



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Transfer of Engagements

Guidance and Related Forms

2025 / 2026

Table of Contents

1. Purpose.....	3
2. Disclaimer	3
3. Introduction	3
4. Transfer of Engagements Process	4
4.1 Initiation Phase	5
4.2 HR and Legal Due Diligence Review	5
4.3 Asset Review	6
4.4 Due Diligence Review	6
4.5 Detailed Business Case and Integration Plan	6
4.6 Capacity to Act Assessment	7
4.7 Approval Phase	7
4.8 Application to Registrar for Confirmation of Transfer	9
4.9 Confirmation of Transfer	11
4.10 Post-Transfer of Engagement	11
4.11 Cancellation of the Registration of the Transferor	12
Appendix 1 – Notice of Passed Resolution.....	13
Appendix 2 – Application for Confirmation of Transfer of Engagements.....	14
Appendix 3 – Template Newspaper Notice	15
Appendix 4 – Letter of Confirmation of Operational Readiness	16
Appendix 5 – Certificate for Lodgement with Registrar in Respect of an Instrument of Transfer of Engagements.....	17

Explanatory Note

1. Purpose

This explanatory note provides guidance to credit unions proposing to undertake a transfer of engagements as a transferor or transferee and explains the procedures to be followed in the process.

2. Disclaimer

This explanatory note is not intended to be a legal interpretation of the relevant sections of the Credit Union Act, 1997 (as amended) (the Act). Credit unions proposing to undertake a transfer of engagements should consult with their legal advisers. Where a credit union is considering transferring its engagements to another credit union or considering undertaking to fulfil the engagements of another credit union, they should engage with the Registry of Credit Unions (RCU) at the earliest possible juncture. Credit unions should also consider informing their representative body of the proposed transfer as appropriate.

Each proposal received is considered on a case-by-case basis. This document sets out general information on the process and should not be taken as an indicator that all projects will automatically progress to each stage. At any stage issues may be encountered which can cause a transfer process to be paused or discontinued.

3. Introduction

A transfer of engagements is a voluntary process whereby all assets, liabilities and undertakings of one or more credit unions are transferred to another credit union. Sections 129 – 132 of the Act set out the requirements relating to a transfer of engagements between credit unions.

In general, the transferor will be the smaller asset size credit union, transferring into the larger asset size transferee credit union, but this will be established at the outset with the credit unions entering into the process.

A credit union seeking to transfer its engagements to another credit union and a credit union agreeing to undertake to fulfil the engagements of another credit union can decide this course of action by Special Resolution¹ of their members or, if the Registrar of Credit Unions (the 'Registrar') consents, by a resolution of the board of directors.

In either case, the transfer must be recorded in an Instrument of Transfer of Engagements. The transferor² and transferee³ credit unions should prepare this document with the assistance of their legal advisors.

The transferor credit union will be deregistered after the transfer is completed and, in accordance with Section 129(7)(a) of the Act, *'the common bond of the transferee credit union is taken to include the common bond of the transferor credit union and the rules of the transferee credit union are amended accordingly, on and from the date on which the transfer takes effect in accordance with this section.'*

4. Transfer of Engagements Process

In general, each transfer of engagements comprises a number of stages:

1. **Initiation Phase**;
2. A **HR and Legal Due Diligence** is undertaken of both the transferee and the transferor(s);
3. An **Asset Review** is undertaken of both the transferee and the transferor(s);
4. A **Due Diligence Review** is undertaken of both the transferee and the transferor(s);
5. A **Detailed Business Case** is prepared along with an **Integration Plan**;
6. A **Capacity to Act** assessment is undertaken for the transferee;

¹ A Special Resolution means a resolution which is passed by a majority of not less than three quarters of such members of a credit union present and voting and who are for the time being entitled to vote in person at any general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to the rules of the credit union.

² The Transferor credit union is the credit union transferring their engagements to another credit union.

³ The Transferee credit union is the credit union accepting the transfer of engagements from another credit union.

