



ASP Consultation
Central Bank of Ireland
New Wapping Street
Dublin 1

14 September 2023

Consultation Paper 154 on the ASP Guidelines under the Individual Accountability Framework

(By email only to ASPconsultation2023@centralbank.ie)

To whom it may concern,

The Irish League of Credit Unions wants to thank you for your engagement with the Credit Union sector. We wish to highlight some concerns specifically about the timelines and the regulatory burden the Individual Accountability Framework may bring. We welcome the open and engaged commitment of the Central Bank of Ireland in its 2022-2025 Strategy.

As outlined in our response to Consultation Paper 153 on 13 June 2023, we would ask that the low impact nature, size, scale, highly regulated and intensive supervision of the credit union sector is reflected and respected in regulatory provisions.

Credit Unions by ethos, by legislation and by central bank regulation are well run, intensively supervised, well capitalised and risk averse, limited in what activities we can engage in and bound by strict capital requirements, lending limits, high liquidity standards and investment restrictions.

We have a number of key concerns, namely the lack of proportionality, the truncated timeline for implementation, the alignment and consistency with the Credit Union Act 1997, alignment with the forthcoming Credit Union (Amendment) Bill 2022 and the interaction with the forthcoming amendments to the Minimum competency standards for credit unions which could change the functions and roles of Board of Directors.

There is also a need for further clarity in the Individual Accountability Framework regulations and the need to differentiate between voluntary directors and paid employees.

The overall framework does not seem to take account of our unique, legislatively required circumstances and regulatory structure such as credit union boards are voluntary positions. We agree with the certification process for relevant employees, but not volunteers.



We welcome the reference to the Central Bank of Ireland's commitment on Page 7 of Consultation Paper 154, "*However, our existing proportionate and targeted approach will not change*".

The timeline for implementation is extremely challenging and we would call for a realistic implementation timeline i.e. an extension to the current proposed timelines for the Individual Accountability Framework to ensure a successful and consistent rollout.

We would welcome a fuller discussion on this and other related issues to ensure a consistent and holistic approach given the different legislative and regulatory changes currently forthcoming that will impact on the credit union sector.

This is happening at a time when the retail banking sector is adapting to newly changed structure of the market and the changed macroeconomic and interest rate environment. If you wish to discuss this further please contact myself (089 618 4083 or dmalone@creditunion.ie) or Barry Harrington (087 213 4222 or bharrington@creditunion.ie)

Yours sincerely

David Malone
Chief Executive Officer