



Bill Digest

Credit Union Restructuring Board (Dissolution) Bill 2019

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Abstract

The [*Credit Union Restructuring Board \(Dissolution\) Bill 2019*](#) provides for the dissolution of the Credit Union Restructuring Board (ReBo) and transfers its remaining functions, property rights and liabilities to the Minister for Finance. It repeals those sections of the [*Credit Union and Co-operation with Overseas Regulators Act 2012*](#) which established ReBo and legislated for its restructuring powers and functions. It updates the relevant sections of the 2012 Act and [*Central Bank Act 1942*](#) to reflect that ReBo has been dissolved. This Digest also provides a background analysis of ReBo, why it was set up, its legislative context and how it achieved its purpose.

12 February 2019



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Glossary

Acronym	Explanation
ACOI	The Association of Compliance Officers
CUAC	Credit Union Advisory Committee
CUF	Credit Union Fund
FOI	Freedom of Information
HLBC	High level business case
ICLU	Irish League of Credit Unions
RCU	Registry of Credit Union
ReBo	Credit Union Restructuring Board
SPS	Savings Protection Scheme

Summary

The credit union movement began in Ireland over 50 years ago. Each credit union is owned by its members. The rationale behind credit unions is that the members save together and lend to each other. To be eligible to join an Irish credit union you must be within its common bond,¹ where members live and work in a specific location. In 2011 the Government established the Commission on Credit Unions to review the future of the credit union movement. The [Commission's Report](#) recognised the need for consolidation within the sector.

Following the [Credit Union and Co-operation with Overseas Regulators Act 2012](#), the **Credit Union Restructuring Board (ReBo)** was established in 2013. The purpose of ReBo was to oversee voluntary restructuring within the credit union movement with a €250 million fund. In 2017 the Minister for Finance agreed to dissolve ReBo following a [Final section 43 Review](#) which showed that it had completed its mandate, as set out under the 2012 Act. ReBo facilitated 82 restructuring projects involving 156 credit unions across 24 counties on a voluntary basis, totalling approximately €6 billion in assets.² This resulted in a 33% reduction in the number of credit unions operating in Ireland.³

The purpose of the current Bill is to provide for the dissolution of ReBo. It is a largely technical Bill with standard provisions in relation to the transfer of functions, powers, property and rights and liabilities. The Bill is divided into four parts:

1. Preliminary and General;
2. Dissolution of Credit Union Restructuring Board;
3. Amendments of the *Credit Union and Co-operation with Overseas Regulators Act 2012*;
4. Miscellaneous amendments.

A Bill tracker is available on the L&RS intranet and can be accessed [here](#).

¹ A common bond defines the area within which the credit union can operate. People living, working or going to school within the common bond are eligible to join the credit union. See [Capital Credit Union](#).

² Department of Finance (2017), "[Credit Union Restructuring Board-ReBo Final Section 43 Review](#)", p.26.

³ There are now 280 active credit unions in Ireland, compared to 419 active credit unions in 2008. Department of Finance (2017), "[Credit Union Restructuring Board-ReBo Final Section 43 Review](#)", p.27.

Summary of the Bill's provisions

Table 1 below summarises the provisions of the [Credit Union Restructuring Board \(Dissolution\) Bill 2019](#). Further discussion of key provisions of the Bill can be found in the Principal Provisions section of the Bill Digest.

Table 1: Provisions of the Credit Union Restructuring Board (Dissolution) Bill 2019

Section	Title	Effect
Part 1	Preliminary and General	
1.	Short title, commencement and collective citation	<p>This section of the Bill provides the short title of the Act. It provides that the Act will come into force by a commencement order of the Minister. The Minister may commence different sections of the Act at different times.</p> <p>It also provides that this Act and the <i>Credit Union Acts 1997 to 2018</i> may be cited together as the <i>Credit Union Acts 1997-2019</i>.</p> <p>This is a standard provision.</p>
2.	Interpretation	<p>This section defines various terms used within the Act.</p> <p>This is a standard provision.</p>
3.	Expenses	<p>This section provides that any expenses incurred by the Minister in the administration of this Act shall, to such extent as may be sanctioned by the Minister for Public Expenditure and Reform, be paid out of monies provided by the Oireachtas.</p> <p>This is a standard provision.</p>
4.	Repeal of provisions of the <i>Credit Union and Co-operation with Overseas Regulators Act 2012</i>	This repeals a significant number of the sections in the 2012 Act that deal with the establishment of ReBo and its functions and powers.
5.	Saver	This allows for regulations made by ReBo to continue in force after its dissolution.
Part 2	Dissolution of ReBo	
6.	Dissolution of ReBo	The Minister may appoint a day, by order, as the day on which ReBo is dissolved.
7.	Transfer of functions	Functions assigned to ReBo, such as the power to collect fees and disclosure of confidential information to the Central Bank shall be transferred to the Minister on dissolution day. Any references to ReBo's functions, in enactment or legislation, will be construed as references to the Minister.
8.	Transfer of property	All property (other than land) will be vested in the

