



Issue 3 | August 2015

## Welcome to Credit Union News

Welcome to our third issue of Credit Union News. The newsletter is part of our commitment to continually keep you informed of developments from our side and highlight upcoming events.

Firstly, I would like to thank the credit unions who took part in the recent Peer Review undertaken by the International Credit Union Regulators' Network (ICURN). We appreciate the participation of representative bodies and some credit unions in meetings with the ICURN Review Team in April. It is planned to publish the Peer Review Report in September, with details being provided to representative bodies and credit unions at that time.



On page 2 there is an update on our review of the lending restrictions we put in place because of our concerns about weaknesses in lending practices, credit assessment and credit control. At the time of writing some 50% credit unions with restrictions had applied to have their restrictions reviewed, the majority of which have been successful in having the lending restriction removed.

As we are now halfway through our 2015 special engagement cycle focused on the issues facing low impact credit unions, we are now assessing the lessons arising. So far this engagement has been very constructive. We have found familiar weaknesses in business model viability and governance in some credit unions, but we have also seen a strong level of analysis in other credit unions on their business model, while a number were actively engaged with ReBo or other credit unions on potential transfers of engagements to ensure continuation of member services. At over half of the smaller credit unions we visited, we highlighted viability concerns going forward, particularly where the capacity to generate a surplus is not apparent. Where these credit unions are not already doing so, we are encouraging them to avail of the support offered by ReBo while it is still available.

In the coming months we will be looking at our on-site engagement model for 2016. In developing our future model, we will take account of what we have learned from this year's special engagement as well as the new post-restructuring position of many credit unions.

I welcome the significant momentum that has built up on restructuring this year. We now have many cases where credit unions have fully restructured or are well advanced towards that goal. It is good to see that the support from ReBo for voluntary, incentivised restructuring is being availed of within the timeframe allowed. In addition, we welcome that the ILCU is providing support for some credit unions involved in restructuring where such a need is identified. At the Registry, for the credit unions involved in restructuring we see this as the start of the process of putting them on a sound financial and operational footing, to enable them to examine options for future growth and development. Key to this is developing a model or plan for the future growth and development of their credit union, establishing realistic objectives and carefully assessing the viability of options to increase their income from core and new activities and offer new services to members, while protecting their savings.

The new Regulations on reserves, liquidity, lending, investments, savings and borrowing set out in our Consultation Paper 88 – Consultation on Regulations for Credit Unions on commencement of the remaining sections of the 2012 Act (CP88), to which we received over 100 responses, have now been published and you can read more about them on page 3. In relation to development of the business model, we intend to invite interested parties in the credit union sector to participate in focused dialogue in the coming months with a view to gaining a better understanding of how credit unions want to develop their business model. This is part of our commitment to supporting the critical role that credit unions play, in your communities and in the financial sector generally, and to ensure that credit unions remain relevant to current and future members.

In September we are attending the Ploughing Championships in Ratheniska, Co. Laois. Credit unions and their members are welcome to visit the Central Bank stand where a representative from the Registry will be in attendance and we look forward to seeing some of you there.

*Anne Marie McKiernan*

**Anne Marie McKiernan**  
**Registrar of Credit Unions**



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In this issue of Credit Union News, the various articles have been categorised as articles from the Registry of Credit Unions and from other Central Bank Divisions. Articles are further classified as information updates or reminders. The articles have also been colour coded to help draw your attention to the different classifications. Let us know what you think!

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## Lending Restrictions: Review Programme

In February 2015 the Central Bank wrote to the majority of credit unions which had lending restrictions, inviting applications to review the restrictions. At the end of July 2015, the Central Bank had received approximately 50% of the expected applications, the majority of which have been successful in having the lending restriction removed. The credit unions which have had their lending restrictions removed submitted strong applications, where significant improvements made to the credit function are clearly evidenced in the level of loans becoming distressed. Their applications included the required internal audit validations and a loan sample evidencing compliance with stated policy. Successful applicants have submitted clearly articulated post restriction risk appetites detailing classes of loans which the credit union propose to offer. The submitted risk appetites have been coupled with comprehensive credit policies which set out the underwriting requirements, controls, limits and management reporting for each individual class of loan proposed.

