



STATUTORY INSTRUMENTS.

S.I. No. 515 of 2010



CREDIT UNION ACT 1997 (SECTION 85) RULES 2010

(Prn. A10/1596)

CREDIT UNION ACT 1997 (SECTION 85) RULES 2010

The Central Bank of Ireland in exercise of the powers set out in Section 85 of the Credit Union Act 1997 (No. 15 of 1997), hereby makes the following rules:

1. These Rules may be cited as the Credit Union Act 1997 (Section 85) Rules 2010.

2. (a) In these Rules, the following terms shall carry the following meanings:

“the Act” means the Credit Union Act, 1997;

“Bank” means the Central Bank of Ireland;

“liquid assets” means cash, and investments having no more than three months to maturity, excluding any assets held in the minimum reserve deposit account, or such other assets as may be specified from time to time by the Registrar of Credit Unions by notice in writing for the purposes of Section 85 of the Act, and “assets in liquid form” shall be construed accordingly;

“Liquidity Ratio” means the total amount of liquid assets of a credit union expressed as a percentage of its unattached savings;

“minimum reserve deposit account” means the account that the credit union must hold with the Bank in accordance with Regulation (EC) No. 1745/2003 of the European Central Bank of 12 September 2003 on the application of minimum reserves, as that framework may be applied and amended from time to time;

“unattached savings” means the total amount of members’ funds, however described in the records of the credit union, which are not attached to loans or otherwise pledged as security and are withdrawable by members;

(b) For the purposes of Section 85 of the Act, the definition of ‘liquid assets’ in these Rules is a specification by the Bank by notice in writing.

(c) All words and phrases not defined in these Rules shall carry the same meaning as in the Act.

Liquidity requirements

3. A credit union must at all times keep a proportion of its total assets in liquid form so as to enable the credit union to meet its liabilities as they arise.

*Notice of the making of this Statutory Instrument was published in
“Iris Oifigiúil” of 5th November, 2010.*

4. A credit union must maintain at all times a Liquidity Ratio of at least 20 per cent.
5. (a) From time to time the Registrar may set out conditions on the application of these Rules with which credit unions must comply. Any such conditions may be published generally or may be communicated to individual credit unions.

(b) The Registrar may impose conditions on an individual credit union that are different to any conditions that have been published generally.

(c) All conditions published or communicated by the Registrar under paragraph (a) will be binding on a credit union.

Commencement

6. These Rules shall come into effect on the 1st day of November, 2010.

Signed for and on behalf of
THE CENTRAL BANK OF IRELAND,
29 October 2010.

JAMES O'BRIEN,
Registrar of Credit Unions.

EXPLANATORY NOTE

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

These Rules impose requirements on credit unions to keep a minimum amount of liquid assets to enable them to meet their liabilities as they arise.

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