**MBCAS Notification Form**

In accordance with condition 18(iv) and 18(v) of its Member Personal Current Account Services (MPCAS) approval, as varied (or as may be varied by the Central Bank of Ireland (the Central Bank) from time to time), [INSERT HERE THE FULL NAME OF THE CREDIT UNION] (the Credit Union) hereby:

1. **Notifies** the Central Bank of its intention to provide Member Business Current Account Services (MBCAS) from [INSERT HERE THE DATE FROM WHICH THE CREDIT UNION INTENDS TO PROVIDE MBCAS] and of its operational readiness to provide MBCAS; and
2. **Confirms** that:
3. The Credit Union will provide only those Member Business Current Accounts Services as they are described in its MPCAS approval conditions (as varied).
4. The Credit Union will only provide a member business current account to a member where the member is a micro, small or medium-sized enterprise within the meaning of Commission Recommendation 2003/361/EC at the time the account is opened or where the member is a charity, club or society, whether incorporated or not.
5. The Credit Union will include a contractual condition in respect of the provision of the member business current account to members that the account is used exclusively for the business purposes of members which, for the avoidance of doubt, may include purposes directly connected to those for which a charity, club or society has been formed.
6. The Credit Union may levy fees and charges on member business current accounts.

The Credit Union may charge one off service fees and non-euro transaction fees to a member business current account as they arise and charge transaction and other fees and charges periodically (i.e. monthly, quarterly, etc.).

In respect of third party fees and charges, the Credit Union’s schedule of fees and charges will specify any third party fees and charges passed through the member’s business current account.

In respect of commission and fees, where the Credit Union is in receipt of third party commission, including soft commissions and support of material value or a share of fees and charges it will account separately for these in its accounts.

1. The Credit Union will have separate terms and conditions and fee schedules for member personal current accounts and member business current accounts.
2. Interest, including surcharge interest, on an overdraft facility will not at any time exceed the maximum interest that may be charged by a credit union on loans made to its members under section 38 of the Credit Union Act, 1997 (the 1997 Act).

The Credit Union may charge surcharge interest on balances in excess of agreed overdraft facilities for that time the amount is in excess of the agreed limit.

The Credit Union will permit a maximum overdraft limit on a member business current account of €5,000.

Overdraft facilities may be secured or unsecured.

Overdrawn balances will be repayable on demand even where the amount owing is within the agreed overdraft limit.

An overdraft limit may not be automatically renewed unless the account has been in credit for at least 30 days in the previous twelve months (which do not have to be consecutive).

Where a member consistently forces credit, with more than three over-limit payment balances occurring within the term of the overdraft agreement or within a twelve month period (whichever is the lesser), the Credit Union will review the overdraft facility and operation of the account to determine whether or not the facility should be amended or withdrawn and if the account should be closed.

The Credit Union will establish and maintain a specified methodology for the assessment of overdraft credit risk and loss provisioning within its policies and risk management system.

1. The Credit Union may pay interest on cleared balances subject to:
* The rate of any interest payable at any time by the Credit Union on a business personal current account of a particular class being the same for all member business current accounts of that class.
* The Credit Union ensuring that the rate of interest offered at any time on a member business current account does not exceed the rate of return received by the Credit Union from the employment of its funds, whether in the form of loans or investments.
1. The Credit Union may permit overrunning on member business current accounts.
2. The Credit Union will account for member business current accounts and transactions separately in its accounts. The Credit Union’s audited accounts will contain a note on member business current account balances both credit and debit and outstanding committed funds in the following specimen format:

|  |  |  |
| --- | --- | --- |
| Business Current Accounts  | Number of accounts | Balance of accounts |
| Credit  | 500 | €1.00m |
| Debit  | 200 | €0.40m |
| Permitted overdrafts  | 250 | €0.75m |

The Credit Union will account separately for all third party costs, fees and charges related to its current account services. Where the Credit Union is not recovering such costs in full through member charges and fees, it must account separately in its books of account for its subvention.

The Credit Union will safeguard any transaction funds not yet credited to a member’s business current account or transferred to another payment service provider from any claim, right or recourse of a liquidator, administrator or examiner of the Credit Union.

