

28 March 2014.

The Registrar
Registry of Credit Unions
Central Bank of Ireland
PO Box 559
Dame Street
Dublin.2.

Re: Response to Central Bank on Tiered Regulatory Approach for Credit Unions

Dear Registrar,

The founding committee of the movement did not envisage that there would be a need for first, second and third class credit unions. The movement is founded on the principal that all members are equal and should be treated in the same way.

It was our understanding from the CU Commission Report that new bands, if introduced would be more in tune with the requirements of the credit union movement as a whole. Surely if the Report indicates that there should be three bands to start then it follows they intended there should be more than three – not more restricted as Central Bank proposes.

We are at a loss to understand why the Central Bank is being more restrictive in proposing that there are now only two tiers. To facilitate the movement surely the bands should be expanded, for example –

- 0 to 10M;
- 10 to 25M;
- 25M to 50M;
- 50 to 75M;
- 75 to 100M and
- 100M +.

We feel that the changes which we are going through since the introduction of the CU Act 2012 should be allowed to settle before the Central Bank initiate any further disruption. Why if the new wave of regulation, i.e. risk management, internal audit and compliance is working, is there a need for further restrictions and regulation placed on us? Have the CB had sufficient time to assess the new regulation and its effects on credit union? We think not.

Conclusion

We feel that it is not for us the Clontarf Credit Union to offer any rationale, as the CB does not make any attempt to apply any logic or rationale to their proposals.

The proposed two tiers and in addition - the Central Bank's stated policy of having 100 cu's in the 26 counties (James O'Brien – December 2012) leads the ordinary person in the credit union family to believe that the CB wishes to stifle and smother the movement altogether.

As the approach taken by the Central Bank is at odds with the ethos of the Movement and not in line with the proposal in the Commission Report we feel this proposal should be set aside.

All in all we at Clontarf Credit Union are most definitely opposed to the introduction of the Central Bank's Tiered Regulatory Approach in its present format, under any circumstance.

Yours sincerely

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Elizabeth Doyle,
Chair, CCU.