7. An **Approval Phase** where the transfer is approved either by a Special Resolution of the members or by a resolution of the board of directors;
8. The **confirmation** of the transfer by the Registrar;
9. **Post-Transfer of Engagement**; and
10. The registration of the transferor(s) credit union is **cancelled**.

At each stage there will be a review of the proposed transfer of engagements by RCU before the proposed transfer proceeds to the next stage and the credit unions will be kept updated throughout the process.

The timeline for any transfer of engagements is dependent on factors such as the scale and complexity of the transferee and transferor(s), the availability of third parties to conduct the asset reviews and due diligence reviews and the results of these reviews. Typically the overall process can take between nine months and twelve months to complete but will vary depending upon the individual circumstances of each proposal. RCU will establish a proposed timeline with the credit unions at the Initiation Phase.

4.1 Initiation Phase

The transferee and transferor credit union(s) should make contact with RCU to indicate their intention to proceed with a transfer of engagements. RCU will then seek to meet with the credit unions in order to provide an overview on the process and establish indicative timelines.

At this stage the credit unions will be required to set out a rationale for the proposed transfer, which may include defining a high-level business case detailing how the combined credit union would operate.

4.2 HR and Legal Due Diligence Review

Upon satisfactorily completing the Initiation Phase, the credit unions should engage an independent third party to complete reviews of the following:

- Human Resources / Staffing;
- Organisational Structure;
- Benefits Review; and
- Legal Review.

The details of the terms of reference required for each HR and Legal Due Diligence will be provided by RCU to the credit unions.

4.3 Asset Review

If the results of the HR and Legal Due Diligence and any subsequent queries are considered satisfactory, an Asset Review will then be conducted by an independent third party on each credit union in order to undertake reviews of the following:

- Loan book;
- Investments;
- Fixed Assets; and
- Governance relating to assets.

The details of the terms of reference required for each Asset Review will be provided by RCU to the credit unions.

4.4 Due Diligence Review

If the results of the Asset Review and any subsequent queries are considered satisfactory, a Due Diligence Review will then be conducted by an independent third party on each credit union to report on:

- Governance;
- ICT / Operational Resilience;
- Business Case Review;
- Product and Services;
- Financial Controls; and
- Compliance.

The details of the terms of reference required for each Due Diligence Review will be provided by RCU to the credit unions.

4.5 Detailed Business Case and Integration Plan

If the results of the Due Diligence Review and any subsequent queries are considered satisfactory, the credit unions will then be expected to prepare a Detailed Business Case and an Integration Plan, to support the transfer of engagements.

The Detailed Business Case should outline the basis for the proposed transfer and the benefits and synergies that the transfer should create. It should also include a detailed strategic plan for the combined credit union, including the proposed governance and management structures. The Detailed Business Case should be supported by financial projections and a business plan supporting the achievement of these projections.

The combination of credit unions is a significant and complex process and the credit unions will be required to provide a detailed Integration Plan setting out each step of the process and the proposed timelines.

4.6 Capacity to Act Assessment

Subject to the results and findings of both the Asset Review and Due Diligence Review and any subsequent queries are considered satisfactory, the next step will be for the transferee credit union to undertake a Capacity to Act assessment, to support the transfer of engagements. This report will be undertaken by an independent third party and will provide assurance on the suitability of the transferee credit union to undertake the transfer of engagements.

Once this stage is completed and the results of the review and any subsequent queries are considered satisfactory, the credit unions should prepare to enter the Approval Phase to complete the transfer of engagements.

4.7 Approval Phase

Under Section 129(2) of the Act, a credit union seeking to either ‘transfer its engagements or to undertake to fulfil the engagements of another credit union shall resolve to do so by a Special Resolution or, if the Bank consents in either case in circumstances where it considers it expedient to do so, by a resolution of the board of directors.’ The consent of the Central Bank must be sought in the event that a credit union is seeking to progress the transfer of engagements by way of board resolution.