		Minister from dissolution day. Every chose-in-action ⁴ may be sued on, recovered or enforced by the Minister from dissolution day.
9.	Transfer of rights and liabilities	All rights and liabilities of ReBo will be transferred to the Minister on dissolution day. These rights and liabilities may be sued on, recovered or enforced by or against The Minister.
10.	Liability for loss occurring	Liabilities can be pursued by or against the Minister. From the dissolution day, a claim for loss or injury will lie against the Minister. Any pending legal proceedings will continue by substituting the Minister for the dissolved body. Where a settlement was already agreed in respect of a claim, before the dissolution day, it will be enforceable against the Minister. Any claim of loss or injury can be sued for by the Minister.
11.	Consequent provisions upon transfer of property, functions, rights and liabilities	Anything commenced but not completed before dissolution day may be carried out by the Minister. Any instrument made under an enactment will continue to have effect after dissolution day as if granted by the Minister. References to ReBo in any memorandum or articles of association will be construed as references to the Minister. Any money, stock, shares or securities shall be transferred into the name of the Minister.
12.	Records	Each record held by the dissolved body shall be transferred to the Minister.
13.	Final accounts	After the dissolution day, the Minister will have the final accounts of ReBo prepared. They will be submitted to the Comptroller & Auditor General for audit. A copy of the accounts and the audit report will be presented to the Minister.
Part 3 Amendment of the 2012 Act		
14.	Amendment of section 47	This amendment substitutes a new provision which allows the Minister, rather than ReBo, to recover a contract debt owed to ReBo, in any court with jurisdiction.
15.	Amendment of section 48	This amendment substitutes a new provision which allows the Minister, rather than ReBo, to collect the ReBo levy.
16.	Amendment of section 50	This amendment substitutes the Minister for ReBo in relation to the exemption from the non-disclosure of confidential information to specified persons. It also substitutes the Minister for ReBo as being exempt from non-disclosure when

⁴ A *chose in possession* is a movable chattel (generally property other than freehold) in the custody or control of the owner or the right to which can be enforced by taking physical possession. A ***chose in action*** is a right of proceeding in law to procure the payment of a sum of money or to recover pecuniary damages for a wrong inflicted or the non-performance of a contract. Source: [Murdoch's legal dictionary](#).

		preparing reports with confidential information.
17.	Amendment of section 57	<p>Sets out that one of the purposes for the Credit Union Fund is to provide monies to meet expenses incurred by the Minister in the performance of his/her functions, instead of ReBo's functions.</p> <p>Under the amendment the Minister may transfer funds from the CUF to the Central Fund⁵ except where those monies are for the provision of stabilisation support.</p>
18.	Amendment of section 59	This section provides for a technical amendment to the <i>Credit Union and Co-operation with Overseas Regulators Act 2012</i> .
19.	Amendment of section 65	This section provides for a technical amendment to the <i>Credit Union and Co-operation with Overseas Regulators Act 2012</i> .
Part 4 Miscellaneous Amendments		
20.	Amendment of section 33AK of Central Bank Act 1942	The Central Bank may now disclose confidential information to the Minister for Finance, rather than ReBo, for the performance of functions related to ReBo.
21.	Amendment of section 61H of Central Bank Act 1942	This provision removes ReBo from the list of prescribed bodies from which the Central Bank can enter arrangements for the collection of a levy.
22.	Amendment of Schedule 1 of Freedom of Information Act 2014	This section reassigns an exemption from FOI obligations from ReBo to the Minister for Finance. The FOI exemption is in relation to records which contain personal information required to carry out functions under the 2012 Act.

