



STATUTORY INSTRUMENTS.

**S.I. No. 655 of 2024**

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CREDIT UNION ACT 1997 (REGULATORY REQUIREMENTS)  
(AMENDMENT) (NO. 2) REGULATIONS 2024

CREDIT UNION ACT 1997 (REGULATORY REQUIREMENTS)  
(AMENDMENT) (NO. 2) REGULATIONS 2024

In exercise of the powers conferred on the Central Bank of Ireland (the “Bank”) by section 182A of the Credit Union Act 1997 (No. 15 of 1997) (the “Act”), the Bank, having consulted the Minister for Finance, the Credit Union Advisory Committee and other bodies that appear to the Bank to have expertise or knowledge of credit unions generally and that the Bank considers appropriate to consult in the circumstances, hereby makes the following regulations:

1. These Regulations may be cited as the Credit Union Act 1997 (Regulatory Requirements) (Amendment) (No. 2) Regulations 2024.

2. In these Regulations “Principal Regulations” means the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 (S.I. No. 1 of 2016).

3. These Regulations commence on 1 January 2025.

4. Regulation 2 of the Principal Regulations is amended by inserting the following definitions:

“credit transfer” means a payment service for crediting a payee’s account with a payment transaction or a series of payment transactions, from a member’s share account, deposit account, budget account or current account by the credit union which holds the member’s account, based on an instruction given by the member;

‘current account’ means an account held by a member or members with the credit union that is used primarily for the execution of day-to-day payment transactions and in respect of which members holding the account may use an ATM card, payment card or similar device and payment card or similar device having ATM functionality;

‘direct debit’ means a payment service for debiting a member’s share account, deposit account, budget account or current account, where a payment transaction is initiated by the payee on the basis of the consent given by the member to the payee, to the payee’s payment service provider or to the member’s payment service provider;

‘money remittance’ means a service where funds are received by the credit union from a member, for the sole purpose of transferring a corresponding amount to a third party or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee;

‘payment service provider’ means a person referred to in Regulation 6(1) of the European Union (Payment Services) Regulations 2018 (S.I. No. 6 of 2018);

‘payment transaction’ means an act, initiated by a member or on the member’s behalf, as the payer, or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee including transactions which may take place in respect of, but not limited to the following payment services:

- (a) services enabling cash to be placed on a current account as well as all the operations required for operating a current account;
- (b) services enabling cash withdrawals from a current account as well as all the operations required for operating a current account;
- (c) execution of transactions comprising transfers of funds on a current account with the member’s credit union or with another payment service provider, including:
  - (i) execution of direct debits, including one-off direct debits;
  - (ii) execution of transactions through a payment card or a similar device; or
  - (iii) execution of credit transfers, including standing orders;
- (d) execution of transactions where the funds are covered by a credit line for the credit union member, including:
  - (i) execution of direct debits, including one-off direct debits;
  - (ii) execution of transactions through a payment card or a similar device; or
  - (iii) execution of credit transfers, including standing orders;
- (e) issuing of payment instruments in the form of payment cards and similar devices;”.

5. Regulation 48 of the Principal Regulations is amended by inserting the following paragraphs after paragraph (2):

“(3) Subject to the conditions specified in Schedule 2 to these Regulations and any other requirements that apply under financial services legislation, a credit union may charge fees and receive commission in relation to the provision of services specified in Schedule 2 to these Regulations.

(4) Where a credit union receives fee or commission income in relation to the provision of services specified in Schedule 2 to these Regulations, the credit union shall account separately in its books for any such fees and commissions received in relation to the provision of the individual service.

(5) The provision of any of the services specified in Schedule 2 to these Regulations is without prejudice to the application of any other legal or regulatory requirements that a credit union must comply with when providing the service in question, including any requirements relating to authorisation or license from, or registration with, the Bank or other authority.

(6) Where a credit union refers, or introduces, a member to another regulated financial service provider, acts in the capacity of agent for another regulated financial service provider or provides intermediation services in accordance with relevant services specified in Schedule 2 to these Regulations, it shall ensure that the relevant third party financial service provider has any necessary authorisation or license from, or registration with, the Bank or other authority to provide the relevant services.”

6. The Principal Regulations are amended by substituting for paragraphs 1 to 22 of Schedule 2 the following:

**“1. Certain payment services**, that is to say any service which may be provided by a credit union whereby a member may instruct the member’s credit union to transfer funds on the member’s share account, deposit account or budget account through —

- (a) execution of direct debits, including one-off direct debits, or
- (b) execution of credit transfers, including standing orders,

and which shall not include debit card or credit card services.

