



Welcome to Issue 18 of Credit Union News. In this edition we include a range of recent legal and regulatory developments.

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Introductory message from the Registrar

Welcome to this, our 18th edition of *Credit Union News*. I am delighted to have been appointed to the role of Registrar of Credit Unions in November last. The credit union sector has experienced significant change since I joined the Registry in 2006, including in the areas of governance, restructuring, the prudential framework and product and service offerings to members. Change will continue apace and, as Registrar, I look forward to continued open and constructive engagement with credit unions, representative bodies and other sector stakeholders in the context of the Central Bank's mandate in respect of credit unions - to ensure the protection by each credit union of the funds of its members and the maintenance of the financial stability and well-being of credit unions generally.

Regarding the Deputy Registrar role of Head of Function (Policy and Restructuring), which role I held prior to my appointment as Registrar, I am pleased to announce that Eamon Clarke has been appointed to this role with effect from 27 February 2023. Eamon has significant supervisory and restructuring experience, practical understanding of the credit union sector and established relationships with credit union stakeholders as well as a strong track record in leadership.

The year to date has been a busy period with a number of external engagements. On 28 January, I spoke at the Credit Union Development Association's Annual Conference in Killarney and my colleagues, Deputy Registrars David Kiely and Eamon Clarke, gave presentations on Credit Union Financial Conditions and Climate Change respectively, aligned with the conference theme 'Sustainability - Rising to the Challenge'. On 30 March, I addressed attendees at the Credit Union Managers' Association's 2023 Spring Conference with its theme 'Change 2023' where I [spoke](#) about, among other things, the Central Bank's financial regulation - approach and strategies 2023 (referencing the [joint letter to regulated firms](#) issued by Deputy Governors Sharon Donnery and Derville Rowland in February 2023), the Registry of Credit Union's strategic priorities for the credit union sector in 2023 and 'change' in the context of credit unions recognising challenges and opportunities and managing and mitigating risk. On 22 April I spoke at the Irish League of Credit Unions' AGM with its theme of 'Ambition in Action' and highlighted our priorities for the sector for 2023, noting the importance of financial resilience, operational resilience (including outsourcing requirements) and the role of strong risk management in times of change.

In 2023 we will continue our assertive risk-focused supervisory approach and maintaining and developing as appropriate a tailored, proportionate and prudentially responsive regulatory framework - taking account of the provisions in the forthcoming amending legislation for credit unions - the Credit Union (Amendment) Bill 2022.

Further to our 2022 Financial Year-End circular, which set out our supervisory expectations in respect of the year-end process, it is positive to note the engagement by credit unions including submission of the various returns. Over half-way into the 2023 financial-year, it is now an opportune time for credit unions to reflect on financial and operational performance over the first half of the financial year and to look forward to the 2023 year-end and beyond to identify opportunities and challenges, including the prevailing and anticipated macroeconomic conditions. Our recently published ninth edition of [Financial Conditions of Credit Unions](#) and the Central Bank's [Quarterly Bulletin \(No. 1 2023\)](#) sets out the Central Bank's latest assessment of the Irish and euro area economies provide useful background and context in this regard.

Finally, in this edition of *Credit Union News* we cover a broad range of topics which we consider should be of interest to credit unions and other sector stakeholders.



Elaine Byrne
Registrar of Credit Unions

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Financial Industry Forum

In 2022, the Central Bank established the Financial Industry Forum (the Forum) to provide a formal forum for Central Bank senior leaders to engage with financial services industry stakeholders. The Forum, which is chaired by Governor Gabriel Makhoul, works to facilitate constructive, open, two-way debate and discussion with senior financial industry representatives. It focuses on issues of strategic importance for financial services in Ireland, the financial sector and the Central Bank as well as significant, cross-sectoral issues relevant to the mandate of the Central Bank.

A key theme of the Central Bank's Strategy is being open and engaged. Through the establishment of the Forum and the Sub-Groups, we are emphasising this theme by establishing formal structures to listen to and build dialogue with our stakeholders allowing us to contribute to enhancing trust in the financial system and fostering a wider understanding of our role.

The Forum met twice in 2022 – in May and October – and once so far in 2023 – in April. You can read about these meetings [here](#). Three Sub-Groups were also set up to consider relevant issues in more detail. These are:

- **Domestic Sub-Group** – This Sub-Group considers the regulatory framework relevant to firms servicing domestic markets. It also considers the implementation of policy and emerging trends for firms. *Chaired by Derville Rowland, Deputy Governor (Consumer and Investor Protection).*
- **International Sub-Group** – This Sub-Group focuses on the regulatory framework, implementation of policy and emerging trends (and the associated opportunities and threats) relevant to firms servicing international markets. *Chaired by Sharon Donnery Deputy Governor (Financial Regulation).*
- **Innovation Sub-Group** – This Sub-Group facilitates strategic dialogue between the Central Bank and the financial sector on the ongoing enhancement of innovation in the financial system. *Chaired by Gerry Cross, Director of Financial Regulation – Policy & Risk.*

There are 14 members of the Forum and they represent industry bodies from across the financial services sector in Ireland. The Irish League of Credit Unions and the Credit Union Development Association are members of the Forum and of the Domestic and Innovation Sub-Groups. The Forum and Sub-Groups will each meet twice a year.

Climate Forum

In 2022 the Central Bank established a Climate Risk and Sustainable Finance Forum which provides a shared space where the financial industry and other key stakeholders can discuss the implications of climate change for the Irish financial system, learn from each other and share best practices on embedding climate risk and sustainable finance considerations within their own firms. The Credit Union Managers' Association participates in this Forum. The Forum has established two working groups – on Capacity Building and on Risk Management – each tasked in 2023 with producing best practices and recommendations.

Credit Union (Amendment) Bill 2022

Further to a Department of Finance-led review of the credit union policy framework which concluded in 2022, a number of changes to the Credit Union Act, 1997 (the 1997 Act) are proposed under the Credit Union (Amendment) Bill 2022 (the Bill) introduced to Seanad Éireann in November 2022.

The Bill sets out a number of important changes to the 1997 Act. More details on the Department of Finance-led review of the credit union policy framework is available in a press release published by the Department of Finance on 1 December 2022 – see [here](#).

The Bill has passed all stages of Seanad Éireann and is currently at Third Stage in Dáil Éireann. Credit unions and interested stakeholders can keep track of the Bill as it moves through the legislative process in the Houses of the Oireachtas – see [here](#).



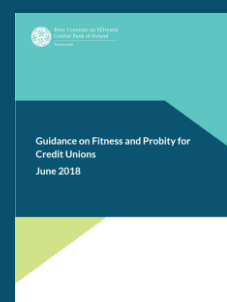
Succession planning – the need to have a practical plan for how to deal with unplanned absences

In addition to section 56B(4)(h) of the 1997 Act and Regulation 46(3) of the 2016 Regulations mentioned opposite, succession planning requirements for credit unions are set out in section 55(1)(j) of the 1997 Act, with guidance in relation to the contents of succession plans outlined in section 11.2 of the Governance Chapter of the Credit Union Handbook.

As stated in our 2020 PRISM Supervisory Commentary, “Credit unions should have a detailed succession plan for the board and management team to ensure that the credit union maintains an appropriate level and mix of skills and competencies at non-executive and executive level in order to support the credit union’s strategic goals. The succession plan should include arrangements to avoid over-reliance on individuals by providing mechanisms for delegation of responsibility within the credit union, including revolving roles where appropriate.”

The Registry has observed that succession plans reviewed by us from time to time in the course of our supervisory engagements typically cater for the orderly succession of officers in the normal course of business. However, an unplanned absence of a key office holder can expose the adequacy of succession planning arrangements credit unions have in place. Credit unions should review the adequacy and effectiveness of their succession planning measures on an ongoing basis, reflective of all relevant legislative requirements and guidance.

Finally, credit unions are reminded of the requirement to notify the Registry in the case of officers performing PCF roles on a temporary basis (including acting and/or interim appointments) in line with the Guidance on Fitness and Probity for Credit Unions issued in June 2018.



Twelve year limit for board members in Credit Union Act, 1997

The Registry of Credit Unions has received a number of queries recently on the 12 year limit for members of a credit union’s board of directors, as set out in sections 53(12) and 53(13) of the Credit Union Act, 1997 (the 1997 Act). Section 53(12) and 53(13) set out the following provisions:

(12) A member of a credit union may not be appointed or elected to the board of directors if he or she has served for more than 12 years in aggregate in the previous 15 years on either the board of directors or the board oversight committee of the credit union.

(13) For directors of a credit union or members of the board oversight committee who were already directors or members of the board oversight committee on the date of the commencement of this section in respect of such credit union, the 12 year period set out in subsection 53(12) commences on the date this subsection so commences.

Credit unions are reminded that the following guidance on sections 53(12) and 53(13) is included in the Governance Chapter of the Credit Union Handbook:

For the purposes of section 53(12), any time served as a director or a member of the board oversight committee from 3 March 2014 will contribute towards the calculation of the aggregate 12 years’ service in the previous 15 years.

Credit unions should therefore be mindful that the earliest date on which the 12 year limit under section 53(12) may have an impact will be 2 March 2026.

The Registry has received queries on the application of the 12 year limit under section 53(12) to members of the board of directors or board oversight committee of a credit union that has completed a transfer of engagements to another credit union. In this regard, credit unions should note that any time served by a person on the board of directors or the board oversight committee of a transferor credit union does not count towards time spent on the board of directors or board oversight committee of the transferee credit union for the purpose of section 53(12).

Under section 56B(1) of the 1997 Act, the board of directors of a credit union is required to establish a nomination committee. Under section 56B(4)(h), one of the functions of the nomination committee is to ensure that there is an appropriate succession plan in place for the board of directors.

Finally, credit unions are also reminded of the requirement under Regulation 46(3) of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 (the 2016 Regulations) under which credit unions must document, approve and update, at least annually, the matters specified in Schedule 1 to the 2016 Regulations. Schedule 1 includes, among other things, “A succession plan for the board of directors and the management team which shall detail the key skills and competencies required for members of the board of directors and management team”. Additional information on succession planning is set out opposite.



Fitness and Probity - changes to IQ submissions

The [Central Bank of Ireland Portal](#) (the Portal) has been enhanced to facilitate the submission of applications to become a holder of a Pre-Approval Controlled Function, including a Credit Union Pre-Approval Controlled Function (CU-PCF). From 24 April 2023, Individual Questionnaires (IQs) must be submitted via a new dedicated Fitness & Probity section on the Portal.

The new Fitness & Probity section on the Portal provides applicants with an enhanced process for submitting applications. A new IQ has been developed and must be used for PCF applications submitted from 24 April. A copy of the new IQ is available on the Central Bank's website (see [here](#)). The new process for the population and submission of IQ applications consists of three Parts, which are described below:

(1) Account Settings

Firstly, the applicant registers as a Portal user and enters their name and address in the Account Settings section of the Portal. The point of contact and the proposer must also register as Portal users.

(2) F&P Profile

Secondly, the applicant creates their Fitness & Probity (F&P) Profile which contains information that would typically be in a Curriculum Vitae. It must be entered before completing Part 3 of the IQ and is retained on the Portal so that it can be updated and re-used for subsequent PCF applications in the same credit union.

The F&P profile comprises various sub sections including personal details, experience, qualifications, professional memberships, training, regulatory approvals and positions currently held in non-regulated firms and in financial service providers in other jurisdictions.

Personal details such as date of birth and other demographic information, which is requested on a consent basis, will be published on an anonymized basis in the Central Bank's annual *Demographics of the Financial Sector Report*.

(3) CU-PCF Application

Finally, the applicant and proposer populate the IQ application itself which is similar to the existing IQ application. The main difference is that information that the applicant has already entered in the F&P profile is prepopulated into the IQ Application. The preliminary questions are divided between the proposer and the applicant. The IQ application is then tailored to the applicant based on these answers. Supporting documentation may be uploaded in each of the 10 sub-sections.

Once all three Parts have been completed, the proposer submits the application to the Central Bank for assessment. Any communication with the F&P team, who process IQ applications in the Central Bank, regarding the PCF application will be via Portal messaging and not by email. In addition, the status of the application can be tracked on the Portal. For example, if an IQ is on hold, the reason why will be displayed.

Central Bank of Ireland Portal

Credit unions have successfully submitted returns including the Investment Return and more recently the Climate Survey through the Central Bank Portal (the Portal). Credit union Portal Administrators are responsible for managing Portal access and providing the relevant credit union Portal user with the appropriate access to returns. Credit unions must adhere to the [Portal Terms of Use](#). This includes the requirement that all credit unions must have a Portal Administrator in place at all times.

On 21 March 2023, a communication was issued to all credit union Portal Administrators in relation to future changes to services on the Portal including the permanent disabling of Online Reporting System (ONR) logins for credit union ONR users in H2 2023. Any credit union users who currently use their ONR login directly to access returns and have not yet registered for the Portal must register for the Portal, as return services access will only be permitted through the Portal in H2 2023. Credit unions will be provided with at least five weeks advance notice before ONR logins are disabled.

Please note that credit union external auditors will continue to access returns via their ONR login until advised further.

Useful Portal information can be found on the Central Bank Portal Help website [here](#). If you have any Portal access issues or queries please contact the support team via portalsupport@centralbank.ie.





Fitness and Probity - changes to IQs submissions (continued)

Further information on the new F&P application process has been published [here](#) on the Central Bank website and was also communicated to Portal Administrators via Portal message in March and April.

Immediate Action

- Note that the new process whereby IQs are submitted via a dedicated Fitness & Probity section on the Portal became operational on 24 April 2023 and that a new IQ has been developed and must be used for PCF applications submitted from 24 April 2023.
- If you are involved in the submission of IQs to the Central Bank, i.e. if you act as an IQ Proposer and/or IQ point of contact, or you expect to be a PCF applicant after 24 April, familiarise yourself with the new process.
- If you are involved in the submission of IQs to the Central Bank and are not already a Portal user, register now. Guidance on how to do this is located [here](#).

Financial Conditions of Credit Unions report

On 30 March 2023, the Central Bank published its ninth edition of the *Financial Conditions of Credit Unions* report. The report provides an update on the financial performance and position of credit unions for the financial year ended 30 September 2022. It also provides sectoral data and commentary, and aims to inform credit union boards in carrying out their own strategic analysis and decision-making.

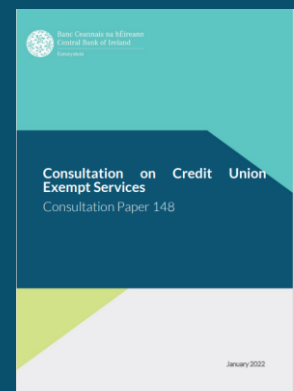
The report notes that the macro-financial environment, including tightening monetary policy, has the potential to impact the financial position of credit unions, particularly in the areas of investments, interest income, as well as loan quality. Positive trends have emerged, with total loans outstanding returning to pre-pandemic levels and continuation in the trend of increased loan duration. However, the report finds that sustainability challenges remain for credit unions. It concludes that, under the regulatory framework, credit unions have scope to provide a range of products and services to members, and that strategic business decisions should be informed by their capabilities, risk appetite and financial resources.

The report identifies key trends, including in relation to credit union lending, member savings, reserves and return on assets.

The full report is available [here](#).

Update on CP148

Following a statutory consultation process on draft Amendment Regulations to take place in Q2/Q3 2023, the Central Bank expects to publish its Feedback Statement on [CP148 – Consultation on Credit Union Exempt Services](#), together with revised Amendment Regulations amending the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 in Q3 2023.





European and EBA developments

[European Banking Authority](#)

Clarification on the application of strong customer authentication requirements under PSD2 to digital wallets

On 30 January 2023, the European Banking Authority (EBA) published three Q&As that, jointly with three other Q&As that the EBA had previously published, clarify comprehensively the application of strong customer authentication (SCA) to digital wallets under the revised Payment Service Directive (PSD2). On the same day, the EBA published a press release summarising these Q&As with the aim of bringing about a consistent understanding by all market stakeholders of the applicable requirements. The EBA's press release is available [here](#).

Guidelines on the use of Remote Customer Onboarding Solutions

On 22 November 2022, the EBA published its final Guidelines on the use of remote customer onboarding solutions (the Guidelines). The Guidelines set out the steps credit institutions and financial institutions should take to ensure safe and effective remote customer onboarding practices in line with applicable anti-money laundering and countering the financing of terrorism (AML/CFT) legislation and the EU's data protection framework. The Guidelines apply to all credit institutions and financial institutions, including credit unions, that are within the scope of the Anti-money Laundering Directive (AMLD). The Guidelines apply from 2 October 2023 and are available [here](#).

[European Central Bank](#)

Digital Euro

On 21 December 2022 and 24 April 2023, the European Central Bank (ECB) published its second and third progress reports respectively on the investigation phase of a digital euro. The ECB and the euro area national central banks launched the investigation phase of the digital euro project in October 2021. It aims to address key issues regarding the design and distribution of a digital euro. As set out in the third progress report, "The Eurosystem is now reviewing all the design options and is bringing them together in a high-level design for the digital euro, which will be discussed with stakeholders in the coming months. The Governing Council will assess the outcome of the investigation phase in the autumn of 2023 and will decide, on the basis of this assessment, whether or not to move on to a next phase". The second and third progress reports are available [here](#) and [here](#).

[European Commission](#)

Financial services contracts concluded at a distance

The European Commission published a proposal on 11 May 2022 for a revised directive amending Directive 2011/83/EU concerning financial services contracts concluded at a distance and repealing Directive 2002/65/EC (Directive on Distance Marketing of Financial Services). The proposal aims to amend the 2011 Consumer Rights Directive and repeal the 2002 Distance Marketing of Consumer Financial Services Directive. More information on the proposal, including the proposed changes and the progress through the EU institutions, is available [here](#).

Update on protected disclosures

Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law was transposed into Irish law via the Protected Disclosures (Amendment) Act 2022 (the 2022 Act). The 2022 Act commenced on 1 January 2023. Firms, including credit unions, are required to comply with the provisions of the 2022 Act. The Department of Public Expenditure and Reform has published a document containing the details of the key changes of which firms should be aware. Further information from the Department of Public Expenditure and Reform regarding the legislation can be found [here](#). Information is also available on the Central Bank's website on protected disclosures including whistleblowing and infringement reports [here](#).



Ireland Safe Deposit Box, Bank and Payment Accounts Register (ISBAR)

The Central Bank continues to work with key stakeholders in relation to the establishment of a Bank Account and Safe Deposit Box Register, pursuant to Article 32a of the Fifth EU Anti-Money Laundering Directive ((EU) 2018/843) (5AMLD). Regulations published in February 2022 (S.I. 46 of 2022) provide the Central Bank with the power to establish and operate the Ireland Safe Deposit Box, Bank and Payment Account Register (ISBAR).

The Central Bank formally notified all in-scope credit institutions of their ISBAR reporting obligations in February 2023. Credit institutions commenced providing information to ISBAR from 1 March. The filing window for the credit union sector closed on **7 April 2023**. Credit institutions will commence weekly filing (as applicable) as part of their ongoing reporting obligations. The Central Bank requests credit unions who are yet to file to do so immediately, as non-compliance will delay the operation of the register for use by designated competent authorities. The Central Bank will actively engage with any credit unions who have not filed to ensure legislative compliance in line with timelines agreed with the Department of Finance, and to enable access to ISBAR in line with timelines agreed with designated competent authorities.

From May 2023, appropriately authorised individuals within the Financial Intelligence Unit of An Garda Síochána (AGS) will be permitted to search ISBAR further to the applicable legislation. New regulations published in December 2022 (S.I. 704 of 2022) and February 2023 (S.I. 22 of 2023), will extend ISBAR access to appropriately authorised individuals in the Revenue Commissioners, AGS and the Criminal Assets Bureau (CAB) respectively.

Further information and guidance materials can be found on the Central Bank's dedicated webpage - [here](#).

Beneficial Ownership Register of Certain Financial Vehicles

In November 2022, the Central Bank commenced collecting Beneficial Owner PPS numbers for the purpose of verifying information delivered to the Beneficial Ownership Register of Certain Financial Vehicles (the Register). A deadline for submission via an updated Beneficial Ownership Information Return template was provided. This deadline passed on 7 December 2022. Compliance by the credit union sector fell significantly from a position of 100% prior to the collection of Beneficial Owner PPS numbers (October 2022) to 45% as of 31 December 2022. In January 2023, a reminder was issued to credit unions who had not attempted to file the return using the updated template. Following the reminder, compliance by the sector increased from 45% to 71% (as of mid-April). The compliance rate by credit unions remains a matter of concern for the Central Bank, and further engagement will be necessary to achieve full compliance by the sector with their statutory reporting obligations for the Register.

Further information and guidance materials can be found on the Central Bank's dedicated webpage - [here](#).

Operational resilience

The Central Bank's [Cross Industry Guidance on Operational Resilience](#) (Guidance) comes into effect in December 2023. Firms are expected to be actively and promptly addressing operational resilience vulnerabilities and be in a position to evidence actions / plans to apply the Guidance by this date.

Overall, the majority of sectors are still at a relatively early stage in their journey to become operationally resilient. However, at this point in time, firms should have their operational resilience governance structures in place, have set the criteria for identifying their critical or important business services (CIBS) and have begun setting impact tolerances for each identified CIBS.