Source: Library & Research Service.

⁵ The Exchequer comprises the **Central Fund**, which is the Irish central government's main treasury account. It is held at the Central Bank of Ireland and is recorded on a cash basis. All government receipts and expenditure are accounted for by the Central Fund. Receipts into the Central Fund consist of Exchequer tax and non tax revenues, EU receipts and other capital receipts, while expenditure out of the Central Fund includes Departmental/office spending, wages and pensions of the President, the C&AG, and the judiciary, running costs of the Oireachtas, debt servicing costs, and EU Budget payments. Non-Exchequer funds include semi-state bodies, the social insurance fund, the National Pension Reserve Fund (NPRF), the Irish Strategic Investment Fund (ISIF) and local authorities. See [Appendix E](#) of the Fiscal Council report.

Background to the Bill's Introduction

Credit Union Restructuring Board (ReBo)

The Credit Union Restructuring Board (ReBo) was initially established on an administrative basis in August 2012. It was then placed on a statutory footing in accordance with [section 42](#) of the [Credit Union and Co-operation Regulators Act 2012](#) (the 2012 Act) by the then Minister for Finance, Michael Noonan TD, on 1 January 2013. It was set up to facilitate and oversee the voluntary restructuring of the credit union sector.

On the 31 March 2012 the [Commission on Credit Unions reported](#) to the Minister for Finance.⁶ The Government established the Commission on Credit Unions on 31 May 2011 to review the future of the credit union movement and make **recommendations in relation to the most effective regulatory structure for credit unions**, taking into account their not-for-profit mandate, their volunteer ethos and community focus, while paying due regard to the need to fully protect members' savings and financial stability. The purpose of the report was to inform the preparation of credit union legislation and to make recommendations regarding the strengthening of the regulatory framework of credit unions, including more effective governance and regulatory requirements. One of the core recommendations of the report was that the credit union sector should be restructured on a voluntary, incentivised and time bound basis.⁷ The guiding aims of restructuring were to include:

- The protection of credit union members' savings;
- The stability and viability of credit unions and the sector as a whole;
- The preservation of the credit union identity and ethos.

Composition of ReBo

The members of ReBo were appointed by the Minister in August 2012. The 13 member Board was appointed in accordance with [section 49](#) of the 2012 Act. It comprised of five independent members as well as members from the credit union representative bodies, the Central Bank, Department of Finance and a member of the Commission of the Credit Union.

Functions of ReBo

The functions of ReBo are set out under [section 44](#) of the 2012 Act. ReBo was tasked with overseeing the restructuring of credit unions with the purpose of supporting financial stability and long term sustainability of credit unions. In order to carry out these functions ReBo was required to:

- a) Analyse and examine information provided to it by the Central Bank, credit unions or any other person;
- b) Develop provisional plans with credit unions for the restructuring of the sector;
- c) Engaging with credit unions to facilitate agreement on restructuring proposals;
- d) Assist credit unions in the preparation of restructuring plans;

⁶ Commission on Credit Unions (2012), "[Report of the Commission on Credit Unions](#)".

⁷ ReBo (2017), "[Restructuring of the Credit Union Sector in Ireland 2013-2017](#)", pp.109-110.

- e) Consider and assess restructuring plans submitted to it by credit unions, including any funding requirements suggested under the plan, such as, requiring credit unions to engage third parties to verify information and provide a report to ReBo;
- f) Approve, approve with conditions or reject those restructuring plans;
- g) Recommend the restructuring plans to the Minister and advise the Central Bank of its recommendations;
- h) Oversee the implementation of restructuring plans, including the provision of post-restructuring support.

Restructuring Arrangements

The Commission of Credit Unions viewed restructuring in two ways:⁸

1. As a way of addressing the weakness in the sector; and,
2. As a business strategy for credit unions that want to achieve the scale necessary to move to a more efficient and sophisticated business model.

The restructuring work of ReBo was guided by three principles:⁹

1. **Voluntary** - not all credit unions would need to be restructured, some would continue to operate on a standalone basis if they chose to do so;
2. **Incentivised** - it suggested that credit unions that were recommended for restructuring should be provided with funding, to ensure they have adequate capital to upgrade systems;
3. **Time-bound** - restructuring should take place according to a clear and time-bound plan.

