



**C.U.M.A.,  
(The Credit Union Managers Association)**

SUBMISSION ON

**Central Bank and Financial Services Authority of Ireland  
CP 45 – Minimum Competency  
Requirements Consultation Paper**

August 2010.

# INTRODUCTION

C.U.M.A., the Credit Union Managers' Association, is the primary representative and educational association for professional credit union managers in Ireland.

C.U.M.A. welcomes discussion on Minimum Competency Requirements, and advances this submission as part of the debate on this issue.

C.U.M.A., in this document, responds to all issues raised, and, in addition, points to critical areas that are omitted from the Requirements. It is our belief that these particular areas should be addressed as a matter of urgency also, if all consumers are to merit the protection that a comprehensive Minimum Competency Requirement regime delivers.

**Selina Gilleece,  
Chairman,  
Credit Union Managers Association.**

The document seeks views on a number of specific areas. CUMA, the Credit Union Managers Association advances the following responses, and additional suggestions:-

**DEFINITION OF ADVICE:-**

- ✿ The proposed definition is acceptable.

**CHANGING FROM THE CURRENT THREE-YEAR CYCLE FOR CONTINUING PROFESSIONAL DEVELOPMENT (CPD) TO AN ANNUAL REQUIREMENT.** (Requirement 3.2.1)

- ✿ We concur with the proposal to change the three year cycle to an annual requirement. This arrangement would be more manageable and provide a greater level of clarity and ongoing monitoring.

**CONSEQUENCES FOR GRANDFATHERED INDIVIDUALS OF FAILING TO COMPLY WITH THIS REQUIREMENT.** (Requirement 3.2.4)

- ✿ The idea of allowing an individual who has lost his/her grandfathered status to have that status reinstated in certain circumstances is a fair one. (Requirement 3.2.5)

**REGISTER REQUIREMENTS**

(Requirement 4.1) (Requirement 4.4)

- ✿ An amendment requiring that consumers must be informed that they may request sight of an individual Certificate of Compliance with the Experience Requirement would be a better way of approaching this issue.

**ADDITIONAL PROPOSALS**

***Grandfathering***

- ✿ The proposal envisages the phasing out the grandfathering arrangements over a four-year period.

CUMA agrees with this position for professional staff in credit unions.

### **Internet**

- ✱ CUMA agrees that the requirements should apply to those providing services over the internet.

### **Outsourcing**

- ✱ CUMA agrees that regulated firms should have to ensure that the Requirements are complied with by firms undertaking certain activities on an outsourced basis. A standard, sector wide, series of declarations are required here.

### **CPD hours**

- ✱ CUMA believes that Grandfathering should be phased out for professional staff in credit unions.

### **Loan Restructuring**

- ✱ CUMA believes that the Requirements should include loan restructuring, loan renegotiation and all advice thereon, including currently unregulated, self-appointed financial advice firms, individuals, and journalists, and MABS officials.
- ✱ CUMA believes that the Financial Regulator is seriously remiss in it's failure to regulate such self-appointed "advisors", some of whom charge exorbitant rates and dispense what are, at times, dubious advices.

### **Investment Management**

- ✱ Investment management needs to be included as a separate activity because of the concentration of risk and impact that it has upon entities and individuals.

### **Administrative Functions**

- ✱ Requirements should apply to amendment of policies and any advice thereon that might impact upon the consumer.

## **Other Issues**

- ✿ MCR Requirements should apply to all individuals and companies providing financial advice to consumer, directly, via the media or via the internet, including the very-many recently self-appointed financial advice companies, debt-management companies and bodies such as the M.A.B.S.
- ✿ MCR Requirements should apply to all individuals and companies providing money-lending services.