

Response to CP 106

Question 1:

Do you agree that persons carrying out a relevant function in respect of any retail financial product that falls within the scope of the MCC should obtain a minimum level of experience prior to working without supervision? Please outline the reasons for your view.

Slane Credit Union believes that the proposed experience requirement if applied to the staple of our business i.e. simple low value, low risk products, will mean an added administrative and bureaucratic burden while simultaneously adding little real benefit or value for our members. We further believe that our system of employee job placement, in an environment of simple product offerings, adequately meets the experience requirement for presently new employees (who are few). These are pursuing qualifications and work under strict supervision.

We fear that a requirement of six months' prior experience might prevent a credit union from diversifying or expanding its product offerings, i.e. to mortgage lending etc.

Question 2:

If you agree with 1) above, do you consider a minimum six-month period to be sufficient? Or should the length of experience depend on the role(s) being carried out, the complexity of the product or a qualification already held by a person? Please outline the reasons for your view.

We suggest that no additional experience requirement be implemented.

Question 3:

Do you agree with the proposal on how the experience requirement should be evidenced, i.e., that a regulated firm should sign a 'certificate of experience' and retain supporting documentation to support the certificate? Please outline your views.

As outlined above our employees are engaged in training at diploma level accredited by UCC to engage a regulated firm to sign off and retain records is in our view an extra bureaucratic layer and unnecessary. This statement of has course relates to situation where staff are engaged in training and CPD. The costs involved in such a scheme could not be seen as value for money.

Question 4:

Do you agree with the proposal set out above? Please set out the reasons for your view.

Within our structure operation and governance are separated by legislation. Where a product is complex or of high value we believe the suggestion that a person with MCC qualification on product development, has merit. However, because of our structure this function must be performed by staff at an executive level. The need for a board member to have MCC qualification would be an unnecessary imposition on volunteer, non-remunerated non-executive directors.

Question 5:

What alternative ways could persons demonstrate meeting the competencies and standards set out in the Mortgage Credit Regulations and the requirements of the ESA Guidelines and MiFID II Delegated Directive?
Completion of relevant training programmes or membership of a CPD Scheme.

We believe that the lack of an adequate grandfathering scheme, which was provided to other sectors, is discriminatory and onerous. It should be adapted to reflect and be *“proportionate to the nature, scale and complexity of the credit union sector”*. To transition credit unions to a full MCC for their core products without adequate grandfathering arrangements is unreasonable. We believe a phasing regime should be considered. With all the added change in regulation including fitness and probity and CP88 we *question* the timing of adding significant regulatory changes.

Question 6:

Do you agree that the MCC should apply to credit unions in respect of any retail financial product offered by credit unions that falls within the scope of MCC? Please set out the reasons for your views.

Our business is based on high ethical standards geared to service to and for our members while adhering to the Credit Union principles. We hope adequate consideration on the application of MCC, to retail financial product, will apply to credit unions who are being affected for the first time. We also hope that transition arrangements offered to other sectors will be mirrored in arrangements for Credit Unions.

We are concerned that our members' shares may be defined as term deposits thus falling within an additional investment product category of MCC. Nothing about this was signposted to credit unions, nor discussed.

Question 7:

If you agree, what do you consider to be an appropriate timeline for its application? Please set out the reasons for your views.

Between four and Ten years.

We suggest that the Central Bank of Ireland recognise the qualifications obtained, in the past number of years, such as The Pathways Diploma in Credit Union Operations and Advanced Certificate in Credit Union Practice, approved by the Central Bank, as a qualification meeting the MCC requirement for credit unions in 2012

Credit Unions are not for profit entities with board members who are non-executive, voluntary and community based therefore it is hard to see how rules formulated/set for professional executive boards can easily export to Credit Unions. Credit union board members are CUCF-1's and the chair is a CUPCF 1 and, therefore, subject to fitness, probity and competency. We believe that this should be seen as already meeting the aims of this requirement.

We do not believe that the non-executive boards of credit unions should fall under an MCC regime.

Question 8:

What other means do you consider to be appropriate for members of the board of a mortgage credit intermediary to meet the competencies specified in Schedule 1 of the Mortgage Credit Regulations and evidence that those competencies are met?

We do not believe that the boards of credit unions should come under a staff focussed MCC regime. However, we suggest that current membership of a recognised CPD scheme indicates that board members are up to date on their regulatory obligations.

Question 9:

What qualifications do you consider to be suitable in order to carry out reinsurance distribution activities?

We know of no Credit Unions engaged in this activity so have no suggestions.