



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



Credit Union Handbook

Anna Marie Finnegan

Credit Union Information Seminars: 2 – 11 July 2013



Contents

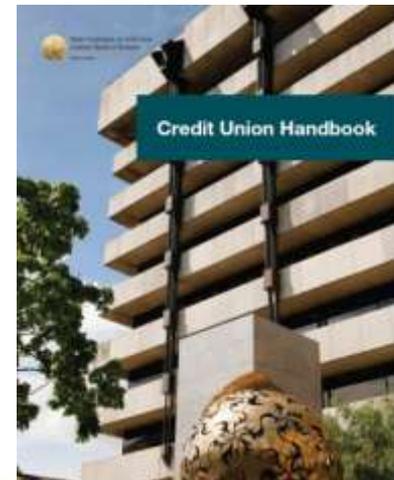
- Purpose of Credit Union Handbook
- Scope of Credit Union Handbook
- Structure of the Credit Union Handbook
- Contents of Credit Union Handbook Chapters
- Approach to guidance
- Feedback on Credit Union Handbook
- Introduction of the Credit Union Handbook

Note: These slides constitute a summary only of the topics presented upon. Reference should be made to the original materials in all cases.



Credit Union Handbook - Purpose

- The Credit Union Handbook is being introduced to support the introduction of the new regulatory framework which includes:
 - Fitness and Probity regime for credit unions
 - New governance and prudential requirements
- The Credit Union Handbook brings together a number legal and regulatory requirements and guidance that apply to credit unions in one place
- The scope of the Credit Union Handbook will include Chapters introducing new requirements and containing existing requirements along with a number of relevant appendices
- The Handbook will be updated as required e.g. to support the introduction of the Tiered Regulatory Approach





Credit Union Handbook - Scope

- Reflects legal and regulatory requirements and guidance that apply to credit unions arising from their registration as credit unions (as of 1 October 2013)
 - The Handbook refers to the following legislation:
 - the Credit Union Act, 1997
 - the Central Bank Reform Act 2010
 - European Communities (Consumer Credit Agreements) Regulations 2010
 - European Communities (Payment Services) Regulations 2009
 - the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010
 - 2012 Act amends the 1997 Act
-



Credit Union Handbook - Structure

- Chapters covering both new and existing requirements

<ul style="list-style-type: none">• Introductory sections	<ul style="list-style-type: none">• Introduction	<ul style="list-style-type: none">• Glossary• Legal Definitions
<ul style="list-style-type: none">• Requirements	<ul style="list-style-type: none">• Accounts and Audit• Additional Services• Anti-Money Laundering• Borrowing• Consumer Protection• Fitness and Probity• Governance• Internal Audit• Investments• Lending	<ul style="list-style-type: none">• Liquidity• Operational Risk• Outsourcing• Reserves• Risk Management and Compliance• Savings• Strategic Plan• Transfers of Engagements and Amalgamations
<ul style="list-style-type: none">• Appendices	<ul style="list-style-type: none">• Documentation required to be maintained pursuant to the 1997 Act• Enforcement	<ul style="list-style-type: none">• Appeals under the 1997 Act



Chapters – New Requirements

Fitness and Probity
Governance
Internal Audit
Operational Risk
Outsourcing
Risk Management and Compliance
Strategic Plan

- The new requirements contained in the Handbook arise from:
 - the introduction of the Fitness and Probity regime for credit unions (1 August 2013)
 - commencement of provisions inserted in 1997 Act by the 2012 Act(1 October 2013)



Chapters – Existing Requirements

Accounts and Audit

Additional Services

Anti-Money Laundering

Borrowing

Consumer Protection

Investments

Lending

Liquidity

Reserves

Savings

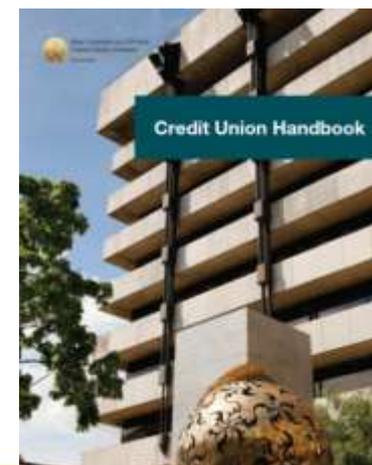
Transfers of Engagements and
Amalgamations

- Existing requirements include:
 - requirements applying to credit unions contained in the Credit Union Act, 1997
 - other requirements that apply to credit unions arising out of their authorisation as credit unions such as consumer protection and anti-money laundering requirements



Contents of the Credit Union Handbook Chapters

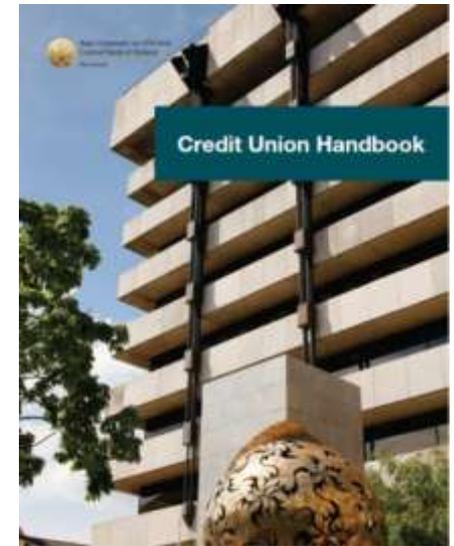
- Chapters of the Handbook may contain:
 - **Legislation -**
 - provisions of the Credit Union Act, 1997
 - provisions of statutory instruments specifically relating to credit unions
 - references to other primary legislation
 - references to Regulations that apply to other entities in addition to credit unions
 - Provisions of the Credit Union Act, 1997 are set out in a shaded box
 - **Central Bank Requirements**
 - Regulations, Codes , Standards or requirements
 - **Guidance**
 - Guidance issued by Central Bank





Approach to Guidance for New Requirements

- Handbook contains a number of new legal and regulatory requirements that will apply to credit unions
- Where appropriate we have included guidance on certain new requirements taking account of the detailed nature of the requirements set out in legislation
- Content of Handbook does not constitute legal advice
- Purpose of guidance to set out Central Bank's expectations for credit unions in meeting requirements





Feedback on Credit Union Handbook

- Sections of the Credit Union Handbook are being issued in draft
 - Taking feedback on draft guidance and implementation considerations
 - Feedback will support development of FAQs on implementation considerations
 - Feedback period 2-31 July
 - rcu@centralbank.ie
-



Credit Union Handbook - Timetable

June 2013	Brief informal consultation with representative bodies
1 July 2013	Credit Union Handbook issued in draft Available on Central Bank website
2 – 11 July 2013	Information Seminars
2 - 31 July 2013	Taking feedback on new guidance contained in the Handbook and queries on implementation
September 2013	Credit Union Handbook and FAQs on implementation of new requirements published