As set out in the disclaimer on page 3, this Note is not intended to be a legal interpretation of the relevant sections of the Act. It is for guidance purposes only and is not a definitive statement of the law. The credit unions proposing to undertake a transfer of engagements

should consult with their legal advisers to ensure that they fulfil the legal obligations in relation to the transfer of engagements process.

A. Special Resolution Procedure

A Special Resolution must be passed at a general meeting of the credit union. A general meeting can be either the Annual General Meeting, or a Special General Meeting called for the purpose of the transfer. A Special Resolution must be approved by at least three quarters of the members present and voting at the general meeting.

In the case of a general meeting, the credit union is required to provide notice to the auditor, the Central Bank, and the members between 7 and 21 days prior to the date of the general meeting. This notification for the general meeting must include a Statement for members as set out under Section 130 of the Act, together with a copy of the annual accounts for each credit union concerned for the most recent financial year.

This statement, also known as the 'Section 130 pack' must include the following information as set out in Section 130(3) of the Act:

- a) 'The financial position of each credit union concerned (as appearing from the most recent unaudited monthly statements)';
- b) 'Details of any payments proposed to be made to members of each credit union in consideration of the proposed amalgamation or transfer'⁴;
- c) 'Any changes to be made, in connection with the amalgamation or transfer, in the terms governing outstanding loans'⁵;
- d) 'The details of the arrangements proposed in relation to employees of each credit union';
and
- e) 'Any other matter which the Bank may require in the case of a particular amalgamation or transfer.'

⁴ If there are any proposed distribution of funds to be made to members, both credit unions must receive consent from the Registrar in accordance with Section 132 of the Act.

⁵ This would include loan interest rate change arrangements in respect of current borrowers of the transferor credit union.

B. Board Resolution Procedure

Both boards of directors must first apply to the Registrar, in writing, to seek consent to proceed with a transfer of engagements via board resolution. If the Registrar considers it expedient for the transfer to proceed by way of board resolution and provides consent, then a board meeting should be scheduled by the boards of both the transferee and transferor credit union(s) to pass the resolution to proceed with a transfer of engagement.

Within seven days of the board resolution being passed, a notice and statement under Section 130 of the Act must be sent by the secretaries of each credit union, along with a copy of the annual accounts for each credit union concerned for the most recent financial year, to every member of each credit union and to the auditors of each credit union. This Section 130 pack must contain:

- A notice of the resolution passed by the board of directors⁶;
- A statement under Section 130 of the Act showing the items below;
 - a) 'The financial position of each credit union concerned (as appearing from the most recent unaudited monthly statements);'
 - b) 'Details of any payments proposed to be made to members of each credit union in consideration of the proposed amalgamation or transfer'⁷;
 - c) 'Any changes to be made, in connection with the amalgamation or transfer, in the terms governing outstanding loans'⁸;
 - d) 'The details of the arrangements proposed in relation to employees of each credit union'; and
 - e) 'Any other matter which the Bank may require in the case of a particular amalgamation or transfer.'

4.8 Application to Registrar for Confirmation of Transfer

Section 131(1) of the Act requires that 'an application for confirmation by the Bank of an amalgamation of credit unions or a transfer of engagements shall be made in such manner as the Bank may specify.'

⁶ Please see template in Appendix 1.

⁷ If there are any proposed distribution of funds to be made to members, both credit unions must receive consent from the Registrar in accordance with Section 132 of the Act.

⁸ This would include loan interest rate change arrangements in respect of current borrowers of the transferor credit union.

Once the general meeting or the boards of directors have passed a resolution to approve a transfer of engagements as set out above, an application for confirmation by the Registrar of the transfer shall be made⁹. The following should be included with the application:

- a) The Instrument of Transfer of Engagements;
- b) Copies of the passed resolutions; and
- c) Copies of the proposed newspaper notices¹⁰.

