



Credit Union regulatory landscape

Presentation to ACE Credit Union Services

Paul Williams

Mortgages & Mutuels Department

16 May 2015

This presentation will touch on:

- Credit Unions Pillar 1 supervisory assessment findings
- Updates on the Senior Managers Regime (SMR) and the rewrite of the Credit Unions sourcebook (CREDS)

Credit Unions Pillar 1 supervisory assessment

Trade bodies and credit union feedback –

- Positive feedback received on both the questionnaire and roadshows
- CUs see the benefits of the assessments and have used the feedback from them to improve areas such as business model, management, governance and culture

Pillar 1 supervisory assessment – high level findings

487 CUs have completed the questionnaire and from this we established:

- 99% told us regulatory developments are discussed at Board meetings
- 90% use management information
- 87% have a designated person in place who is responsible for compliance
- 67% have a growth strategy in place

Pillar 1 supervisory assessment – rule breaches

- 41% do not have a process for identifying conflicts of interests
- 37% do not have a formal segregation of duties policy
- 38% do not have arrangements for business continuity
- 36% do not have a documented system of control
- 21% do not have a business plan
- 9% do not have a complaint handling procedure in place
- 8% do not have a policy and procedures manual
- 7% do not have documented lending procedures.

Update on senior managers regime

- Treasury announced that new regime will start on 7 March 2016
- FCA published its Feedback Statement and consultation on 'Presumption of Responsibility' in March
- We will publish our final rules (which will include an example of a Firm Responsibilities Map) in late Spring/early Summer
- Our final rules will also detail how the transitional period will work (including the final version of the Grandfathering Notification form that firms will need to submit to transfer existing approved persons to the new regime.)

Update – rewrite of CREDS

- Propose to make it easier to understand and implement our rules and guidance
- Discussion paper in May
- Consultation paper to follow

Other work planned in the next six months

- Webcasts to be delivered on key topics for CUs to support our educational work with the sector
- FCA web pages are being reviewed with the intention to provide easily accessible and relevant credit union information
- We have announced our high level strategy; we are considering how this impacts our supervision of the sector

Support available for CUs

Reminder that support is available to CUs via our Contact Centre. You can contact us Monday to Friday, 9am to 5pm, on:

UK: 0300 500 0597

Or by:

Email: firm.queries@fca.org.uk



Questions?

