



*Fitness and Probity regime for Credit Unions that are also  
authorised as Retail Intermediaries*

*A submission by*

*Waterford Credit Union*

## **Introduction**

Waterford Credit Union has considered the consultation paper CP83 and have prepared the following as its submission to the Central Bank Of Ireland.

Overall, we agree to the proposed changes and strongly believe that the approach will enhance the current Fitness & Probity (F&P) regime for Credit Unions by ensuring that members are assured of appropriate levels of quality advices.

Below, we have outlined by section the areas where we believe further consideration needs to be given to the proposals outlined in CP83.

### **Section 3 (i)**

We agree with the revised approach proposed for the application of Fitness & Probity requirements to credit unions that are also authorised as retail intermediaries.

Our only comment lies within the definition of the CF positions. It will need to be perfectly clear within the prescribed roles what is included and what is not. This may sound simple but when modifying or creating these positions for credit unions, please be fully aware of the credit union business model. Using identical positions as an insurance entity will cause confusion. Presently, almost every customer facing individual within an insurance entity will be in a CF position and therefore fall under the F&P regime. Credit Unions differ considerably on this point because many officers are member facing but will not be issuing advices on insurances services in any shape or form but by using the current definitions for CF's, **every** officer will be included as a CF. We believe that the revised approach must consider this point and perhaps issue a revised set of position descriptions that will define exactly the positions that will require CF approval for a credit union.

### **Section 4 (ii)**

We agree with the proposals regarding the timelines and transitional arrangements for the implementation of F&P requirements for credit unions that are also authorised as retail intermediaries.

As above, please ensure that the guidelines (role position definitions) are agreed with and published in as timely a fashion as possible.

## **Conclusion**

We believe that the revised approach will ensure good practice internally, it will ensure appropriate personnel apply for positions within the credit union and it will provide a greater level of comfort to members insofar that the advices that they receive are coming from officers that are suitably qualified and meet Fitness & Probity standards.

***The Board and Officers of Waterford Credit Union.***