Conversely sub-standard applications or applications which fail to provide all of the requirements set out in our February 2015 communication will result in delay in the consideration of those applications and may ultimately lead to the rejection of the application.

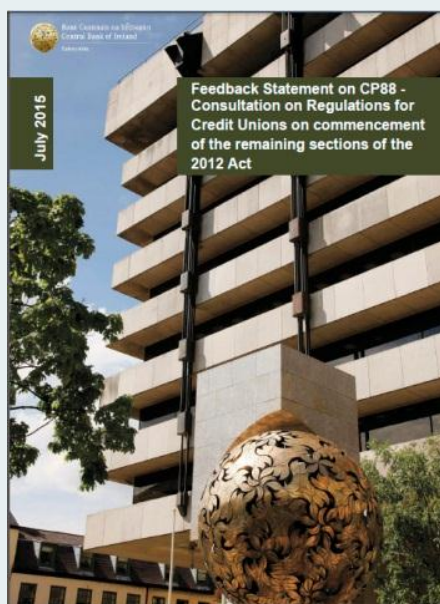
When articulating their proposed risk appetite and policy requirements, credit unions should be mindful of the loan classes and portfolio limits contained in the [Credit Union Act 1997 \(Regulatory Requirements\) Regulations 2015](#) which will come into effect on 31 December 2015. Credit unions should also be mindful of the [Prudent Lending circular](#) issued in February 2013 and the [New Regulations on Residential Mortgage Lending](#) issued in February 2015.

The closing date for submission of applications under this process is **30 September 2015**.

If you have any queries on this process please contact Owen McGrane on (01) 224 4233 or at [owen.mcgrane@centralbank.ie](mailto:owen.mcgrane@centralbank.ie) or Catherine Kiernan on (01) 224 4205 or at [catherine.kiernan@centralbank.ie](mailto:catherine.kiernan@centralbank.ie).



## Feedback Statement on CP88 and Final Regulations



The Central Bank published the [final regulations](#) and a [feedback statement](#) on Consultation Paper 88 – Consultation on Regulations for Credit Unions on commencement of the remaining sections of the 2012 Act (CP88) on 31 July 2015. The feedback statement provides a summary of the feedback received and sets out the Central Bank’s responses and considered decisions.

117 submissions were received in response to CP88 and the Central Bank would like to thank all parties, including individual credit unions, who took the time to make a submission on CP88 to inform the policy development process.

The Central Bank gave detailed consideration to the submissions received and the feedback influenced our approach in areas such as:

- the transitional arrangements for the savings limit;
- the short term liquidity ratio;
- requirements for related party lending; and
- disclosure requirements.

### Next steps

The final regulations are due to commence on 31 December 2015. The regulations contain transitional arrangements in relation to liquidity, lending, investments, savings and borrowing requirements, ranging from 12 months to two years and these will apply from 31 December 2015.

The transitional arrangements for the savings limit have been amended in the final regulations. These include an amendment to allow credit unions that have individual members’ savings in excess of €100,000 at commencement of the regulations to apply to the Central Bank to retain these savings where it is appropriate and prudent for them to do so. Details of this application process will be made available to credit unions before the end of 2015.

The publication of the regulations marks a further important step in the development of a strengthened regulatory framework for credit unions. In the future, the Central Bank can review and update the regulations as appropriate as the sector develops, following consultation with the sector.

We have indicated in the feedback statement that we intend to invite interested parties in the credit union sector to participate in focused dialogue in the coming months, with a view to gaining a better understanding of how credit unions want to develop their business model.

In order to assist credit unions in implementing the regulations, we will publish an FAQ document in October and an updated version of the Credit Union Handbook in November. Information seminars will also be undertaken nationwide in November 2015 which will include presentations on the new regulations.