**2. Current account services**, that is to say services which a credit union may provide to its members, from 1 April 2025, whereby a credit union member avails of a euro-denominated current account provided by the credit union subject to the following conditions:

- (a) at least 30 days before it intends to make current account services available to members, the credit union submits a notification to the Bank in a form to be published by the Bank on its website from time to time;
- (b) services are provided to —
  - (i) members in their personal capacity as personal current accounts only,
  - (ii) members in their capacity as a charity, club or society for purposes relating to the activities of the charity, club, or society only, or
  - (iii) members in their capacity as a micro, small or medium-sized enterprise within the meaning of Commission Recommendation 2003/361/EC for purposes related to the business activities of the enterprise only;
- (c) interest, including surcharge interest, on an overdraft facility does not at any time exceed the maximum interest rate that may be charged by a credit union on loans made to its members pursuant to section 38 of the Act;
- (d) the credit union accounts separately in its books for all such transactions;

- (e) the credit union safeguards any transaction funds not yet credited to a member's account or transferred to another payment service provider from any claim, right or recourse of a liquidator, administrator or examiner of the credit union;
- (f) the credit union holds a separate operational risk reserve in respect of its current account services which —
  - (i) is distinct and in addition to the reserves that the credit union is required to hold under Regulation 4 of these Regulations and other operational risk reserves held by the credit union, and
  - (ii) has the characteristics set out in Regulation 3 of these Regulations;
- (g) the credit union ensures, by means of putting in place and maintaining adequate insurance cover, that 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 current account services; and
- (h) in the event of any major difficulty, failure or delay affecting the service or the provision of the services (or any part thereof), the credit union shall, as soon as it becomes aware thereof, notify the Bank immediately, advising it of such difficulty, failure or delay and the nature, extent, effect and likely duration of the circumstances, and shall use its best endeavours to minimise the effect of such circumstances including the making of any alternative arrangements which may be practicable and shall after the cessation of any such circumstances, notify the Bank.

**3. Bill payment services**, that is to say a service by which a credit union member may have a utility or other household bill paid by the credit union, either by debiting the member's account or by using cash supplied by the credit union member.

**4. Budget account**, that is to say a service by which the credit union may agree to provide members with a budget account, on which a credit facility may be offered, and into which a member pays agreed regular sums and from which the credit union will discharge, on the member's behalf, a list of bills agreed with the member as and when they fall due, subject to the following conditions:

- (a) terms and conditions in respect of this service are agreed by the credit union and the member, including —
  - (i) the provision of the credit facility to the member, where one is offered as part of this service,
  - (ii) the interest rate or rates on any credit facility,

- (iii) where a credit facility is offered as part of this service, a requirement for the member to pay off the credit facility at least once in every 12 month period, and
- (iv) any fees and charges that apply;
- (b) where a credit facility is offered as part of this service, it is reasonable and proportionate and in place only for the purpose of managing the level of payments to be made by a member in respect of relevant bills over a defined period; and
- (c) the credit union accounts separately in its books for all such transactions.

**5. Money remittance service**, that is to say a money remittance service the credit union may provide to its members, subject to the following conditions:

- (a) this service is provided on an agency basis;
- (b) the credit union is indemnified for the provision of this service under an insurance policy in accordance with section 47 of the Act;
- (c) the credit union charges the members any expenses incurred for the provision of these services; and
- (d) the credit union accounts separately in its books for all such transactions.

**6. Automated teller machine services (ATMs)**, that is to say a service which enables a credit union member to withdraw funds from the member's credit union account by means of a credit union branded ATM card, subject to the following conditions:

- (a) the terms and conditions of use of such a card are agreed by the credit union and the member; and
- (b) the member completes a registration or application form prior to the issue of the card.

**7. Euro drafts and bureau de change**, that is to say a service the credit union may provide to its members whereby a credit union member may —

- (a) purchase euro drafts,
- (b) purchase foreign currency drafts, travellers cheques and travel money cards, or
- (c) purchase or sell foreign currency;

subject to the following conditions:

- (i) these services are provided on an agency basis;
- (ii) the credit union is indemnified for the provision of these services under an insurance policy in accordance with section 47 of the Act;

- (iii) the credit union charges members availing of these services any expenses incurred for the provision of these services; and
- (iv) the credit union accounts separately in its books for all such transactions.

**8. Gift cheques**, that is to say a service by which a credit union member may purchase a cheque made payable to a third party in return for payment of that amount, subject to the condition that the credit union accounts separately in its books for all such transactions.