Funding the Credit Union Restructuring

Under [section 57](#) of the 2012 Act the **Credit Union Fund** was established. This fund provided financial assistance to those credit unions approved for restructuring to ensure they had adequate capital to upgrade their systems.¹⁰ The Minister for Finance contributed €250 million to the Fund in December 2012. The purpose of the fund also included provisions for financial support for qualifying costs incurred in the restructuring process in addition to the coverage of any expenses incurred by ReBo in discharging its functions under the 2012 Act.¹¹

Before the Fund could be approved, it had to be determined if such a government-sponsored incentivisation scheme would be permissible under European Union state aid rules. European Commission approval was required and obtained. However, it took considerable time for ReBo to resolve this issue. The incentivisation scheme was introduced by the Department of Finance in November 2014. ReBo utilised the **De Minimis Aid Exemption** of European State Aid law to resolve the issue and provide funding for restructuring purposes.¹² Credit Unions seeking to have

⁸ Commission on Credit Unions (2012), "[Report of the Commission on Credit Unions](#)", p.103 Ref: 9.1.2.

⁹ Commission on Credit Unions (2012), "[Report of the Commission on Credit Unions](#)", p.103 Ref: 9.1.3.

¹⁰ Commission on Credit Unions (2012), "[Report of the Commission on Credit Unions](#)", p.114.

¹¹ ReBo (2017), "[Restructuring of the Credit Union Sector in Ireland 2013-2017](#)", p.12.

¹² De Minimis Aid is small amounts of State Aid given to an enterprise which cannot exceed €200,000 over any three fiscal years to any company irrespective of size or location. De Minimis Aid can come from any State body, agency or department. If a Company is part of a group then the €200,000 limit applies to the group. Such amounts of De Minimis Aid are regarded as falling outside the category of State aid that is

qualifying costs covered by ReBo were required to submit a formal restructuring proposal for ReBo Board approval. Qualifying costs included financial due diligence, IT, legal, business consultancy, project management and communications.¹³ The overall rationale for the funding scheme was to encourage credit unions to involve themselves in the restructuring process. Under the De Minimis State Aid exemption rule, a cap of €200,000 was provided for each undertaking, over a three year period. Credit Unions in receipt of such financial assistance were required to pay a levy to ReBo that equalled 50% of the financial assistance received.¹⁴ ReBo paid a total of €17 million in financial assistance from the CUF regarding qualifying costs pertaining to credit union restructuring projects.¹⁵

In addition, a ReBo **credit union levy** was introduced, to be paid by the credit unions and collected by the Central Bank. The levy was to cover the operational costs of ReBo and the cost of direct De Minimis financial assistance. The levy was introduced in December 2014 in accordance with [section 47](#) and [48](#) of the 2012 Act. In its lifetime ReBo introduced four levies between 2014 and 2017.¹⁶

Funding was sourced from three sources: excess capital from within participating credit unions, the sector itself and Exchequer funding on a recoupable basis.¹⁷ In total only €20 million was utilised from a fund of €250 million. The lower than anticipated spend on restructuring was attributed to the fact that the majority of credit unions financed the projects from their own resources. Where there was a shortfall it was provided, in some instances, by the Irish League of Credit Unions (ILCU) using its Saving Protections Scheme (SPS). The De Minimis aid exemption as a funding mechanism was also relied on. This resulted in a much lower cost to the Exchequer than was anticipated by the Commission.¹⁸

The Restructuring Process

ReBo approached restructuring in accordance with the recommendations of the Commission on Credit Unions which were:

- To engage with the sector to discuss restructuring options;
- Engage with the credit unions to formulate restructuring proposals;
- In formulating a restructuring proposal, undertake an intensive business plan and prepare transition and post-restructuring plans to minimise disruption.¹⁹

In 2014, ReBo agreed a restructuring process, which included a transfer of arrangements, in collaboration with the Registry of Credit Union (RCU).²⁰ A transfer of engagements is a voluntary

banned by the EC Treaty and can be awarded to an enterprise without notification to or clearance from the European Commission. De Minimis Aid can be in the form of grant or equity. See [Enterprise Ireland](#).

¹³ ReBo (2017), "[Restructuring of the Credit Union Sector in Ireland 2013-2017](#)", p.12.

¹⁴ ReBo (2017), "[Restructuring of the Credit Union Sector in Ireland 2013-2017](#)", p.12.