## Peer Review of Regulatory Functions in relation to Credit Unions

The International Credit Union Regulators' Network (ICURN) agreed to carry out the credit union peer review, which is required under section 32M of the Central Bank Acts 1942, during 2015. The basis for the peer review was the 'ICURN Guiding Principles for Effective Prudential Supervision of Cooperative Financial Institutions (2011)' available [here](#). These Guiding Principles were developed in 2011 as guidance for supervisory authorities involved in the prudential supervision of cooperative financial institutions to establish an environment that facilitates effective supervision.

In view of the substantial changes in the regulatory regime and operating environment for credit unions in Ireland since 2012, including the introduction of a strengthened regulatory framework for credit unions and the voluntary restructuring of the credit union sector that is currently underway, the peer review report provides a timely examination of Ireland's legislative, regulatory and supervisory framework in relation to credit unions.

The on-site visit of the ICURN peer review team took place at the Central Bank from 13-17 April 2015. The ICURN peer review team comprised of four persons, which included Mary Martha Fortney, team lead and a former president and CEO of the National Association of State Credit Union Supervisors (NASCUS), a professional regulators association in the United States and three others from the UK, US and Canada with credit union regulatory experience.

During the on-site visit the ICURN peer review team met with Sharon Donnery - Director of Credit Institutions, AnneMarie McKiernan - Registrar of Credit Unions, staff from the Registry of Credit Unions and other relevant divisions within the Central Bank. The peer review team also met with a number of credit union sector stakeholders including the Department of Finance, CUAC, ReBo, ILCU, CUDA, CUMA, the NSF, some audit firms and some individual credit unions.

It is planned to publish the peer review report, which will include the findings and recommendations on the Central Bank's performance of its functions in relation to credit unions, in September. Details will be provided to credit unions at that time.



The ICURN Peer Review Team with members of the Registry of Credit Unions outside the Central Bank during their on-site visit in April.



## Credit Union Restructuring – Transfer of Engagements Proposals

The pace of voluntary restructuring by credit unions has increased during 2015 and we continue to work closely with the Credit Union Restructuring Board (ReBo) and individual credit unions to progress transfer of engagements proposals. We encourage those credit unions that are of the view that restructuring may be an option to engage proactively with ReBo, particularly if they have not already done so.

Further information and contact details for ReBo can be found at [www.rebo.ie](http://www.rebo.ie).

Information on the legal process and timelines for transfers of engagements is available in the [Transfers of Engagements and Amalgamations](#) Chapter of the Credit Union Handbook. One aspect of the legal requirements regarding transfers of engagements that we would draw to your attention is section 129 (2) of the Credit Union Act 1997 which states that credit unions seeking to transfer engagements shall resolve to do so by a special resolution or, if the Central Bank consents in circumstances where it considers it expedient to do so, by a resolution of the board of directors. The Central Bank's consent is required in order to approve transfers of engagements by means of board resolution. In cases where consideration of expediency arises, the Central Bank takes account of the particular circumstances of the credit unions involved in the proposed transfer having regard to the Central Bank's statutory function of protection by each credit union of the funds of its members and maintenance of the financial stability and well-being of credit unions generally.

Any credit unions with queries in relation to this legal provision in the context of a proposed transfer of engagements should contact the Registry of Credit Unions at [rcu@centralbank.ie](mailto:rcu@centralbank.ie).

## EBA Guidelines on the Security of Internet Payments



On 19 December 2014, the EBA published [guidelines](#) on the security of internet payments ('guidelines') which set the minimum security requirements for Payment Service Providers in the European Union. These guidelines are based on the recommendations of the European Forum on the Security of Retail Payments (SecuRe Pay). The guidelines seek to strengthen requirements for the security of internet payments across the EU in response to concerns about the increase in internet payment related fraud.

The guidelines apply to credit unions that provide internet payment services. The applicable services, together with services excluded from the guidelines' scope are set out in the guidelines.

Any credit union that falls within the scope of these guidelines is expected to comply with the guidelines from 1 August 2015.

The Central Bank will incorporate these guidelines into its on-going supervisory practices and processes for credit unions. We have also provided a copy of these guidelines to credit union IT suppliers.

The Central Bank has updated the [Operational Risk](#) Chapter of the Credit Union Handbook to make reference to and include a link to these guidelines. Details of the guidelines and updated Operational Risk Chapter of the Credit Union Handbook were communicated to credit unions in May.