**9. Savings stamps**, that is to say a service by which a credit union member may purchase savings stamps issued by the credit union, subject to the following conditions:

- (a) the credit union maintains systems and controls to ensure that the status of all savings stamps, issued by the credit union from 1 January 2025, is tracked by the credit union at all times and that up-to-date records are maintained by the credit union attributing the beneficial ownership of any such savings stamps purchased by a member to the member;
- (b) savings stamps purchased by a member are non-transferable between members; and
- (c) the credit union accounts separately in its books for all such transactions.

**10. Member prize draws**, that is to say a service under which the credit union carries out prize draws for which members are eligible to enter on payment of an entry fee or subscription, subject to the following conditions:

- (a) such draws are conducted on a break-even basis;
- (b) the credit union has a policy in place setting out the principles governing such draws which is reviewed by the board of directors as often as is necessary;
- (c) the credit union has documented operational procedures in place detailing the operation of such draws;
- (d) such draws operate in a clear and transparent manner with appropriate systems and controls in place;
- (e) members are only included in such draws where they have given their written consent for inclusion in advance of their inclusion in any such draw;
- (f) written consent is obtained from each member, in advance of their inclusion in any such draw, for the deduction of entry fees for such draws from a member's account with the credit union, and a record of this is maintained by the credit union;

- (g) the credit union documents clear terms and conditions, to be provided to participating members in advance of their participation in such draws;
- (h) the credit union notifies winning members in writing and without delay;
- (i) officers directly involved in the operation of such draws are excluded from participating in such draws;
- (j) an independent observer attends all such draws and the person operating the draw and the independent observer sign the results at the conclusion of each such draw;
- (k) the credit union's external auditor reviews, on an annual basis, all transactions in the prize draw;
- (l) the credit union accounts separately in its books for all transactions relating to the operation of such draws;
- (m) prize draw transactions and balances are reported separately in the credit union's annual accounts; and
- (n) the credit union maintains full and proper records relating to the operation of each such draw for a period of at least 6 years from a draw taking place or such longer period as may be required by law and in the case of records relating to member consent for inclusion in, or member withdrawal from participation in, such draws, a period of 6 years from a member's last participation in a draw to which the consent relates or 6 years from receipt by the credit union of the member's withdrawal respectively.

**11. Will making**, that is to say a service whereby the credit union may arrange for a solicitor to attend at the credit union's premises for the purpose of taking instructions and drawing up wills and other testamentary documents for credit union members, subject to the following conditions:

- (a) the credit union ensures that the solicitor concerned is a practising solicitor within the meaning of the Solicitors Act 1954; and
- (b) the credit union ensures that the solicitor concerned is one in respect of whom a policy of professional indemnity insurance under the Solicitors Act 1954 is in force in respect of such services.

**12. Electricity budget meter cards or tokens**, that is to say a service by which a credit union member may purchase electricity budget meter cards or tokens from the member's credit union to facilitate payment of the member's electricity expenses.

**13. Member insurance services**, that is to say any service the credit union may provide to its members in respect of each of the following categories of insurance:

- (a) loan protection insurance;

- (b) life savings insurance;
- (c) death benefit insurance;

including related riders, subject to the condition that the insurance contract is between the insurance undertaking and the credit union such that the credit union is the policy holder.

**14. Insurance intermediation services on an introduction basis only**, that is to say any service whereby a credit union member may be introduced by the credit union to an insurance intermediary or an insurance undertaking (hereinafter either intermediary or undertaking shall be referred to as “regulated entity”), for the purpose of obtaining insurance-related services (“services”), subject to the following conditions:

- (a) prior to introducing a credit union member to a regulated entity for the purpose of obtaining the services, the credit union has undertaken an assessment of the financial and other implications for the credit union of the provision of the services and has, on the basis of that assessment, determined that there is no undue risk to members’ savings;
- (b) the credit union ensures that adequate compensation is available to those 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 services;
- (c) the credit union ensures that no officer of the credit union receives remuneration directly or indirectly in respect of the services;
- (d) the credit union ensures that the services are on an introduction basis only, where the credit union introduces the member to the regulated entity and the credit union does not undertake insurance distribution as defined in Regulation 2 of the European Union (Insurance Distribution) Regulations 2018;
- (e) the credit union ensures that a clear distinction exists between the business of the credit union and that of the regulated entity;
- (f) the credit union ensures that any marketing material relating to the services clearly identifies the regulated entity providing the services to the member and this shall extend to all signage, stationery or other branding of whatever kind relating to the services; and
- (g) the credit union ensures that any contract arising from the provision by the credit union of the services is between the regulated entity and a credit union member and that the credit union is not party to any such contract.

