



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Addendum to the Minimum Competency Code (2017)

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Contents

MINIMUM COMPETENCY CODE (2017)	3
ADDENDUM FOR APPLICATION OF COMPETENCIES TO CREDIT UNION SERVICES..	3
INTRODUCTION.....	3
LEGAL BASIS	4
PART 1: AMENDMENTS TO THE MINIMUM COMPETENCY CODE 2017 ARISING FROM CP147	4
DEFINITIONS.....	4
THE MINIMUM COMPETENCY STANDARDS	4
TRANSITIONAL ARRANGEMENTS.....	5
PART 2: OTHER AMENDMENTS TO THE MINIMUM COMPETENCY CODE 2017	6
RECOGNISED QUALIFICATIONS.....	6

MINIMUM COMPETENCY CODE (2017)

ADDENDUM FOR APPLICATION OF COMPETENCIES TO CREDIT UNION SERVICES

INTRODUCTION

The Minimum Competency Code 2017 (MCC) and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Minimum Competency Regulations 2017 (MCR) (together the “Minimum Competency Standards”) currently apply to credit unions when:

- acting as retail intermediaries;
- providing mortgage credit agreements in line with the knowledge and competence requirements of the European Union (Consumer Mortgage Credit Agreements) Regulations 2016 ; and
- devising or creating mortgage credit products, advising on or arranging or offering to arrange mortgage credit products or carrying out a specified function in respect of such products.

On 19 January 2022, the Central Bank of Ireland (Central Bank) published a Consultation Paper ([CP147](#)) proposing to extend the scope of the application of the Minimum Competency Standards to all credit union activities that fall within scope of the MCC, such as lending and term deposits.

Following consideration of the responses received to that consultation the Central Bank is now amending the Minimum Competency Standards to apply to those services within scope of the Minimum Competency Standards that credit unions may provide.

The MCC is a component of the Central Bank’s fitness and probity regime. It applies to persons who are in controlled functions on a professional basis, the exercise of which includes at least one of the activities listed under Section 1.2 or Section 2.1 of the MCC. In order to implement this change to the MCC, the Central Bank will also:

- amend Schedule 1 of the Central Bank Reform Act 2010 (Sections 20 and 22 – Credit Unions) Regulations 2013 (S.I. No. 171 of 2013) by adding additional controlled functions to that Schedule;
- insert a new Schedule 1A and 2A into the Central Bank Reform Act 2010 (Sections 20 and 22 – Credit Unions) Regulations 2013 (S.I. No. 171 of 2013); and
- repeal the Central Bank Reform Act 2010 (Sections 20 and 22 – Credit Unions that are also authorised as Retail Intermediaries) Regulations 2015 (S.I. No. 97 of 2015).

This Addendum is effective 1 October 2024. Amendments to the Fitness & Probity Regime for credit unions are also effective from 1 October 2024.

LEGAL BASIS

Pursuant to Section 50 of the Central Bank Reform Act 2010, the Definitions section, Part 1 and Appendix 4 of the MCC are hereby amended as set out below:

PART 1: AMENDMENTS TO THE MINIMUM COMPETENCY CODE 2017 ARISING FROM CP147

DEFINITIONS

The ‘Definitions’ section of the MCC is hereby amended, by substituting for the definition of ‘controlled function’ the following definition:

‘controlled function’ means a function prescribed as a controlled function under either the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011 (S.I. No. 437 of 2011) or the Central Bank Reform Act 2010 (Sections 20 and 22 - Credit Unions) Regulations 2013 (S.I. No. 171 of 2013).

THE MINIMUM COMPETENCY STANDARDS

The following text in Section 1.3 of the MCC is hereby amended by substituting for the sentence “c) is availing of the transitional arrangements in respect of the functions to be exercised pursuant to Section 1.8 of the *Standards*, or” the following sentence:

“c) is availing of the transitional arrangements in respect of the functions to be exercised pursuant to Section 1.8, Section 1.8(A) or Section 1.8(B) of the *Standards*, or”

TRANSITIONAL ARRANGEMENTS

The following text is hereby added to Part 1 of the MCC after Section 1.8(A):

1.8(B) TRANSITIONAL ARRANGEMENTS FOR CREDIT UNIONS OTHER THAN WHEN:

- acting as retail intermediaries;
- providing mortgage credit agreements in line with the knowledge and competence requirements of the European Union (Consumer Mortgage Credit Agreements) Regulations 2016; and
- devising or creating mortgage credit products, advising on or arranging or offering to arrange mortgage credit products or carrying out a specified function in respect of such products.