## Fitness and Probity



The second phase of the Fitness and Probity regime for credit unions commenced on 1 August 2015, when all remaining credit unions came within the scope of the regime.

Additional fitness and probity requirements also apply from that date to credit unions also authorised as retail intermediaries for the part of the business that relates to being a retail intermediary.

Transitional arrangements on the implementation of the above fitness and probity requirements commencing on 1 August will apply as follows:

- from 1 August 2015, the Standards of Fitness and Probity for Credit Unions (Standards) shall apply to persons performing Pre-Approval Controlled Functions (PCFs) with effect from that date;
- the Standards will apply to persons appointed to Controlled Functions (CFs) (other than PCFs) after 1 November 2015 from the date that such appointment takes effect;
- the Standards shall apply to all persons occupying CFs as at 1 August 2016.

Further information on the implementation of this phase of fitness and probity is available [here](#).

### Fitness and Probity ONR Access for credit unions with total assets of €10 million or less

Credit unions with total assets of €10 million or less who wish to appoint an individual to a PCF position will have to submit an Individual Questionnaire (IQ) to the Central Bank for pre-approval. This is sent via the Online Reporting system (ONR). Access to ONR is restricted to Business Administrators. To gain access, these credit unions are required to complete a Business Administrator Request Form and return it to the Central Bank. Further information is available [here](#).

Persons performing a PCF role in credit unions with total assets of €10 million or less on 1 August 2015 will not be required to apply for approval to continue the performance of that PCF, unless the role is subject to re-election or re-appointment.

### In Situ PCF Return

Credit unions with total assets of €10 million or less will be required to submit a PCF In Situ return by 1 December 2015 setting out the details of persons holding PCF roles as at 1 August 2015. Further information on submitting the PCF In Situ Return will be available to credit unions at a later date.

## Rule Amendments Registration



Rule amendments are not valid until they are registered by the Central Bank, as set out in section 14 of the Credit Union Act, 1997.

To register a rule amendment completed forms should be submitted to Registry of Credit Unions, Central Bank of Ireland, PO Box 559, Dame Street, Dublin 2.

If you have any queries in relation to rule amendments please contact Sean Smith on (01) 244 4224 or at [sean.smith@centralbank.ie](mailto:sean.smith@centralbank.ie).



## Prudential Return: Attached Savings



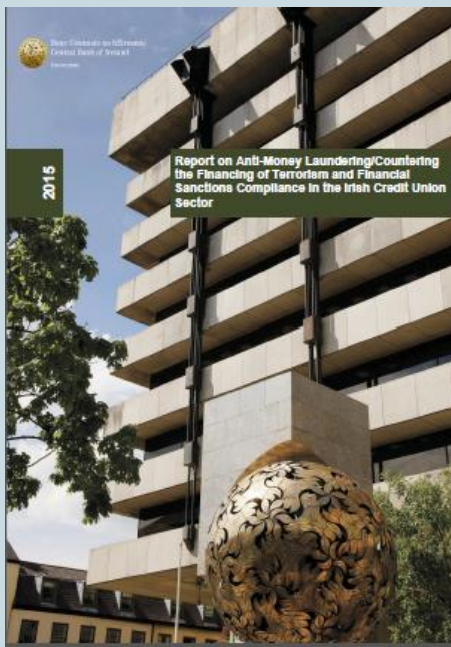
The calculation and definition of attached savings changed for loans issued post 11 October 2013 arising from an amendment to section 32 of the Credit Union Act, 1997 (the Act). Notification of changes to reporting attached savings in the Prudential Return, arising from the changes to section 32 of the Act, was issued to credit unions on 3 December 2013.

For loans granted prior to 11 October 2013, attached savings were savings held, up to the value of the total loan. For loans issued post 11 October 2013, attached savings are savings that are pledged in writing (and stated in the credit agreement signed by the member) as security at the time the loan was issued.