**15. Other intermediation services**, that is to say:

- (a) any service for which the credit union holds an authorisation under or pursuant to the Investment Intermediaries Act 1995;
- (b) any service for which the credit union holds a registration under or pursuant to the European Union (Insurance Distribution) Regulations 2018;
- (c) any mortgage credit intermediary service within the meaning of the European Union (Consumer Mortgage Credit Agreements) Regulations 2016;
- (d) any mortgage intermediary service within the meaning of the Consumer Credit Act 1995, where the credit union is a mortgage lender within the meaning of the Consumer Credit Act 1995;
- (e) any mortgage intermediary service for which the credit union holds an authorisation as a mortgage intermediary within the meaning of the Consumer Credit Act 1995;
- (f) any service whereby a credit union arranges, or offers to arrange, for a mortgage lender as defined in the Consumer Credit Act 1995 to provide a credit union member with a housing loan as defined in the Consumer Credit Act 1995, or introduces a credit union member to an intermediary who arranges, or offers to arrange, for a mortgage lender to provide the credit union member with such a loan and where the credit union does not receive commission or some other form of consideration for that service; and
- (g) any service whereby a credit union is merely introducing, either directly or indirectly, a credit union member, to a creditor or credit intermediary as defined in the European Union (Consumer Mortgage Credit Agreements) Regulations 2016, and the credit union does not for remuneration undertake any of the activities referred to in Regulation 4(2) of the European Union (Consumer Mortgage Credit Agreements) Regulations 2016;

subject to the condition that at least 30 days before it intends to make any of the services described in paragraphs (c) and (d) available to members, the credit union submits a notification to the Bank, in a form to be published by the Bank on its website from time to time, to inform the Bank of the service it intends to provide and the date from which the credit union intends to make the service available to members.

**16. Group health insurance schemes**, that is to say a service by which a credit union may provide to its members a discount scheme with an undertaking, which is registered in the Register of Health Benefits Undertakings within the meaning of the Health Insurance Act 1994.

**17. Personal Retirement Savings Account (PRSA)**, that is to say any service whereby —

(a) a credit union member may be introduced to a PRSA Provider by the member's credit union for advice on the provision of a PRSA, or

(b) when such an introduction takes place, a credit union may make facilities at its premises available to a PRSA Provider to enable it to provide such advice,

subject to the following conditions:

- (i) the service is on an introduction basis only, where the credit union introduces the member to a PRSA Provider with which it has entered into an arrangement for this purpose, and the credit union does not provide any advice to a member in relation to a PRSA;
- (ii) a credit union intending to enter into an arrangement with a PRSA Provider notifies the Bank in writing of such intention not less than 7 days before entering into such an arrangement;
- (iii) the credit union only has such an arrangement with one PRSA Provider at any one time in relation to the service;
- (iv) any contract arising from the service is between the PRSA Provider referred to in subparagraph (iii) ("contracting PRSA Provider") and a credit union member, and the credit union concerned is not a party to any such contract;
- (v) the credit union does not permit its premises to be used for the purposes of arranging or offering to arrange the provision of a PRSA to a member of the credit union by a PRSA Provider other than the contracting PRSA Provider;
- (vi) the credit union ensures that a clear distinction is drawn between the business of the credit union and that of the contracting PRSA Provider and this shall extend to all signage, stationery or other branding of whatever kind;
- (vii) the credit union states on its letterhead and business forms which are used for the purposes of the service that the credit union acts as an introducer solely for the contracting PRSA Provider; and
- (viii) the credit union ensures that no officer of the credit union receives remuneration directly or indirectly from the contracting PRSA Provider in respect of the service."

7. The revocation, amendment or substitution of any enactment, or part of enactment, by these Regulations —

- (a) shall not affect any direction given by the Bank, any investigation or any disciplinary, sanctioning or enforcement action undertaken by the Bank or by any other person, in respect of any matter in existence at, or before, the time of the revocation, amendment or substitution, and
- (b) shall not preclude the taking of any legal proceedings, or the undertaking of any investigation, or disciplinary, sanctioning or enforcement action by the Bank or any other person, in respect of any contravention of an enactment (including anything revoked, amended or substituted by these Regulations) or any misconduct which may have been committed before the time of the revocation, amendment or substitution.

Signed for and on behalf of the CENTRAL BANK OF IRELAND

25 November 2024

ELAINE BYRNE,  
Registrar of Credit Unions

#### EXPLANATORY NOTE

*(This note is not part of the Instrument and does not purport to be a legal interpretation.)*

The purpose of these Regulations is to amend the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 (S.I. No. 1 of 2016).

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