A credit union that makes an application to the Registrar for confirmation of a transfer must, within seven days of the date of application for confirmation, place the notice referenced above in at least two daily newspapers circulating in the areas in which the registered office of each credit unions are situated. Under Section 131(2) this notice must include *‘particulars of the application and indicating that representations relating to it (whether for or against) may be made in writing to the [Bank]¹ within such period (being not less than 21 days after the date of publication of the notice)’*. Section 131(3) sets out that the notice *‘shall indicate that a copy of the statement prepared under section 130 may be obtained on demand at the registered office of the credit union during the ordinary office hours of the credit union’*.

After the deadline for representations has elapsed, the Registrar will inform the credit union(s) of any representations received and allow comment from them within a period specified by the Registrar. The Bank will then consider the application, any representations and any comments on the representations, and will either:

- Confirm the application, subject to any conditions it considers appropriate.

Or

- Subject to Section 131(6)(b) of the Act, refuse to confirm the application if the Bank is satisfied that:
 - ‘Confirmation would be contrary to the public interest or the Bank’s functions as respects credit unions; or

⁹ Please see template in Appendix 2.

¹⁰ Please see template in Appendix 3.

- In the case of an amalgamation or transfer which was the subject of a Special Resolution, some information material to the members' decision about the transfer was not made available to all the members eligible to vote; or
- Some relevant requirement of this Act (including, in particular, section 6) or the rules of any of the credit unions participating in the amalgamation or transfer was not fulfilled or not fulfilled as regards that credit union.'

4.9 Confirmation of Transfer

Before confirming a transfer the Registrar will receive written confirmation signed by the chairperson and another director of both credit unions to the effect that both credit unions are fully prepared operationally to affect the transfer¹¹.

The Registrar will confirm the transfer by issuing to the transferee credit union a certificate of confirmation of the transfer. The Registrar will register a copy of the Instrument of Transfer and it will be placed on the public file of each credit union.

On such date as is specified in the certificate of confirmation, the property, rights and liabilities of the transferor credit union shall stand transferred to and vested in the transferee credit union. Upon completion of the transfer, in accordance with Section 129(7)(a), *'the common bond of the transferee credit union is taken to include the common bond of the transferor credit union and the rules of the transferee credit union are amended accordingly, on and from the date on which the transfer takes effect.'*

4.10 Post-Transfer of Engagement

Following confirmation of the transfer of engagements, RCU will engage with the transferee credit union on relevant supervisory matters, including, but not limited to, outstanding matters arising as part of the transfer of engagement process and any reviews and/or assurance work required following completion of the transfer of engagement.

¹¹ Please see template in Appendix 4.

4.11 Cancellation of the Registration of the Transferor

Once all assets and liabilities of the transferor credit union(s) have been transferred to the transferee credit union, the transferor credit union(s) must confirm this to the Registrar¹². This confirmation document certifies that all property vested in the transferor credit union has been conveyed or transferred to the transferee credit union. The secretary or other officer (other than a person who is officer solely by virtue of being a voluntary assistant) of the transferor credit union must sign this certificate.

On receipt of the above certificate and in line with Section 97(2)(a), *'The Bank shall cancel the registration of a credit union that has been dissolved by virtue of section 128 or 129'*. Cancellation of the registration is published in Iris Oifigiúil and on that date the credit union ceases to be registered as a credit union.

¹² Please see template in Appendix 5

Related Forms

Appendix 1 – Notice of Passed Resolution

Notice of Passed Resolution

Proposed Board Resolution

The board of directors of ABC Credit Union Limited resolves that the credit union transfers its engagements to XYZ Credit Union Limited in accordance with the relevant provisions of the Credit Union Act 1997 (as amended).

XXXXXX

Secretary

ABC Credit Union Limited

Date

Passed Board Resolution

That at the board of directors meeting on [Day Month Year] the board of directors of ABC Credit Union Limited resolved that the credit union transfers its engagements to XYZ Credit Union Limited in accordance with the relevant provisions of the Credit Union Act 1997 (as amended).

