



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

2016

Sample Preliminary View Application Form

XXXXX 2016

Registry of Credit Unions

Preliminary View

Credit Union Name	
Registration Number	
Name of Principal	
Address of Principal	

1 Please list the additional service for which you are applying (*Section 48(5)(a)*).

Service in relation to:

Please describe in detail how the relationship between the member, the credit union and the principal will operate under the proposed association:

2 In accordance with the provisions of Sections 48 – 52 the Credit Union Act, 1997, please confirm that the credit union has taken steps to ensure the following in relation to the proposed additional service:

- a) That members are protected from conflicts of interest that might otherwise arise in connection with the provision of the service. (Section 49(2)(a)) Yes No

Please provide details:

- b) That provision has been made to ensure adequate compensation is available to members in respect of negligence, fraud or other dishonesty on the part of officers of the credit union in connection with the provision of the service. (Section 49(2)(b)) Yes No

Please provide details:

- c) That the staff and officers of the credit union involved in the provision of the service have, where appropriate, the relevant qualifications and experience to provide the service. (Section 49(2)(c)) Yes No

Please provide details:

- d) That an assessment of the financial and other implications for the credit union of the provision of the service has been carried out and that, based on this assessment, there is no threat to the financial stability of the credit union. (Section 48(5)(b)) Yes No

Please provide details:

- e) That an assessment has been carried out to ensure that the appropriate systems, controls, policies and procedures are in place for the provision of this service and that, based on this assessment, there is no threat to the financial stability of the credit union. Yes No

Please provide details:

- f) That the credit union will adhere to all of the conditions contained in Appendix 1 to this document. Yes No

- 3 Does the service require authorisation under other legislation apart from the Credit Union Act, 1997, e.g. the Insurance Intermediaries Act 1995 and S.I. No. 13/2005 - European Communities (Insurance Mediation) Regulations 2005? Yes No

If so, please confirm that the credit union has been authorised. Yes No

Please provide details:

- 4 In accordance with section 48(4)(a) of the Credit Union Act, 1997, please outline the method by which you propose to adopt the decision to provide the service:

- Resolution at AGM
Resolution at SGM
Resolution of the Board of Directors

Please provide details:

5 Please provide a copy of the following:

- a)** The draft notice of resolution and rule change (see Appendix 2 to this document for proposed wording);
- b)** A 3-year projection of the cost of providing the proposed service and any income expected to accrue from any charges made for the proposed service (*Section 49(2)(d) and (e)*);
- c)** The letter of appointment from the principal;
- d)** The agreement between the credit union and the principal along with the legal opinion confirming that the agreement complies with all of the conditions contained in Appendix 1 of this document.

Completed By: _____ **Date:** _____

Chairman: _____ **Date:** _____

Appendix 1 – Conditions attached to approval for the provision of Additional Services

Please note the following are sample conditions of what may be required upon providing an additional service, the Central Bank will provide specific conditions to each specific additional service at the time of application.

A credit union approved to provide an additional service will be required to adhere to further conditions, including the following:

1. The credit union must ensure that adequate systems and controls are in place to conduct the additional service;
2. The credit union shall account separately in its books for any fees or commissions received in relation to the provision of the service;
3. The credit union must be indemnified for the provision of the service under the insurance policy in accordance with section 47 of the Credit Union Act 1997;
4. The credit union must comply with all of the requirements contained in Sections 48-52 of the Credit Union Act, 1997 in relation to the provision of the service on an on-going basis;
5. An officer or staff member of the credit union may not receive remuneration directly or indirectly in respect of the service;
6. The credit union may only have such an arrangement with one Principal at any one time in relation to the service;
7. A clear distinction must be drawn, in the eyes of the membership, between the business of the credit union and that of the Principal. Any marketing material relating to the additional service should clearly identify the Principal providing the additional service to the member and this shall extend to all signage, stationary or other branding of whatever kind relating to the additional service;
8. The credit union is required to enter into a written agreement with the Principal under which the Principal is responsible for any act or omission of the credit union concerned in respect of any matter pertaining to the service offered or provided by the Principal;
9. Any contract arising from the service is required to be between the Principal and a credit union member and the credit union concerned may not be party to any such contract;
10. The credit union may not permit any premises which the credit union uses to be used for the purposes of arranging or offering to arrange the provision of the service to a member of the credit union by a service provider other than the Principal;
11. An officer or staff member of the credit union may not receive remuneration directly or indirectly from the Principal in respect of the service.

Note: A breach of any of the conditions contained in this Appendix may result in the approval to provide the additional service being withdrawn.

Appendix 2 – Notice of Resolution and Rule Amendment (Proposed Wording)

1. Notice of Resolution:

The wording for the notice of resolution will depend on the method by which the credit union proposes to adopt the decision to provide the service. The wording at:

- (1) below should be used where the resolution is to be presented to the AGM/SGM of the credit union;
- (2) below should be used where the resolution is to be presented to the board of directors at a meeting of the board of directors of the credit union.

(1) AGM/SGM of the credit union:

“Take notice that the following resolution will be presented to the annual general meeting/to a special general meeting/to a meeting of the board of directors of [] Credit Union Limited:

“That, as required by Section 48 of the Credit Union Act, 1997,

[the members of [] Credit Union Limited present and voting at the Annual General Meeting/Special General Meeting of [] Credit Union Limited held on [] hereby approve the provision of the following additional service by the credit union to the members subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law:

services for the provision of [].

Commission will be paid to [] Credit Union Limited on all business effected under this additional service. This business will not be subsidised by [] Credit Union Limited funds in any way and there is no financial risk to members' funds.”

which resolution must be approved by not less than two thirds of the members present and voting at the Annual General Meeting/Special General Meeting of [] Credit Union Limited to be held on [].”

OR

(2) Meeting of the board of directors of the credit union:

“Take notice that the following resolution will be presented to the annual general meeting/to a special general meeting/to a meeting of the board of directors of [] Credit Union Limited:

“That, as required by Section 48 of the Credit Union Act, 1997,

the board of directors of [] Credit Union Limited hereby approve the provision of the following additional service by the credit union to the members subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law:

services for the provision of [].

Commission will be paid to [] Credit Union Limited on all business effected under this additional service. This business will not be subsidised by [] Credit Union Limited funds in any way and there is no financial risk to members' funds.”

which resolution must be approved by the majority/over 50% of directors present and voting at a meeting of the board of directors of [] Credit Union to be held on [].”

Appendix 2 (cont.) – Notice of Resolution and Rule Amendment (Proposed Wording)

2. Rule Amendment:

“That the Rules of [] Credit Union Limited are hereby amended in Rule [XXX Objects Rule]¹ by

- the [deletion of number (viii) and the insertion of the following therefore] **or** [insertion of the following after number (vii)]:

“the provision of the following additional service(s) by the credit union to the members subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law:

services for the provision of []²”

¹ Note: the credit union should check to ensure the correct rule number (i.e. vii and viii) is referenced. The credit union may already have altered the standard rules to insert these rule numbers for other purposes.

² Note: if the credit union is already approved for other additional services, these should be listed here also.

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