

Central Bank of Ireland issues Prohibition Notice to Ms Anne Butterly under the Fitness and Probity Regime

A Notice has issued to Ms Anne Butterly, former Manager of Rush Credit Union, prohibiting her from carrying out any controlled functions, including pre-approval controlled functions, in any regulated financial service provider for an indefinite period. The prohibition arises from a Central Bank investigation into Ms Butterly's involvement in unauthorised transactions on accounts at Rush Credit Union.

Brenda O'Neill, the Head of Enforcement Investigations, said:

"In 2016, financial irregularities were identified at Rush Credit Union which contributed to it being placed into liquidation. As a result of the identification of these irregularities, the Central Bank's Enforcement Division commenced investigations into various individuals including Ms Butterly. The investigation into Ms Butterly has now concluded with the issue of a prohibition order of indefinite duration, which is the most serious possible outcome to a fitness and probity investigation.

This outcome shows that that the Central Bank's regulatory reach extends to individuals, and not just to firms. We take individual accountability very seriously and this case demonstrates our resolve to act where an individual's conduct falls below expected standards. The fitness and probity regime was introduced to strengthen our enforcement powers against individuals in all parts of the financial services industry, including those working in the credit union sector. Persons involved in managing or overseeing credit unions, whether paid or voluntary, must adhere to the regulatory requirements of the role.

Through its supervisory interactions with credit unions, the Registry of Credit Unions has found that the introduction of the fitness and probity standards has contributed to an improvement in standards of governance in the sector. However, while many credit unions have embraced these requirements, the Registry of Credit Union remains concerned to see that changes in culture have not fully embedded in all credit unions. This is unacceptable given that credit unions are responsible for safeguarding their member's funds. Where deficiencies in this area are identified, the sector should be in no doubt that the Central Bank will use its full powers, including its enforcement powers under the fitness and probity regime.

The case against Ms Butterly is now closed. Other related investigations are ongoing."

Additional information

1. The fitness and probity regime was introduced under the Central Bank Reform Act 2010. The regime allows the Central Bank to prohibit persons, by way of a Prohibition Notice, where a person is found to lack fitness and/or probity. The Prohibition may apply to a particular controlled function or any controlled function (including pre-approval controlled functions) and may apply for a defined period of time or indefinitely.
2. The Central Bank Reform Act 2010 also confers the following powers upon the Central Bank:
 - a 'Gatekeeper Function' in respect of proposed appointments to senior roles in regulated firms known as pre-approval controlled functions ("PCFs"); and

- a 'Sanctions Function'. The regime requires regulated firms to ensure that persons performing Controlled Functions or PCFs comply with the fitness and probity Standards. Failure to comply with this requirement may result in the imposition of sanctions by the Central Bank on the regulated firm (and persons concerned in the management, where relevant) pursuant to Part IIIC of the Central Bank Act 1942 (further information on the Administrative Sanctions Procedure can be found [\[here\]](#)).
3. Further detail on the fitness and probity regime is available [here](#) on centralbank.ie
 4. The Prohibition Notice is effective from 16 June 2017.
 5. The Central Bank of Ireland is limited in its ability to disclose certain details of this case, due to ongoing criminal investigations.
 6. Liquidators were appointed to Rush Credit Union on 21 November 2016. Further information [here](#).
 7. This is the third Prohibition Notice issued by the Central Bank under the fitness and probity regime. Details of Prohibition Notices issued by the Central Bank are [here](#).