Following a review of Prudential Returns it has been found that in some cases the changes in section 32 of the Act have not been reflected in credit union IT systems which results in the incorrect reporting of attached savings in Prudential Returns. The board of directors of credit unions are reminded of their obligation to ensure all regulatory reporting to the Central Bank is complete, timely, accurate and in compliance with relevant legislation and Central Bank guidance.

Credit unions should liaise with their IT suppliers to review and enhance the functionality of their systems in order to ensure the amendments made to section 32 are accurately reported in regulatory returns.

## Report on Anti-Money Laundering/Countering the Financing of Terrorism and Financial Sanctions Compliance in the Irish Credit Union Sector



On 21 May 2015 the Central Bank published its 'Report on Anti-Money Laundering / Countering the Financing of Terrorism and Financial Sanctions Compliance in the Irish Credit Union Sector'. The purpose of the report is to share the Central Bank's findings and observations from Anti-Money Laundering / Countering the Financing of Terrorism (AML / CFT) inspections conducted by the Central Bank and also from the Central Bank's assessment of AML / CFT Risk Evaluation Questionnaires (REQs) completed by credit unions. The report also sets out the Central Bank's expectations of credit unions with regard to the key elements their AML / CFT and Financial Sanctions (FS) frameworks, including:

- Governance and controls (e.g. oversight, risk assessments, policies and procedures etc.);
- Customer Due Diligence and on-going monitoring;
- Suspicious Transaction Reporting;
- Training;
- Record Keeping; and
- EU FS.

A copy of the report was issued to all credit unions and is also available [here](#) on the Central Bank website. The Central Bank expects all credit unions to carefully consider the issues raised in the report and to use the report to inform the development of their AML / CFT and FS frameworks, as appropriate to the nature, scale and complexity of their business.

Credit unions should also be aware that they will be required to confirm annually that they have put in place appropriate measures to address the expectations outlined in the report. This confirmation will be requested as part of the Anti-Money Laundering section of the 2016 Credit Union Annual Return due for submission to the Central Bank by 31 March 2017 and subsequent returns.



## The Central Credit Register

The Government gave a commitment as part of the EU / IMF Programme of Financial Support for Ireland to develop a legal framework that would facilitate the collection and centralisation of credit information on borrowers and as a result, the Credit Reporting Act 2013, (the Act) was enacted.



The Act provides for the establishment of a Central Credit Register (CCR) to be maintained and operated by the Central Bank. In late 2014, the Central Bank completed a public procurement process to select a partner to build and operate the CCR on its behalf. In February 2015, the Central Bank signed a contract with CRIF Ireland Limited, a wholly owned Irish subsidiary of the preferred bidder, CRIF S.p.A.

The credit reporting obligations will apply to over 500 lenders, such as banks, building societies, credit unions, local authorities, NAMA, asset finance houses and money lenders. Lenders will be required to submit personal and credit information about loan agreements of €500 or more to the CCR. Lenders will be required to check the CCR when considering a loan application for €2,000 or more.

The CCR will contribute to consumer protection and financial stability by:

- providing lenders with more comprehensive analysis of borrowers' creditworthiness;
- equipping borrowers with information on their financial profile; and
- giving the Central Bank better insight into financial markets and supporting several functions e.g. prudential supervision, statistics, financial stability.

The initial phase of the CCR will focus on lending to individuals and is expected to become operational in 2016. A later phase will address lending to incorporated entities and is tentatively scheduled to be operational by end-2017. During 2015 we will draft the necessary regulations and develop and test the technical solutions.

The Central Bank has commenced the design of the CCR solution and processes in conjunction with CRIF Ireland Ltd and continues to engage with your representative bodies, including ILCU and CUDA, to explain its approach. In April 2015 the Central Bank published a consultation paper, [Central Credit Register \(CP93\)](#) seeking feedback on certain matters relating to the CCR. Responses were received from a range of industry representative bodies and individual credit institutions, including credit unions and their representative bodies. The feedback is now being considered by the Central Bank.

