

# The Evolving Role of Compliance Officers in MiFID II Firms



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**T**he compliance job in Irish MiFID II firms got completely rewritten in 2024. Not tweaked or enhanced. Rewritten from scratch.

Three regulatory changes converged: MiFID II updates, the Individual Accountability Framework going live, and SEAR extending to independent directors in July 2025. Compliance officers went from back-office rule checkers to front-line governance architects practically overnight.

The tricky bit is that nobody really prepared the industry for how big this shift would be.

## Goodbye Watchdog, Hello Governance Designer

MiFID II compliance used to be straightforward. Protect investors, catch market abuse, make sure people follow rules. Boring but necessary work.

Then ESMA expanded everything. Risk assessment, enhanced reporting, internal control oversight, outsourcing scrutiny. With IAF now operational, you're mapping responsibilities for entire organisations, writing statements of responsibility for board members, and coaching directors on personal liability under SEAR.

Here's what nobody tells you: you've gone from checking whether people follow policies to designing accountability frameworks for whole firms. That's a completely different skill set, and most compliance officers learned it on the job.

## SEAR Puts Directors in the Hot Seat

July 2025 changed everything for independent directors. SEAR now applies to them after a year-long delay.

INEDs carry individual responsibilities now. Personal accountability that must be documented and reviewed regularly. The Central Bank's June webinar

was clear: if you sit on the board from July, you're personally liable for your areas.

This creates enormous work for compliance teams. Statements of responsibility became living documents that matter. They need to reflect what people actually do, include prescribed duties, and align with management responsibility maps.

Leading practices emphasise these must be bespoke. The Central Bank wants real accountability structures, not paper exercises. The documentation burden is massive - version control, signatures, submission protocols. Most compliance officers weren't hired for project management skills, but that's what the job requires now.

## People Problems Get Personal

IAF introduced conduct standards for everyone in controlled functions, including directors and compliance officers. These went live in December 2023 with annual certification requirements.

Annual certification isn't paperwork anymore. It's a proper assessment of whether someone should keep their job. When problems emerge - behavioural issues, undeclared conflicts, competence questions compliance officers can't just document them. You escalate, investigate, and sometimes tell the board someone needs to go.

That's genuine authority with matching responsibility. The comfortable back-office observer role has disappeared completely.

## Whistleblowing Becomes Cultural Work

The Duty of Responsibility means senior managers get held personally accountable for failing to prevent breaches. Compliance officers become first contacts for protected disclosures, but the role extends beyond processing complaints.



You're creating cultures where people feel safe raising concerns and ensuring those concerns reach appropriate decision-makers. This changes your relationship with senior management. You're not just reporting problems - you're stewarding the firm's ethical culture and sometimes delivering uncomfortable truths about leadership behaviour.

## Strategic Integration

Compliance is no longer a second-line function. You're integrated into governance structures, understanding board dynamics, advising directors directly, and engaging with senior management on organisational design.

SEAR requires complete alignment between responsibility allocation, documentation, and operational reality. That alignment sits within compliance remits.

RegTech solutions help manage complexity - automated workflows, dynamic mapping, monitoring systems. But technology supports professional judgement rather than replacing it. The core work remains human: assessing character, understanding culture, making decisions about risk.

## Core Work Continues

Traditional MiFID II compliance hasn't disappeared. Market abuse prevention, transparent client dealings, adviser competence - all still critical and heavily scrutinised. The Central Bank's focus on costs and charges proves basic failures still attract immediate attention.

The challenge is balancing traditional enforcement with strategic governance leadership. You're expected to excel at both, often switching between them multiple times each day.

## The New Reality

Compliance officers moved from organisational periphery to governance centre in eighteen months. You work across legal, risk, HR, and executive teams. You've become operational nerve centres - document custodian, trainer, gatekeeper, strategic adviser, sometimes all before lunch.

From July 2025, every MiFID II firm operates under continuous governance assessment. Board members face personal sanctions. Compliance officers aren't safety nets anymore, you're architects of daily trust with markets, regulators, and clients.

The job became more demanding and influential than anyone anticipated. But here's the opportunity: you're shaping how Irish financial services demonstrate integrity to domestic and international stakeholders.

The transformation continues as firms adapt and regulators refine expectations. What's certain is that compliance work will never return to its previous back-office simplicity.

*Analysis based on Central Bank of Ireland guidance, ESMA updates, and insights from leading Irish legal practices.*