XXXXXX

Secretary

ABC Credit Union Limited

Appendix 2 – Application for Confirmation of Transfer of Engagements

Application for Confirmation by the Registrar of Credit Unions of a Transfer of Engagements in accordance with Section 131 of the Credit Union Act, 1997 (As Amended)

Application for Confirmation by the Registrar of the Transfer of Engagements of

_____Credit Union Limited

to

_____Credit Union Limited

is made by the persons whose names are subscribed hereunder.

This application is accompanied by;

1. A copy of the Special Resolutions (or resolutions of the boards of directors, where applicable) passed by the Transferor and Transferee Credit Unions in accordance with the Act.
2. The Instrument of Transfer of Engagements.
3. A copy of the required notice to be inserted in two daily newspapers, in accordance with Section 131 of the Act.

Chairman,

_____Credit Union
Limited (the Transferor)

Date: _____

Secretary,

_____Credit Union
Limited (the Transferor)

Date: _____

Chairman,

_____Credit Union
Limited (the Transferee)

Date: _____

Secretary,

_____Credit Union
Limited (the Transferee)

Date: _____

Appendix 3 – Template Newspaper Notice

ABC Credit Union Limited

&

XYZ Credit Union Limited

ABC Credit Union Limited and XYZ Credit Union Limited hereby give notice that both credit unions have passed board resolutions agreeing to the proposed Transfer of Engagements of ABC Credit Union Limited to XYZ Credit Union Limited. A copy of the statement under Section 130(3) of the Credit Union Act 1997, (as amended) detailing the particulars of the transfer, may be obtained on demand during normal working hours at:

ABC Credit Union office, Credit Union Road, Ireland and at
XYZ Credit Union office, Credit Union Avenue, Ireland.

A formal application to proceed with the transfer of engagements has been lodged with the Registrar of Credit Unions, Central Bank of Ireland, PO Box 559, Dublin 1.

Representations relating to this application may be made in writing to the Registrar of Credit Unions at the above address within 21 days of the date of this notice.

Dated this **Xth** day of **Month 202X**

XXXXXX

Secretary

ABC Credit Union Limited

XXXXXX

Secretary

XYZ Credit Union Limited

Appendix 4 – Letter of Confirmation of Operational Readiness

Registry of Credit Unions,
Central Bank of Ireland,
PO Box 559,
Dublin 1.
Date

Dear

We wish to confirm that Transferee Credit Union Limited and Transferor Credit Union Limited are both operationally ready to complete the Transfer of Engagements of Transferor Credit Union Limited to Transferee Credit Union Limited.

We wish to confirm that both IT systems are aligned and both credit unions are ready to operate as a single unit. We wish to confirm that the Transferor Credit Union bank accounts will be transferred into the name of the Transferee Credit Union on the production of the Certificate of Confirmation of the Transfer.

We wish to confirm that all other relevant Transferor balance sheet items including property assets are in a position to be included in the Transferee Credit Union balance sheet. We wish to confirm that there are no outstanding issues regarding transfer of existing Transferor lease arrangements.

Signed

Chairperson, Transferee Credit Union

Director, Transferee Credit Union

Chairperson, Transferor Credit Union

Director, Transferor Credit Union

Appendix 5 – Certificate for Lodgement with Registrar in Respect of an Instrument of Transfer of Engagements

Certificate under Section 136 of the Credit Union Act, 1997 (As Amended)

For Lodgement with the Registrar of Credit Unions in respect of an Instrument of Transfer of Engagements

Name of Credit Union: _____ Credit Union Limited ('the Credit Union')

Registered Number: _____

The Instrument of Transfer of Engagements appended hereto, was lodged with the Registrar of Credit Unions on the ____ day of _____ 20__.

I hereby certify that all property vested in the above named Credit Union has been duly conveyed or transferred to _____ Credit Union Limited.

I make this certificate for the purposes of Section 136 of the Credit Union Act, 1997 (as amended) for lodgement with the Registrar of Credit Unions.

Secretary of _____ Credit Union Limited

Date

T: +353 (0)1 224 6000
E: rcu@centralbank.ie
www.centralbank.ie



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem