

To Whom it may concern,

Please see my concerns on the funding of financial regulation outlined below.

The Consultation Paper makes it is clear that the Central Bank intends to progress the policy contained within the CP 61 in 2013 and the subsequent Feedback Statement i.e. to phase in 50% of the cost of regulating credit unions over a period of 5 years commencing in 2016. Currently the amount payable by credit unions is capped at 0.01% of their total assets and we believe this principle should be retained to recognize the societal benefit of credit unions. Furthermore as credit unions are not-for-profit financial co-operatives which redistribute any surplus available to their members an increase in the cost of regulation negatively impacts upon these members (who are of course taxpayers).

I also have concerns over the timing of the introduction of the proposed changes and the time period of the phasing in of the revised costs. Credit unions in the Republic of Ireland are already paying 5 levies as follows:

- ReBo Levy
- Stabilisation Scheme/Credit Union Fund Levy
- DGS Levy
- National Consumer Agency Levy
- Credit Institutions Levy

Some of these levies are timebound and we believe it would be fairer and more practical to wait until these levies cease before significantly increasing the levy due for the regulation of credit unions. Also in light of all the various levies being imposed upon credit unions a phasing in period of 10 years rather than 5 years would be more appropriate.

These costs, in addition to the significant additional costs associated with compliance with increased regulation in recent years, would be a significant additional burden to our Credit Union if imposed in the manner laid out.

Regards,

Lorraine Whitty (Chair & Director, Halston Street Credit Union)