## The Counterfeit Analysis and Monitoring Unit

The Counterfeit Analysis and Monitoring Unit (the 'Unit') within the National Analysis Centre in the Central Bank is responsible for analysing all counterfeit submissions from financial institutions. The Unit also conducts inspections of financial institutions and cash-in-transit sites to monitor and ensure their compliance with the ECB Recirculation Decision 2010/14. The Unit has conducted inspections of six credit unions to date this year, and have been impressed by the professionalism and quality of service exhibited by staff and management on their visits. Further inspections of credit unions are scheduled for the second half of 2015.





## Directive on Deposit Guarantee Schemes (2014/49/EU)

The Central Bank is responsible for the administration of the Deposit Guarantee Scheme (DGS), which protects depositors for up to €100,000 in the event of a credit institution, (which includes credit unions) failing. In general, the DGS protects deposits, (shares and deposits in credit unions) belonging to individuals, small private-limited companies, partnerships, clubs, associations, schools and the DGS plays an important role in maintaining their confidence in the credit union movement and wider financial system.

A new Directive on Deposit Guarantee Schemes (2014/49/EU) (the Directive) was introduced in 2014 and is due to be transposed into national legislation in 2015. The Directive introduces changes to funding requirements, a reduction in pay-out deadlines and harmonisation of eligibility categories. In addition, new depositor information requirements have been introduced in order to ensure that depositors are aware of the key aspects of protection of their deposits by the DGS. Following transposition of the Directive into Irish law, a number of requirements will have an operational impact on credit unions. Credit unions will be obliged to:

- advise members who are eligible for DGS compensation of their eligible status on account statements;
- provide members with a 'Depositor Information Sheet' upon account opening and on an annual basis; and
- comply with additional data requirements for credit union files that are submitted to the DGS.

All credit unions should now have received an 'Operational Requirements for Credit Unions' document from the DGS. This document includes both a formal DGS depositor data file specification and guidance for credit unions on the implementation of depositor information requirements. Credit unions should consult the Directive for a complete understanding of the obligations that will arise following transposition. The Directive is available [here](#).

The DGS will communicate any updates that will arise following transposition of the directive to credit unions.

## Training Material on the ECB Recirculation Decision of Euro Banknotes

The ECB Recirculation Decision ('ECB Decision 2010/14') refers to the authentication, fitness checking and recirculation of Euro Banknotes. Under ECB Decision 2010/14, credit unions are obliged to submit all detected suspect counterfeit banknotes to the National Analysis Centre in the Central Bank within 20 working days. Further details on how to submit suspect counterfeit banknotes is available on the Central Bank's website [here](#).

To assist with these obligations, the ECB has published training material on its website [here](#).

This site contains information relevant to credit union's obligations regarding Banknote Authentication & Fitness Sorting. Training material relating to Euro Banknote Security Features (Series 1 & 2) is also available on this site.

The training material is intuitive and interactive, enabling the user to learn at their own pace. It can also be used to create bespoke training modules for staff.

### Training Presentations

The Unit has also previously delivered training presentations to credit unions and their representative bodies on Euro Counterfeit banknotes and the role of the Central Bank in monitoring activities in line with ECB Decision 2010/14 and is available to provide further training presentations if required. Please keep an eye out for our upcoming training sessions in advance of the launch of the new Euro Series 2(ES2) €20. This will be the third banknote to be launched as part of the second series of the new Euro banknotes. The ES2 €5 and €10 banknotes are currently in circulation.

For further information please contact Richard Holden (01) 219 8836 or Ed Quinlan on (01) 219 8650 in the Currency Issue Division.



## Industry Funding Levy



It is currently expected that the 2015 Annual Industry Funding levy payable by credit unions will issue in mid-September. Given the Central Bank's commitment to the [National Payments Plan](#) credit unions are requested to pay their Industry Funding Levy by direct debit or by electronic funds transfer (EFT).

- If you wish to pay your Industry Funding levy by direct debit please complete a [SEPA Direct Debit Mandate](#) and return it to the given address as soon as possible. Please note that, under SEPA arrangements, we cannot accept direct debit instructions to collect the 2015 Industry Funding levy after the levy has been issued.
- If you wish to pay your Industry Funding levy by EFT the bank details are set out in the table below.

The Central Bank also collects a number of different levies from credit unions on behalf of third parties. To avoid confusion it is important for credit unions to exercise care in ensuring that each levy is paid into the correct account. For convenience we have set out, in the table below, details of each of the levies collected by the Central Bank from credit unions and of the bank account into which the EFT payments should be made.

Description of Levy	Payable to	Bank account details
Industry Funding Levy	Central Bank of Ireland	BIC: DABAIE2D IBAN:IE44 DABA 9519 9020 0038 24
Consumer Protection Levy	Competition & Consumer Protection Commission	BIC: DABAIE2D IBAN:IE18 DABA 9519 9010 0038 83
Credit Institutions Resolution Fund Levy	Credit Institutions Resolution Fund	BIC: DABAIE2D IBAN:IE40 DABA 9519 9010 0038 75
Stabilisation Levy	Department of Finance	BIC: DABAIE2D IBAN:IE71 DABA 9519 9050 0064 08
ReBo Levy	Credit Union Restructuring Board	BIC:DABAIE2D IBAN:IE49 DABA 9519 9050 0064 16

Your co-operation is very much appreciated. Sincere thanks to all those credit unions that continue to pay their levy on a timely basis as this reduces administrative costs associated with debt collection activity.



## Meeting the Eurosystem's Minimum Reserve Requirements



The ECB requires euro area credit institutions (including credit unions) to hold compulsory deposits with their national central bank. **This is called a 'minimum reserve requirement' and is distinct from the 'regulatory reserve ratio'** where credit unions have to hold a percentage of reserves (arising from surplus funds) as a percentage of assets.<sup>1</sup> The amount to be held under the **minimum reserve requirement** is 1% of a credit union's reserve base (i.e. 1% of members' shares and deposits with a maturity up to and including two years).

Credit unions provide a Prudential Return to the Central Bank each quarter. It is through this process that the average daily minimum reserve requirement to be held with the Central Bank is established. Credit unions must then hold this minimum reserve requirement with the Central Bank for the duration of the **reserve maintenance period**, which may be either a 42-day or a 49-day time period. Please click [here](#) to view the 2015/2016 maintenance period calendar.

Each credit union holds its own minimum reserve account with the Central Bank, which is remunerated at the ECB's Main Refinancing Rate (currently 0.05%). Any balance placed in excess of the minimum reserve requirement will be remunerated at the deposit facility rate (currently -0.2%).

It is important that credit unions meet this minimum reserve requirement as failure to do so could result in the application of sanctions. If you are unsure whether your credit union will meet this requirement, you can contact the Central Bank to receive verbal confirmation of your credit union's minimum reserve balance (see contact details below); however the onus for ensuring that the minimum reserve requirement is met lies with each credit union. In the event of a shortfall in the daily average minimum reserve requirement held over the reserve maintenance period, a penalty 2.5 percentage points above the marginal lending facility rate (currently 0.3%) is applied to the daily average shortfall. In the event of repetitive breaches, the penalty rate may be increased. Box 1 below provides further detail on calculating and meeting the Minimum Reserve Requirement.

### Box 1- Calculating and Meeting the Minimum Reserve Requirement

For credit unions, the ECB's minimum reserve requirement will equate to 1% of members shares and deposits with a maturity of up to and including two years, less a lump sum allowance of €100,000.

#### Averaging Mechanism

Compliance with reserve requirements is determined on the basis of the average of daily balances over the course of the maintenance period. This means that the balance can fluctuate on a daily basis as long as the minimum reserve requirement is met **on average** over the maintenance period. In practice, however, most credit institutions hold fixed balances on their minimum reserve accounts. Please note, however, that if the correct balance is placed even one day late, it will result in the average daily balance being below the required daily balance.

If you wish to confirm your credit union's account balance by phone, please note the following phone numbers: Financial Markets Division, (01) 224 6377 or the Payments and Settlements Division, (01) 224 6170

If you have any other queries regarding the Minimum Reserve Requirement, please note the contact details which are set out of Page 12.

<sup>1</sup> The Regulatory Reserve Ratio is defined in the [Reserves](#) Chapter of the Credit Union Handbook as 'the amount held in the Total Regulatory Reserve of a credit union expressed as a percentage of the Total Assets of a credit union'.