A *person* exercising a controlled function on a professional basis on behalf of a credit union at 1 October 2024 in relation to credit union services, the exercise of which includes the following:

- providing *advice* or *information* in relation to a *retail financial product*;
- arranging or offering to arrange a *retail financial product*, including the restructuring or rescheduling of same;
- the exercise of a *specified function* in relation to a *retail financial product* that falls within Appendix 2,

who does not hold a *recognised qualification* in respect of that function may, until 1 October 2028, perform that function as if that *person* were a *qualified person* provided:

- a) The *person* is working towards obtaining a relevant *recognised qualification*. In this regard, the *person* must:
 - i) register for the first available sitting of the relevant examination which the *person* could reasonably be expected to sit, and should the *person* fail to pass

the examination on that occasion, each available sitting thereafter until the *person* obtains the qualification;

- ii) work towards obtaining examinations for the relevant qualification on a consistent and timely basis, until completion;
- iii) maintain a record of all examinations completed, results obtained and examinations scheduled for completion;

and

- b) the *person* obtains a relevant *recognised qualification* by 1 October 2028. A pro-rata adjustment to this timeframe may be applied in the same circumstances as outlined in Section 1.4(e)(ii) of this MCC in respect of *new entrants*.

PART 2: OTHER AMENDMENTS TO THE MINIMUM COMPETENCY CODE 2017

RECOGNISED QUALIFICATIONS

The Central Bank takes this opportunity to amend Appendix 4 of the MCC as follows:

Appendix 4: Recognised qualifications is amended by substituting all of the text prior to Part 1 of Appendix 4 for the following:

The qualifications listed in Part 1 (below) of Appendix 4 have been recognised in respect of the *retail financial products* and the *specified functions* associated with those *retail financial products*, except in the case of specified function 3 “providing *debt management services*, as defined in Part V of the Central Bank Act 1997.” (For example, the qualifications listed in respect of advising on or arranging life assurance are also recognised in respect of specified functions relating to life assurance, such as assisting consumers in the making of a claim under contracts of life assurance).

In addition to the qualifications set out in Part 1 a number of other qualifications have been recognised in respect of the specified functions, arranging amendments to life

assurance policies and credit unions acting as insurance intermediaries. These additional qualifications are set out below in Part 2.

Part 3 sets out the qualifications which have been recognised in respect of specified function 3 “providing *debt management services*, as defined in Part V of the Central Bank Act 1997”.

Additional qualifications may be recognised in line with the requirements of this Code. The most up to date list of qualifications is available on the Central Bank website at <https://www.centralbank.ie/regulation/how-we-regulate/authorisation/minimum-competency/qualifications>.

The table of qualifications in Part 2 relating to specified functions is amended by deleting from row 3 reference to Specified function 3 “providing debt management services, as defined in Part V of the Central Bank Act 1997” and inserting a new Part 3 after Part 2 as follows:

“PART 3 – This Part 3 sets out the qualifications which have been recognised in respect of specified function 3 “providing debt management services, as defined in Part V of the Central Bank Act 1997”

Providing <i>debt management services</i> , as defined in Part V of the Central Bank Act 1997	• Accredited Product Adviser (Debt Management Services) (Institute of Banking School of Professional Finance, LIA and The Insurance Institute of Ireland). • Accredited Product Professional (Debt Management Services) (National College of Ireland)
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The table of qualifications in Part 1 of Appendix 4 has been amended to add the following qualifications in respect of retail financial products and the specified functions associated with those retail financial products. These qualifications will be recognised with effect from 1 October 2024.

Category 3 - Savings and Investments:

- Accredited Financial Practitioner (National College of Ireland and Irish League of Credit Unions)

Category 4 - Personal General Insurance:

- Accredited Practitioner (Personal General Insurance) (National College of Ireland and Irish League of Credit Unions)
- Accredited Financial Practitioner (National College of Ireland and Irish League of Credit Unions)

Category 7 - Mortgage Credit Agreements, Housing Loans, Home Reversion Agreements and Associated Insurances:

- Accredited Financial Practitioner (National College of Ireland and Irish League of Credit Unions)
- Accredited Practitioner (Loans) (National College of Ireland and Irish League of Credit Unions)

Category 8 - Consumer Credit and Associated Insurances:

- Accredited Financial Practitioner (National College of Ireland and Irish League of Credit Unions)
- Accredited Practitioner (Loans) (National College of Ireland and Irish League of Credit Unions)



T: +353 (0)1 224 6000
E: competency@centralbank.ie
www.centralbank.ie



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