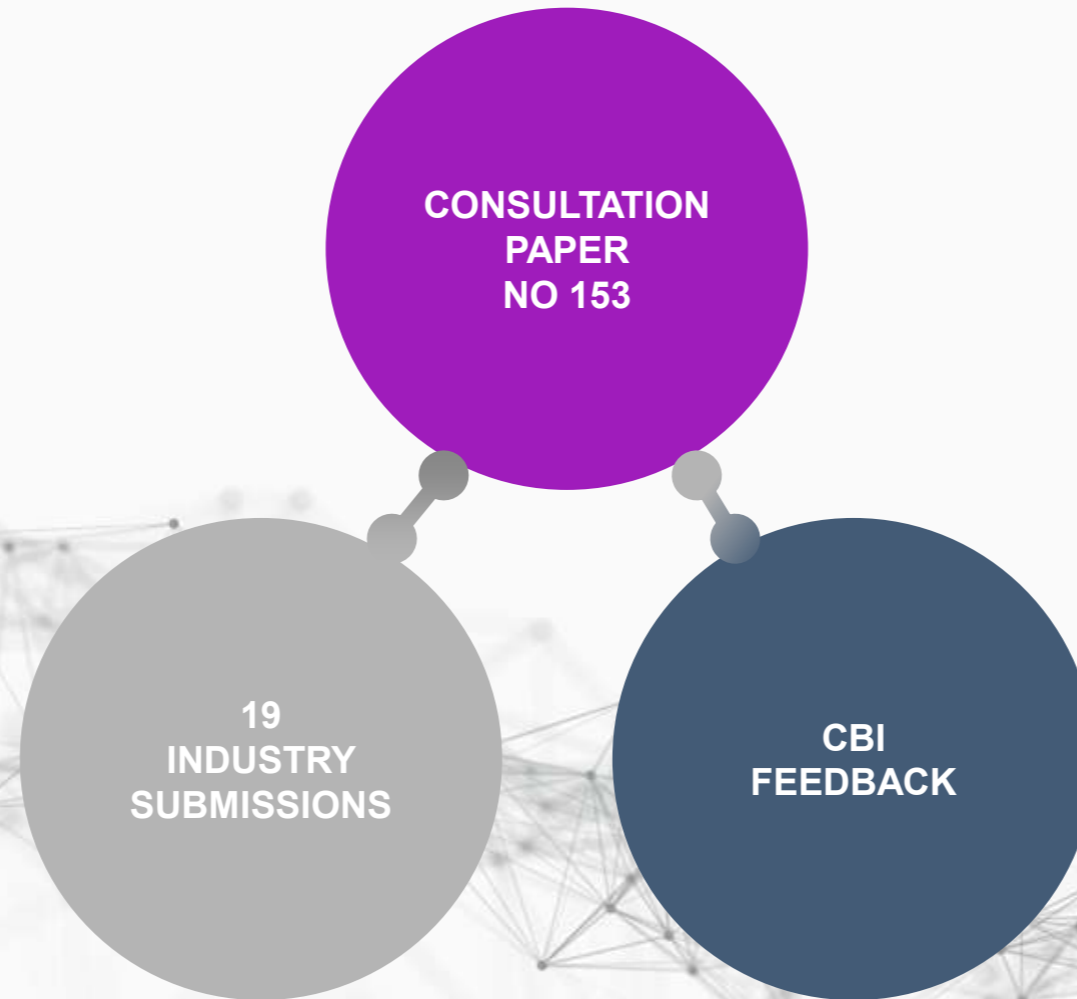
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# EXTENSION OF SEAR TO (I)NEDS (INDUSTRY SUBMISSIONS & CBI FEEDBACK)