### Communications / Events for Credit Unions

- August/September 2015:** Circular to credit unions on the Year End Return  
Circular to credit union auditors on the Year End Return
- September 2015**  
**19 September** Publication of the Peer Review Report  
Presentation by Deputy Registrar Frank Brosnan at CUSOP Stakeholder Forum in Athlone
- October 2015:** Publication of an FAQ on requirements in 2015 Regulations
- 7 November 2015:** Speech by Registrar at NSF Annual Conference in Kilkenny
- November 2015:** Information Seminars  
Publication of updated Credit Union Handbook



### Key Dates for Credit Unions in 2015

- From 1 October 2015:** Draft audited financial statements information must be submitted via the 'Draft Financial Statements' on the online Reporting system, prior to setting a date of the 2015 AGM
- 21 October 2015:** Final date for submission of Prudential Return for 30 September period
- 30 November 2015:** Final date for submission of Annual Compliance Statement
- 31 December 2015:** Commencement of the 2015 Regulations
- Circa 2 months in advance of credit union's AGM** Submission of Individual Questionnaire Application for the role of Chair

### Contact Us

As part of our commitment to on-going communication with you, we have set out details of the main contact points for queries below. Please contact us directly, either via your RCU supervisor or at [rcu@centralbank.ie](mailto:rcu@centralbank.ie) with any questions or queries.

Query	Central Bank Division	Contact
<b>Registry of Credit Unions</b>		
General day to day supervisory queries	RCU	Credit union supervisor/ <a href="mailto:rcu@centralbank.ie">rcu@centralbank.ie</a>
<b>Queries for other Central Bank Divisions:</b>		
Anti-Money Laundering/Countering Terrorist Financing Financial Sanctions	Anti-Money Laundering Division	<a href="mailto:AMLpolicy@centralbank.ie">AMLpolicy@centralbank.ie</a> <a href="mailto:sanctions@centralbank.ie">sanctions@centralbank.ie</a>
Central Credit Register	Central Credit Register	<a href="mailto:ccr@centralbank.ie">ccr@centralbank.ie</a>
Consumer Protection	Consumer Protection Directorate	<a href="mailto:CPCOperations@centralbank.ie">CPCOperations@centralbank.ie</a>
Deposit Guarantee Scheme	Deposit Guarantee Scheme team	<a href="mailto:dgs@centralbank.ie">dgs@centralbank.ie</a>
<b>Fitness and Probity:</b>		
Individual Questionnaire queries	Regulatory Transactions Division	<a href="mailto:FitnessAndProbity@centralbank.ie">FitnessAndProbity@centralbank.ie</a>
Retail Intermediary queries	Consumer Protection Division	<a href="mailto:CPCOperations@centralbank.ie">CPCOperations@centralbank.ie</a>
Funding Levy	Financial Control and Procurement Division	<a href="mailto:funding@centralbank.ie">funding@centralbank.ie</a>
<b>Minimum Reserve Requirements:</b>		
Calculation of reserve requirements	Statistics Division	<a href="mailto:creditunion@centralbank.ie">creditunion@centralbank.ie</a>
Transfer of amounts to/from your account in the Central Bank	Euro-settlements team	<a href="mailto:eurosettlements@centralbank.ie">eurosettlements@centralbank.ie</a>
Confirming balances and meeting your reserve requirement	Financial Markets Division	<a href="mailto:modesk@centralbank.ie">modesk@centralbank.ie</a>
Online Reporting queries	Regulatory Transactions Division	<a href="mailto:regulatorytransactions@centralbank.ie">regulatorytransactions@centralbank.ie</a>
Recirculation of euro banknotes	Currency Issue Division	<a href="mailto:CID.monitoring@Centralbank.ie">CID.monitoring@Centralbank.ie</a>
Reporting Payment Statistics	Payments and Securities Settlements Division	<a href="mailto:paystats@centralbank.ie">paystats@centralbank.ie</a>

### Feedback

We hope that you find this issue of Credit Union News useful and we welcome your feedback to [rcu@centralbank.ie](mailto:rcu@centralbank.ie).