CP95 Joint Consultation on Funding the Cost of Financial Regulation

Submission from Slane Credit Union

September 2015

1. Introduction & Background

1.1 Slane Credit Union hereby make a submission on CP95 Joint Consultation Paper on funding the cost of Financial Regulation.

2. Submission

We believe that the document does not exclusively deal with the credit union movement. Therefore we address the issues relating to credit unions.

It is obvious that the Central Bank intends to phase in 50% of the cost of regulating credit unions over a period of 5 years commencing in 2016 as per CP 61 in 2013 and the subsequent Feedback Statement. At the moment credit unions contribution is capped at 0.01% of their total assets. We believe should be retained to recognize the societal benefit of credit unions. As credit unions which are not-for-profit financial co-operatives, redistribute any surplus to their members an increase in the cost of regulation negatively impacts upon these members (taxpayers).

Credit unions in the Republic of Ireland are already paying 5 levies as follows:

- ReBo Levy
- Stabilisation Scheme/Credit Union Fund Levy
- DGS Levy
- National Consumer Agency Levy
- Credit Institutions Levy

Some of these levies are time bound and we believe it would be fairer and more practical to wait until these levies cease before significantly increasing the levy due for the regulation of credit unions. We believe that the phased introduction should span 10 years rather than 5 .

The Central bank generated profits of over €1.5 billion in 2014 and €2 billion 2013 with this level of profit we feel it is disingenuous for the Bank to increase the levies due from credit unions fivefold to €7 million per annum.

The Secretary,
Slane Credit Union,
Slane,
Co. Meath.