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Funding the Cost of Financial Regulation – Public Consultation  
Financial Services Division  
Department of Finance  
Government Buildings  
Upper Merrion Street  
Dublin 2

25 September 2015

**CP 95 Consultation Paper on Funding the Costs of Financial Regulation**

To Whom It May Concern,

The Department of Finance and the Central Bank of Ireland have sought comment from stakeholders in relation to its proposed new measures and this submission in response to Consultation Paper CP95 – Consultation Paper on Funding the Costs of Financial Regulation (“CP95”) to move from the current approach of partial industry funding of financial regulation towards full industry funding.

Please find attached our response to the specific questions raised within the paper.

Yours Sincerely,

Western Union Payment Services Ireland Ltd

Western Union Payment Services Ireland Ltd (“WUPSIL”) response to questions included in the Central Bank of Ireland’s Consultation on Funding the Cost of Financial Regulation

Question Number	CP 95 Question	WUPSIL Response
1	<p>Any change from the current funding arrangement would have to have due regard for the competitiveness of the industry. Do you consider that there are any particular competitiveness issues to be taken into consideration in revising the funding approach? Please state clearly your reasons for any such issues, their quantification and suggestions on how they may be addressed.</p>	<p>WUPSIL believes that a doubling of the levy would have a very significant increase in the cost base of financial institutions. With the increase in regulatory requirements a significant amount of resources is currently invested in compliance efforts. With a 100% industry funded model WUPSIL believes that this could potentially impact competitiveness of the financial services industry in attracting investment in overseas firms.</p>
2	<p>Any change from the current funding arrangement would have to have due regard to consumers and tax payers. Do you consider that there are any particular consumer or tax payer issues to be taken into consideration in revising the funding approach? Please state clearly your reasons for any such issues and suggestions on how they may be addressed.</p>	<p>Having the cost of financial supervision funded 100% by the industry could create the following issues:</p> <ul style="list-style-type: none"> <li>• Consumer – the perception that it may compromise the independence of the Central Bank of Ireland by it being dependent for funding on the industry it is regulating.</li> <li>• Taxpayer – the global economic environment has forced all entities to increase efficiency and optimise resources. If the cost base of regulatory supervision is fully funded externally to the CBI, where is the incentive for the CBI to run its own organisation efficiently?</li> </ul>
3	<p>Do you consider it appropriate for taxpayers to continue to fund a significant proportion of the cost of financial regulation activity? If you disagree, what would you propose instead?</p>	<p>As detailed in question 2 above.</p>

4	Do you consider it appropriate that industry be required to fully fund the cost of financial regulation activity? If you disagree, what would you propose instead?	<p>WUPSIL does not believe that it is appropriate for the industry to fully fund the cost of financial regulation.</p> <p>WUPSIL would propose that the existing 50/50 split be retained and that the levy calculations are advised to entities in Q3 in the year of assessment.</p> <p>WUPSIL would also propose to increase the transparency of the method of calculation in order for entities to plan and account for the payment.</p>
5	Do you consider it appropriate that a move to full funding should commence in 2016? If you disagree, what would you propose instead?	WUPSIL does not support the move to full funding.
6	Do you consider it appropriate that a move to full funding should take place in a single step in 2016? If you disagree, what would you propose instead?	As detailed above, WUPSIL does not support the move to full funding. However if it were introduced we believe it should be staggered to allow regulated entities to appropriately plan for the transition.
7	Do you consider it appropriate that any revision in the proportion of funding provided by industry should continue to apply uniformly across all industry funding categories? If you disagree, what would you propose instead?	WUPSIL agrees that all industry segments should be treated in a consistent manner.
8	Do you consider that there are any particular industry funding categories which warrant a derogation or alternative funding approach? Please state clearly your reasons for such a view.	WUPSIL has no comments to make in relation to this item.
9	Are there any other considerations that you think should be taken into account in seeking to come to a decision on a move to full industry funding? If so, what are they?	WUPSIL has no further comments to make.