¹⁵ ReBo (2017), "[Restructuring of the Credit Union Sector in Ireland 2013-2017](#)", p.12.

¹⁶ ReBo (2017), "[Restructuring of the Credit Union Sector in Ireland 2013-2017](#)", p.13.

¹⁷ Department of Finance (2017), "[Credit Union Restructuring Board-ReBo Final Section 43 Review](#)", p.23.

¹⁸ Department of Finance (2017), "[Credit Union Restructuring Board-ReBo Final Section 43 Review](#)", p.26.

¹⁹ Commission on Credit Unions (2012), "[Report of the Commission on Credit Unions](#)", Ref: 9.7; 9.8; 9.9, pp.111-113.

²⁰ The Registry of Credit Unions (RCU) is the Division within the Central Bank which is responsible for the registration, regulation and supervision of credit unions. In recognition of the unique nature of credit unions, a statutory position of Registrar of Credit Unions was explicitly created within the Central Bank of Ireland

process whereby all assets, liabilities and undertakings of one or more credit unions are transferred to another credit union. In general the transfer of engagement comprised of six stages:

1. Stage 1: ReBo facilitated **initial negotiations**;
2. Stage 2: ReBo worked with the credit unions to develop a **High Level Business Case** (HLBC). The HLBC examined the rationale for the proposed merger and examined the financial sustainability of the merged entity;
3. Stage 3: Phase 1 of **due diligence** which examined the main areas of financial risk within each credit union;
4. Stage 4: Phase 2 of **due diligence** which examined governance, legal, human resources, products and information technology;
5. Stage 5: A **detailed business case** was prepared presenting the rationale for a proposed merger along with the financial projections which supported the sustainability of the merged entity;
6. Stage 6: **Approval phase**: ReBo approved, approved with conditions, or rejected a Detailed Business Case.²¹