# EXTENSION OF SEAR TO (I)NEDS (INDUSTRY SUBMISSIONS & CBI FEEDBACK

## Primary Industry Concerns



COLLECTIVE DECISION MAKING  
RESPONSIBILITY V INDIVIDUAL  
ACCOUNTABILITY

(I)NEDS V EXECUTIVE  
DIRECTORS

DETERRENT TO RECRUITMENT  
AND RETENTION

# EXTENSION OF SEAR TO (I)NEDS (INDUSTRY SUBMISSIONS & CBI FEEDBACK)

## CBI Approach

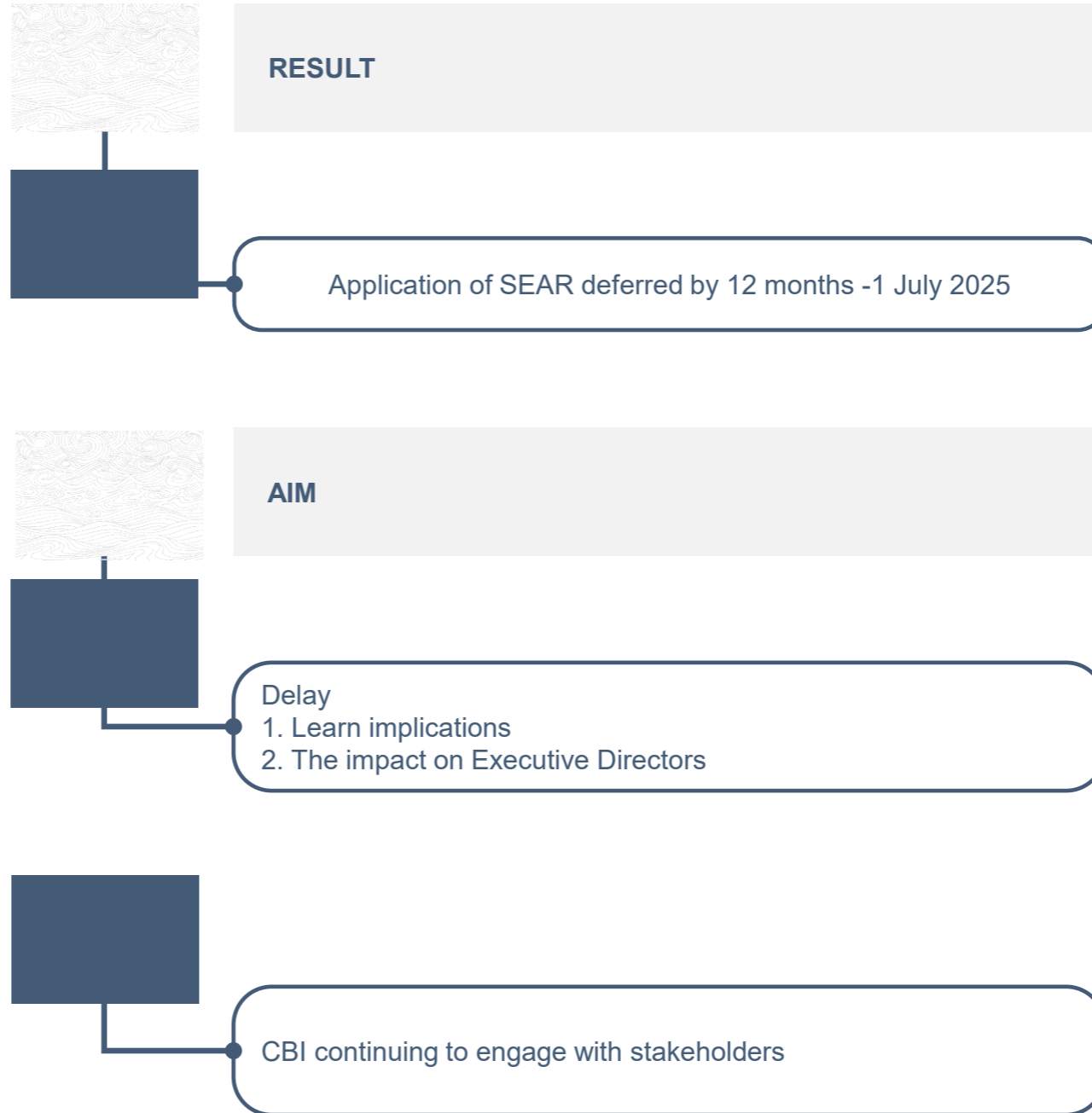


ROLE OF COLLECTIVE RESPONSIBILITY AND DECISION-MAKING REMAINS CENTRAL TO FIRMS

(I)NEDS STANDARDS RELATE PURELY TO THEIR NON-EXECUTIVE OVERSIGHT FUNCTIONS

(I)NEDS MUST NOT BE DISSUADED BY REQUIREMENT TO MEET UNDULY DEMANDING STANDARDS

# EXTENSION OF SEAR TO (I)NEDS INDUSTRY SUBMISSIONS & CBI FEEDBACK



# IMPACT OF IAF/SEAR



Statutory Obligations applying to (I)NEDs from 1 July 2025

- **Individual** Statements of Responsibility (SORs) (allocate **prescribed responsibilities/other responsibilities**)
- **Firm** Management Responsibility Maps (MRMs)
- Statutory **Duty of Responsibility- reasonable steps**

# IMPACT OF SEAR



## AG recommendations to meet Statutory Obligations



Seek Active Support



Appropriate Training



MRMs and SORs



Specific Technical Advice



Bespoke and (I)NED specific IAF/SEAR Handbook



# SEAR PREPARING FOR JULY 2025

(I)NEDS - how prepared are you for SEAR?

