

## Central Bank - Consultation on the application of the MCC and MCR to the Credit Union sector

### Submission from the National Supervisors Forum

The Central Bank have requested that any submissions be EMAILED as below;

Email to: [consumerprotectionpolicy@centralbank.ie](mailto:consumerprotectionpolicy@centralbank.ie)

Subject line: Consultation on the application of the MCC and MCR to the Credit Union sector

We would like to thank you for giving us the opportunity, on behalf of our Members, to deliver feedback on the proposed amendments to the Minimum Competency Code and the Minimum Competency Regulations.

The NSF is aware that the present standards only apply to Credit Unions when acting as retail intermediaries, and when providing mortgage credit agreements.

The NSF notes that the Central Bank is now proposing to extend the minimum competency requirements to other credit union activities that fall into the MCC and MCR, such as lending and deposits.

Please find our considerations and responses below as requested.

**Question 1** Do you agree that the scope of the Minimum Competency Code and Minimum Competency Regulations should be extended to apply to credit unions' core services? Please set out the reasons for your views.

**NSF Considerations:** The NSF supports this initiative, and acknowledges the Central Bank view regarding the need for common standards to be in place throughout the Financial Services sector – particularly so for customers / members, who have an entitlement to expect similar levels of professionalism from competing Financial Services Providers. The NSF would make the point, that due to the voluntary nature of Credit Union Directors, and that their role

is Governance and Strategic, not Operational and Client facing, that consideration should be given to reflecting their unique requirements within the legislation.

**Question 2** Do you agree that a four-year transitional period is sufficient for credit union staff to obtain relevant recognised qualifications? Please set out the reasons for your views. If you disagree, please set out what you would consider an appropriate transitional period for the application of the MCC and MCR to credit union core services.

**NSF Considerations:** The NSF agrees that a four-year transitional period is sufficient to permit Credit Unions and their staff make the necessary arrangements to obtain the relevant recognised qualifications, notwithstanding the sizeable numbers of Credit Union staff who will need to do so. The NSF is aware of the likely increasing demands this will create for Educational providers, but believes that this may be largely mitigated through remote learning.

**Question 3** Do you agree with the timeline? Please set out the reasons for your views. If you disagree, please set out what you would consider an appropriate timeline for the application of the MCC and MCR to credit union core services.

**NSF Considerations:** Given the transformation that has taken place, and is likely to continue within the Credit Union movement, in terms of Transfers of Engagement and increasingly wider range of Member services, the NSF believes there is a compelling need to commence this process as soon as possible, and that the timeline is reasonable.

NSF Propose that the Chairperson of the Board Oversight Committee should require the same level of Control Function as the Chair of the Board

Joe Tobin

Chairperson