From engagement across the credit union sector, the majority of credit unions have made progress and are building out their Operational Resilience Frameworks with many having formalised plans in place to implement the Guidance. A concern still remains in relation to firms that have not begun to identify their CIBS or evidenced an appropriate shift in their mind-set towards viewing operational resilience through the business services lens.

Operational risk

Credit unions are reminded that the Central Bank has already made guidance available to credit unions on operational risk and, more broadly, on risk management and compliance in the [Operational Risk](#) and [Risk Management and Compliance](#) chapters of the Credit Union Handbook. Credit unions should also refer to the Registry's [Thematic Review of Risk Management Maturity](#) report as a useful resource.





Credit unions authorised as Retail Intermediaries

If your credit union is also regulated as a Retail Intermediary, then the Retail Intermediaries supervision area of Central Bank's Consumer Protection Directorate will be in contact with you shortly. A Retail Intermediary includes, among other things, an Insurance Intermediary registered under the European Union (Insurance Distribution) Regulations 2018 (IDR) and an Investment Business Firm (Investment Intermediary) authorised under the Investment Intermediaries Act 1995 (IIA). The purpose of this engagement will be:

- to remind the credit union of the legislative and regulatory requirements of holding such an authorisation/registration; and
- to remind the credit union to review its activities in order to determine if the credit union still requires any such authorisation / registration.

Where the credit union's activities require it to maintain an authorisation / registration as a Retail Intermediary, the credit union will, where relevant, be required to submit a copy of its professional indemnity insurance in line with the IDR and, going forward, to complete and submit an Annual On-line Return (separate to the credit union prudential Annual Return), in relation to its Retail Intermediary activities. Where a credit union determines that it no longer needs to retain its authorisation / registration as a Retail Intermediary, this communication will sign-post the credit union to information on the Central Bank's website on how to voluntarily revoke this authorisation / registration.

Queries on this matter can be directed to brokers@centralbank.ie.

Definition of approved housing body and Tier 3

Approved Housing Body

In April 2023, the Registry of Credit Unions wrote to the Chair of the board of directors of all credit unions on the definitions of "approved housing body" and "Tier 3 Approved Housing Body" under the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 (the 2016 Regulations). In light of significant developments in the registration and regulation of AHBs under the Housing (Regulation of Approved Housing Bodies) Act 2019, the Credit Union Development Association brought to our attention that the current definitions for "approved housing body" and "Tier 3 Approved Housing Body" – relevant to permitted categories of lending and investment classes under the 2016 Regulations – are no longer appropriate. The Central Bank has considered the matter and intends to formally address the position at the earliest appropriate juncture by amending the 2016 Regulations. In the meantime, we have updated the Guidance section of the [Investments](#) and [Lending](#) chapters of the Credit Union Handbook to provide clarification on how the references to approved housing body in the definitions can be read.

Member Personal Current Account Services

The Registry of Credit Unions is currently considering changes to Member Personal Current Account Services (MPCAS) approvals to allow credit unions to provide MPCAS-equivalent services to a member that is a small and medium enterprise (SME) or a charity, club or society. We expect to contact MPCAS-approved credit unions on this shortly. To date, 81 credit unions have been approved to provide MPCAS. In the event that changes are made to MPCAS, we will update the relevant webpages on the Credit Unions section of the Central Bank website, i.e. the '[Applying for Approvals](#)' webpage.

Peer Review

Under legislation, the Central Bank is required to arrange for a peer review of the performance of its regulatory functions (peer review) at least every four years. In this regard, it is anticipated that a peer review of our regulatory functions with respect to credit unions will commence later this month. The International Credit Union Regulators' Network (ICURN) has agreed to carry out the peer review which will assess the Central Bank's performance against ICURN's Guiding Principles for (1) Effective Supervision of Financial Cooperative Institutions and (2) Enhancing Governance of Cooperative Financial Institutions.

As part of the peer review, the ICURN peer review team will, among other things, meet with some individual credit unions and credit union stakeholders including the Department of Finance, the Credit Union Advisory Committee and credit union representative bodies.



Individual Accountability Framework

Following enactment of the Central Bank (Individual Accountability Framework) Bill 2022 on 9 March 2023, the Central Bank has launched a [three-month consultation](#) on key aspects of the implementation of the Individual Accountability Framework (IAF), including the publication of draft [regulations](#) and [guidance](#).

The draft regulations and guidance seek to provide clarity in terms of the Central Bank's expectations for the implementation of three aspects of the framework: the Senior Executive Accountability Regime (SEAR), the Conduct Standards and certain aspects of the enhancements to the Fitness & Probity (F&P) Regime.

The new framework will underpin sound governance across the financial sector. It will achieve this by setting out clearly the good practices expected of firms and role-holders and their accountability. The framework provides clarity as to standards that must be met by firms and individuals. The Central Bank's approach to implementation of the framework will be founded on the principles of proportionality, predictability and reasonable expectations, underpinned by effective enforcement. The IAF includes the following key elements:

- **Senior Executive Accountability Regime (SEAR):** This will require in-scope firms to set out clearly and fully where responsibility and decision-making lie within the firm's senior management. **Credit unions are not in scope of SEAR.**
- **Conduct Standards:** Common Conduct Standards are basic standards such as acting with honesty and integrity, with due skill, care and diligence, and in the best interest of customers, and will apply to Controlled Function (CF) role holders in all regulated firms, including credit unions. Pre-Approval Controlled Function (PCF) role holders and CF1s will also have Additional Conduct Standards related to running the part of the business for which they are responsible. The Additional Conduct Standards will apply to PCF and CF1 role holders in all regulated firms, including credit unions.
- **Enhancements to the current Fitness and Probity Regime:** This will include clarifying firms' obligations to proactively certify that individuals carrying out certain specified functions are fit and proper.
- **Amendments to the Administrative Sanctions Procedure (ASP):** A key change will be the Central Bank's ability to take enforcement action under the ASP directly against individuals for breaches of their obligations rather than only for their participation in breaches committed by a firm.

Enhancements to our Fitness & Probity investigation, suspension and prohibition processes will be the subject of separate regulations and guidance which were published on 20 April 2023 post the underlying legal provisions being brought into effect. As part of the Central Bank's phased plan, we will launch a second consultation in respect of changes to our ASP later this year.

CP153 - Enhanced governance, performance and accountability in financial services Regulation and Guidance under the Central Bank (Individual Accountability Framework) Act 2023

To ensure a focus by firms on high quality implementation of the framework, the following implementation period is proposed:

- Conduct Standards including accountability of senior individuals for running their parts of the business effectively to apply from 31 December 2023;
- Fitness & Probity Regime - certification and inclusion of holding companies to apply from 31 December 2023;
- Regulations prescribing responsibilities of different roles and requirements on firms to clearly set out allocation of those responsibilities and decision making to apply to in-scope firms from 1 July 2024.

In [CP153](#), the Central Bank is seeking stakeholders' views on the proposed approach as set out in the Consultation Paper itself, and on the draft Regulations and the draft IAF Guidance, which are attached as Annexes. The consultation will remain open for 3 months from 13 March to 13 June 2023.

The Central Bank invites feedback on consultation paper CP153 from interested stakeholders, including credit unions.

F&P investigative powers

The Central Bank (Individual Accountability Framework) Act 2023 also contains an amendment to section 25 of the Central Bank Reform Act, 2010 (2010 Act) to allow an investigation be brought under section 25 of the 2010 Act in respect of a person who has performed a controlled function in a regulated financial services provider or holding company within the period six years immediately preceding the commencement date of the investigation.



Central Credit Register- update

Over the last twelve months the Central Credit Register provided three information sessions (June and October 2022 and January 2023) for the credit union sector to promote an awareness of data quality and the procedures in place to ensure that any information that is inaccurate, incomplete, or out of date is remedied. Over 500 credit union staff attended the sessions, and the slide decks have been shared with credit union representative bodies. Following the delivery of information sessions, the majority of credit union submissions appear to have come more in line with the Credit Reporting Agent (CRA) requirements. Further sessions will be considered later in the year, if there is sufficient demand.

In the meantime, relevant credit union staff are encouraged to familiarise themselves with the [CCR Handbook](#) and the guidance available in the Lender Area of [centralcreditregister.ie](#).

It is important that the credit union's single point of contact (SPOC) details are up to date, as Credit Information Providers' (CIP) circulars are distributed to the nominated SPOC only. Circulars contain important Central Credit Register updates, invitations for feedback, etc. If you need to update your SPOC details, please complete the "Contact Details Form" available on the Service Management tab of the CCR Handbook section of the [Lender Area](#) of the website.

To access the Lender Area of the website you must have first registered for access by completing [this form](#) and have your CIP Provider Code and CIP Registration Number. Once registered for the Lender Area of the website you can login with the email and password credentials you provided. If you have lost, or do not have the CIP Provider Code and CIP Registration Number, you can contact us via [this web form](#).

CIP Circular 01/23, which issued on 26 January 2023, provided an updated roadmap of changes scheduled for the Central Credit Register. The roadmap included the Validation Rule – Identification Number, Guarantor Data, Breakdown of Product Type, CIP Self-Service Portal, CIP Self-Service Deletions and PPSN Checker. The Central Credit Register has issued additional circulars this year in relation to Guarantor Data (03/23), Validation Rule – Identification Number (04/23) and Breakdown of Product Type (05/23). All circulars are available in the CIP Circular section of the Lender Area of [centralcreditregister.ie](#). The implementation of the Central Credit Register Change Roadmap is dependent on the Central Credit Register's completion of the scoping of each change and, in this regard, CIP feedback will be invited during the scoping of each individual change. Communications on each change will be issued as outlined in the Roadmap by way of a CIP Circular. In the meantime, if you have any queries regarding the updated roadmap of changes for the Central Credit Register, please contact us at ccrfeedback@centralbank.ie.

Central Bank Publications

Credit unions can access Central Bank Economic Publications, the Governor's Blog and recent press releases on the [Central Bank website](#). These publications may, among other things, assist credit unions in strategy formulation and compilation of financial projections.

Publications:

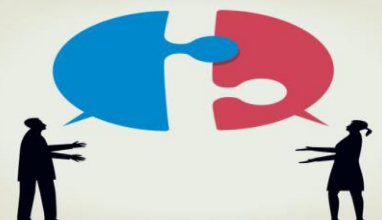
- [Financial Stability Review 2022 II](#) (November 2022)
- [Quarterly Bulletin Q1-2023](#) (March 2023)
- [Economic Research Bulletin\(2022\)](#)

Governor's Blog (since Issue 17 of *Credit Union News* (October 2022):

- [Non-banks: Learning from experience](#) (November 2022)
- [Protecting consumers in a high inflation environment](#) (January 2023)
- [Latest economic outlook](#) (April 2023)

Press releases:

- [Registrar of Credit Unions appointment](#) (November 2022)
- [Charting the course - leading financial services through complexity and change - Deputy Governor Sharon Donnelly](#) (November 2022)
- [Central Bank provides update on the financial condition of the Credit Union sector in latest report](#) (March 2023)





Contact Us

Central Bank Query

Central Bank Division

Central Bank Contact

Registry of Credit Unions

General day to day supervisory queries

Registry of Credit Unions (RCU)

Credit union supervisor / rcu@centralbank.ie

Queries for other Central Bank Divisions

[Website](#)

Anti-Money Laundering / Countering Terrorist Financing

Anti-Money Laundering Division

AMLpolicy@centralbank.ie

Financial Sanctions

Anti-Money Laundering Division

sanctions@centralbank.ie

Consumer Protection:

Consumer Protection Directorate

CPCOperations@centralbank.ie

Retail Intermediaries – Authorisation queries

riauthorisations@centralbank.ie

Retail Intermediaries – Supervision queries

brokers@centralbank.ie

Retail Intermediaries – Post authorisation queries

postauth@centralbank.ie

Deposit Guarantee Scheme

Deposit Guarantee Scheme team (Payments and Securities Settlements Division)

info@depositguarantee.ie

Fitness and Probity: Individual Questionnaire queries

Regulatory and Business Services Division

fitnessandprobity@centralbank.ie

Funding Levy

Financial Control Division

billing@centralbank.ie

Minimum Reserve Requirements:

Calculation of reserve requirements

Statistics Division

creditunion@centralbank.ie

Transfer of amounts to / from your account in the Central Bank

Euro-settlements team

eurosettlements@centralbank.ie

Confirming balances and meeting your reserve requirement

Financial Markets Division

modesk@centralbank.ie

Online Reporting queries

Regulatory & Business Services Division

onlinereturns@centralbank.ie

Recirculation of euro banknotes

Currency Management Division

CID.monitoring@centralbank.ie

Reporting Payment Statistics

Payments and Securities Settlements Division

paystats@centralbank.ie