

Central Bank of Ireland
New Wapping Street
Dublin 1

2 July 2025

(By email only to CP160@centralbank.ie)

Irish League of Credit Unions response to Consultation Paper 160 of 2025

To whom it may concern,

The Irish League of Credit Unions welcomes the opportunity to respond to this consultation Paper on Amendments to the Fitness and Probity Regime (CP160).

The Irish League of Credit Unions (ILCU) is the largest representative body for Credit Unions in Ireland. Founded in 1960 with the aim of providing representation, leadership, co-operation, support and development for Credit Unions in both Republic of Ireland and Northern Ireland, the ILCU today has an affiliated membership of circa 260 Credit Unions. Membership of the ILCU is open to every Credit Union on the island of Ireland.

The Credit Union movement is built on an ethos of mutuality, volunteerism, self-help and not-for-profit philosophy. Our Credit Unions are growing strongly with almost 12% annual loan growth to end September 2024¹ and a growing share of the mortgage and business lending market with low arrears levels. Mortgage lending in credit unions has grown 34% in the year to end March 2025 to €824.7 million² and lending to businesses has increased by 5% annually in the year to end March 2025 to €182.47 million.³

There are approximately 180 credit unions in the Republic of Ireland providing 484,000 loans in 2024⁴. We are the market leader in personal loans, and are growing our mortgage, business, Agri-lending and current accounts presence.

We offer affordable finance across a range of services. We have 400 locations, 2,000 volunteers and 3,000 staff providing a best in class physical and digital presence. Credit Unions are digital when you need it, human when you want it.

Credit unions are part of a community that cares about financial wellbeing. Credit unions prioritise the needs of their members by offering personalised services and financial solutions. Credit unions are at the heart of every community.

¹ [Central Bank publishes Financial Conditions of Credit Unions Report](#)

² [Credit Unions – Tuesday, 27 May 2025 – Parliamentary Questions \(34th Dáil\) – Houses of the Oireachtas](#)

³ [Credit Unions – Tuesday, 27 May 2025 – Parliamentary Questions \(34th Dáil\) – Houses of the Oireachtas](#)

⁴ [Financial Conditions of Credit Unions 2024](#)

We warmly welcome the forthcoming changes contained in Consultation Paper 159 on lending regulations for credit unions and are grateful to the Registry of Credit Unions for the ongoing engagement, clarity of communication and for listening to the sector.

The speed at which the Central Bank has addressed potential issues with the Fitness and Probity regime including the Enria report⁵ is to be commended.

We have answered the five-questions set out in Chapter 4 below. As with any potential changes we would ask for an adequate timeline for implementation and to be mindful of other regulatory or legislative changes occurring at the same time.

Q1 (a) Do you agree with the proposed revision to the draft Guidance

The changes outlined in the Consultation paper follow on from the Enria report and are a welcome attempt to consolidate all existing F&P guidance into a single document. This guidance replaces the Guidance on Fitness and Probity for Credit Unions 2024 and is mindful of the requirements on Credit unions in Part IV of the Credit Union Act 1997 as amended.

The draft guidance clarifies expectations around role responsibilities, time commitments, required experience/qualifications, conflict-of-interest mitigation, board diversity considerations, and how far back past events should be considered. These are all positive steps. The removal and merger of certain roles does not appear to impact on credit unions but simplification and reducing unnecessary positions seems logical to us.

Q1 (b) Are the enhancements to the draft Guidance useful to you?

Yes, any attempt to reduce complexity and provide clarity on regulatory issues are warmly supported by us. We would highlight that guidance is just that and not a legal interpretation of the legislation.

We specifically welcome and support that the Guidance on the Standards of Fitness and Probity will be updated periodically as considered appropriate by the Central Bank (1.23). The clarifications in the guidance are useful particularly 2.6, 2.8, 2.25, 2.42, 2.45, 3.10, 3.22, 3.26-3.33, 4.11, 4.21, 4.35-4.39 and Tables 2, 7 and C.

Q1 (c) What other elements could the Central Bank include within the draft Guidance?

We thank the Central Bank for the engagement and fundamental review undertaken on the Fitness and Probity regime. We think this is a substantial amount of work undertaken and think at this stage allowing these changes to bed in before additional changes which may be brought in following the SEAR review in 2027.

On a minor issue in 5.32 “*without delay*” is a subjective term and if a definite time limit was included that could be helpful.

⁵ [Fitness and Probity Review - Report on Implementation of Recommendations](#)

Q2 (a) Do you agree with the proposed revisions to the PCF list?

The removal and merger of certain roles does not appear to impact on credit unions but simplification and reducing unnecessary positions seems logical to us.

We agree and welcome the commitment by the Central Bank to work throughout 2025 and 2026 on a more substantive review to be coordinated with the planned three-year review of the Senior Executive Accountability Regime in 2027 and may revisit revisions at that stage.

Q 2 (b) Have you identified any issues with this revision?

Not at this stage but as outlined in Q2 (a) we agree and welcome the commitment by the Central Bank to work throughout 2025 and 2026 on a more substantive review to be coordinated with the planned three-year review of the Senior Executive Accountability Regime in 2027 and may revisit revisions at that stage.

If there are any further clarifications required please don't hesitate to contact me at the details below

Best wishes



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