**SARAH THOMAS**

Partner, Global Investigations

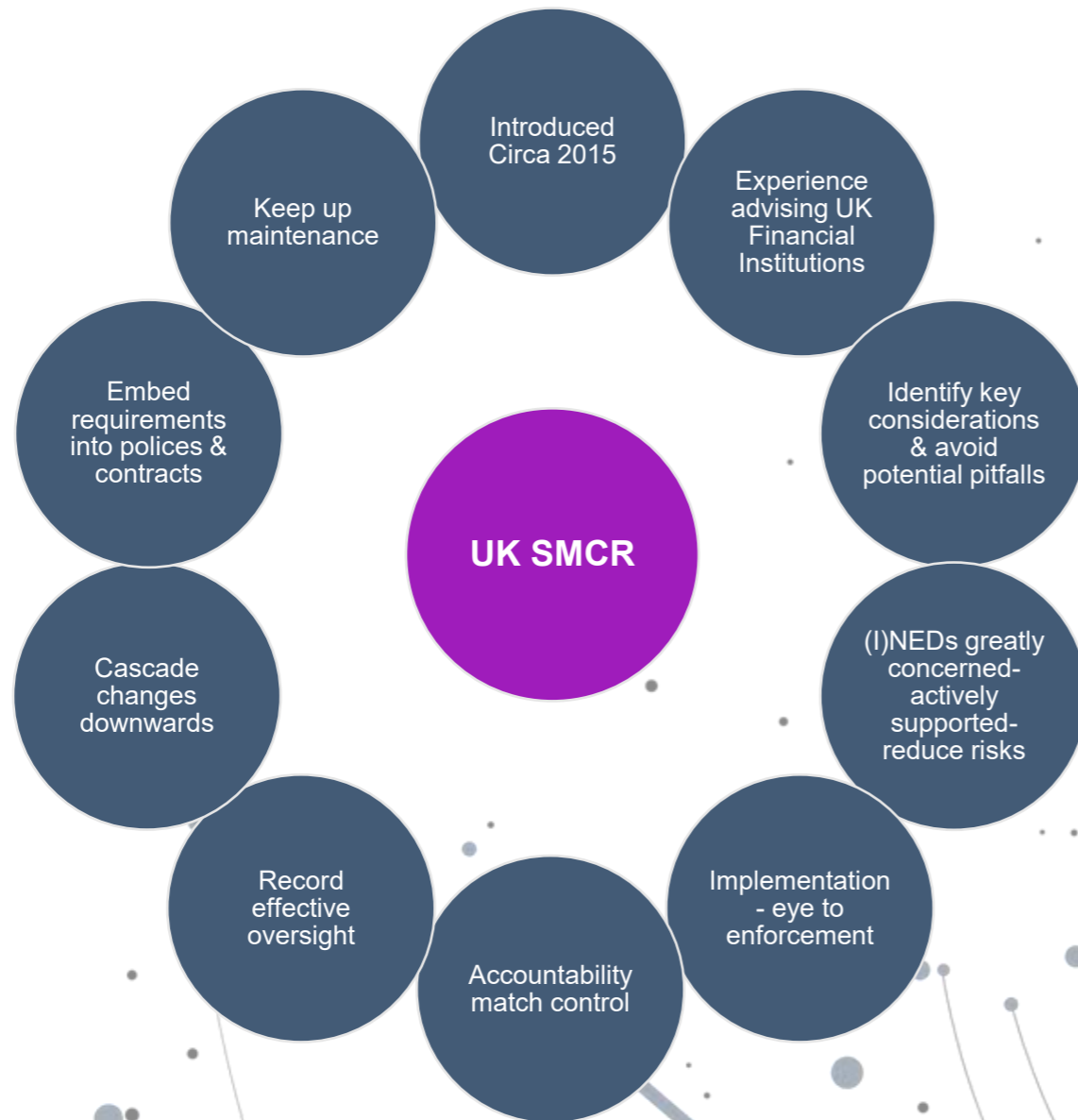
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MORE IMAGINATION MORE IMPACT



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# LESSONS LEARNED FROM UK SMCR





# LEARNINGS FROM UK'S SM&CR

## (I)NED PROCESS IN THE UK

- Only NED Chairs are SMFs
- Focus on preserving non-executive distinction
- Lacks flexibility

## A WEAPON AND A SHIELD

- Keep accurate and not aspirational
- Use as a basis to ask for obtaining information
- Use as a basis for focus on an issue

## AN ENFORCEMENT TOOL?

- Attestations
- Use of new “reasonable steps” enforcement test?
- Conduct Rules and focus on integrity

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