1. The Credit Union will hold 100% of the aggregate credit balance of member business current accounts in liquid funds and this will be calculated on a weekly basis on a Thursday and the Credit Union will hold 100% of the aggregate balance of overdrafts that have been granted on member business current accounts but not yet drawn in liquid funds and this will be calculated on a weekly basis on a Thursday.

Such aggregate balances will be used to ensure effective liquidity management. The Credit Union will ensure that it makes sufficient liquidity provision to meet potential draw down of unused available overdrafts. If Thursday is not a working day, the Credit Union will carry out the above determinations on the nearest preceding working day.

1. The Credit Union will provide for a MPCAS operational risk reserve (MPCAS operational risk reserve) including in respect of member business current account balances in accordance with condition 10 of its MPCAS approval.
2. The Credit Union will ensure that its members are (a) made aware of and (b) know how to make themselves aware of the nature of the service being provided.

Where the service to be provided includes third party payment services, instruments and channels, the Credit Union will make clear in its marketing materials and advertising who is providing the service and ensure third party providers do so also.

Payment cards will contain the name of the issuer prominently on the device, which may be on the front or rear of a card, but must be at least 50% the type size of the Credit Union’s own name. The Credit Union may be required to submit specimen card templates and marketing material to the Central Bank to demonstrate compliance with this requirement prior to making the service available.

Marketing material will carry a clear explanation in plain English identifying the service provider and summary of the main elements of the provider’s terms and conditions.

1. The Credit Union may only provide payment account servicing payment services to licensed/regulated third party payment service providers.

The Credit Union may act as agent in the provision of member business current account payment services. When doing so, the Credit Union will inform its member payment service user where it is acting as an agent for a third party payment service provider and the services it provides on the provider’s behalf.

1. The Credit Union will ensure that adequate compensation is available to those members in respect of negligence, fraud or other dishonesty on the part of officers of the Credit Union in connection with the provision of MBCAS. The Credit Union will put in place and maintain adequate insurance cover in respect of such compensation.
2. The Credit Union will ensure operational standardisation of MBCAS in collaboration with other approved credit unions which shall be arranged through a shared service arrangement whose objectives include the provision of standardisation services.

Where a credit union enters into shared service arrangements with other credit unions to support the operation of MBCAS the Credit Union will not expose its funds or member funds to undue risk in such arrangements.

1. The Credit Union will have and retain the expertise to identify and assess all potential sources of risk arising from payments accounts (including member business current accounts) and third party payment services arrangements, including direct and indirect links, before entering into them and on an on-going basis once the arrangement is established.

The Credit Union will retain the appropriate technical expertise and have obtained appropriate legal advices to inform its understanding, consideration and decisions concerning the compliance, legal, operational and technical complexity and risks of interrelating cross jurisdictional contracts and operational and technical processes.

1. The Credit Union will maintain appropriate oversight, policies, procedures, processes, practices, systems, controls, skills, expertise and reporting arrangements to ensure the protection of funds placed in members’ business current accounts.

The Credit Union also **confirms** that:

1. The Credit Union will ensure that it remains in compliance on an ongoing basis with the conditions on its MPCAS approval, as varied (or as may be varied by the Central Bank from time to time).
2. In the event that the Credit Union wishes to provide other services beyond those set out in Part III of the 1997 Act or prescribed by the Central Bank under section 48 of the 1997 Act, the credit union will submit an application for approval to the Central Bank in accordance with the additional services requirements set out in sections 48 to 52 of the 1997 Act.
3. Other than in respect of a major operational or security incident as defined by the European Banking Authority Revised Guidelines on major incident reporting under Directive (EU) 2015/2366 (PSD2), in the event of any major difficulty, failure or delay affecting the service or the provision of the services (or any part thereof), the Credit Union will, as soon as it becomes aware thereof, notify the Central Bank immediately, advising it of such difficulty, failure or delay and the nature, extent, effect and likely duration of the circumstances, and will use its best endeavours to minimise the effect of such circumstances including the making of any alternative arrangements which may be practicable and will after the cessation of any such circumstances, notify the Central Bank; and
4. Should the Credit Union decide to cease providing MPCAS and / or MBCAS, it will notify the Central Bank no less than three months before its intended cessation date and provide a cessation plan setting out how it plans to cease the service/s.

**Chair’s Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Print name in capital letters:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***(on behalf of the board of directors)***

**Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**