



Coiste Comhairleach um Chomhar Creidmheasa  
Credit Union Advisory Committee

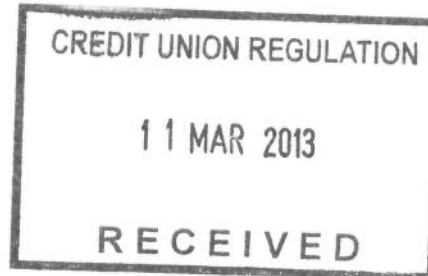
f/ch An Roinn Airgeadais  
Tithe an Rialtais  
Sráid Mhuirfean Uacht  
Baile Átha Cliath 2

c/o Department of Finance  
Government Buildings  
Upper Merrion Street  
Dublin 2

Teileafón/Telephone 353-1 6318024

Central Bank of Ireland  
PO Box No. 559,  
Dame Street  
Dublin 2  
Ireland

7<sup>th</sup> March 2013



**Re: Consultation Document: Fitness and Probity Regime for Credit Unions**

The Credit Union Advisory Committee (CUAC) considered the Consultation Document (CP62) published by the Central Bank of Ireland. This document sets out the arrangements for the introduction of a Fitness and Probity regime for Credit Unions.

CUAC is supportive of the introduction of a tailored Fitness and Probity regime for credit unions and agrees with the broad thrust and objectives of the Central Bank's Consultation Document. In relation to the various questions raised in the Consultation Document, CUAC had the following views

**SECTION 4 (page 9)**

(i) CUAC agrees with the tailored approach to the designation of CF'S and PCF'S for Credit Unions in the draft regulations. At this juncture CUAC has no suggestions for the introduction of further CF'S and PCF'S. However the question of additional CF'S or PCF'S should be reviewed on an on going basis and in light of experience.

(ii) CUAC agrees with the phased approach for the implementation of the Fitness and Probity regime for Credit Unions however it was felt that guidance notes should be issued to Credit Unions at least one month before the anticipated commencement date of 1st July 2013

More generally, CUAC considers the introduction of the first phase of the Fitness and Probity regime (1 July 2013) to be a somewhat tight implementation schedule.

SECTION 5 (page 11)

(iii) CUAC agrees that the draft standard covers all relevant matters for Credit Unions but this should be reviewed regularly.

However, CUAC also contends that it is important that the Central Bank insures that an overall view is taken of the competence and skills of the board.

SECTION 6 (page 12)

(iv) CUAC is strongly supportive of the Central Bank providing guidance notes on the Fitness and Probity regime for Credit Unions.

(v) The Central Bank details eight areas in which it proposes to offer guidance. CUAC agrees that guidance should be provided in each of these areas but in addition believes that it is important to provide guidance notes in two additional areas. CUAC is of the view that guidance notes should cover appeals procedures and conflict of interest procedures.

SECTION 7 (page 13)

(vi) CUAC agrees with the implementation timeframe for the application of the existing Fitness and Probity regime to those Credit Unions also authorised as retail intermediaries.

CUAC notes that the draft standards are based broadly on the standards of all other Retail Financial Services Providers and have been tailored to take account of matters relevant for Credit Unions for example the inclusion of experience gained in a voluntary context in addition to that gained in an employment context. CUAC is of the view that considerable weight should be given to experience gained in a voluntary context within a Credit Union. This view was taken because many volunteers would have little or no relevant experience gained in an employment context.

Yours sincerely



Padraig O'Ceirbhail

Chairman Credit Union Advisory Committee