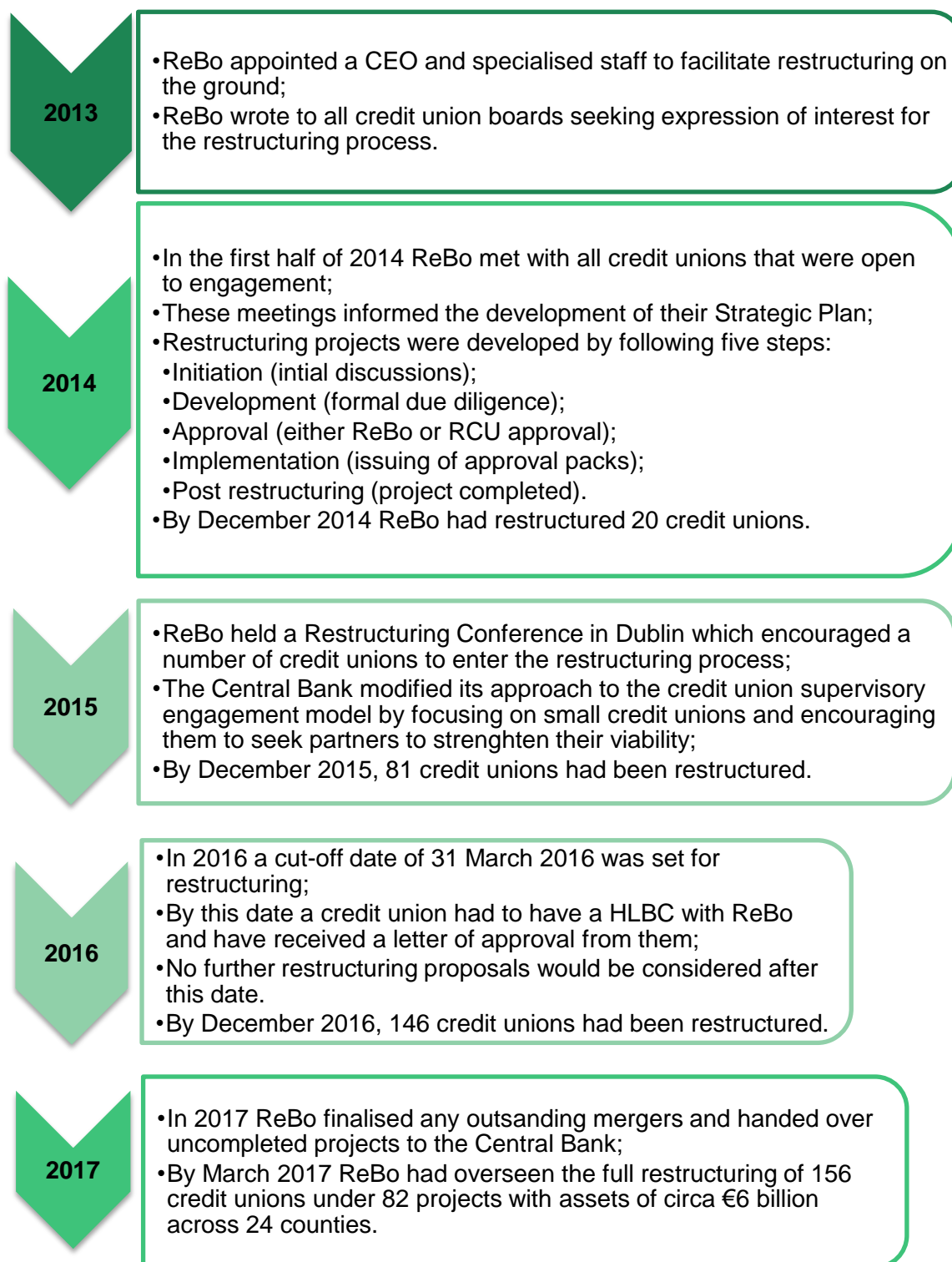
Restructuring Timeline

ReBo completed its work between 2013 and 2017. Timelines for completing mergers varied from between 12 weeks and 18 months due to various complexities. See the timeline below under diagram 1:

with responsibility for the regulation and supervision of credit unions. RCU's aim is to promote a financially stable credit union sector that operates in a transparent and fair manner and safeguards its members' funds. It is provided for under [section 84](#) of the [Credit Union Act 1997](#).

²¹ Department of Finance (2017), "[Credit Union Restructuring Board-ReBo Final Section 43 Review](#)", p.24.

Diagram 1: Timeline of ReBo restructuring



Source: Adapted by L&RS from Department of Finance (2017), "[Credit Union Restructuring Board-ReBo Final Section 43 Review](#)", pp.24-26.

ReBo Completion of mandate

The 2012 Act provides that when the Minister for Finance is satisfied that ReBo has completed the performance of its functions under Part 3 of the 2012 Act, the Minister may dissolve ReBo. However, before dissolving ReBo, the Minister must conduct a review (under [section 43](#)) of the operation of Part 3 of the 2012 Act to determine whether or not in the Minister's opinion ReBo has completed the performance of its functions. This Review was carried out by ReBo itself. The "[Final section 43 Review](#)" of ReBo's work, carried out in June 2017, showed that ReBo had completed its mandate under [Part 3](#) of the 2012 Act. The Minister for Finance agreed to dissolve it. It was intended that ReBo would be dissolved by Order as set out in [section 43](#) of the 2012 Act. Following legal discussions with the Attorney General's Office, the Department of Finance was advised that the most effective way to dissolve ReBo was by way of primary legislation. The reason behind this was to ensure the continuation of certain sections of Part 3 (restructuring) of the 2012 Act.²² As a result of its work there are now 280 credit unions in Ireland, compared to 419 active credit unions in 2008.²³

Legislative Background

In understanding the restructuring of credit unions the next section provides a brief summary of the legislative landscape in which credit unions operate in Ireland and how restructuring came about. Credit unions in Ireland operate under credit union specific legislation. The principal legislation covering credit unions are the [Credit Union Act 1997](#), as amended, and the [Credit Union and Co-operation with Overseas Regulators Act 2012](#), known collectively as the *Credit Union Acts 1997 – 2012*. The *Credit Union Act 1997* established a Registrar of Credit Unions and included a relaxation of common bond definitions, an increase in the duration and amount of savings and loans allowed, and also permitted credit unions to provide additional services.²⁴

Following publication of the [Report of the Commission on Credit Unions](#), the *Credit Union and Co-operation with Overseas Regulators Act 2012* was enacted. The object of the Act is to facilitate the restructuring of credit unions in order to support the financial stability and long term sustainability of credit unions generally. The 2012 Act implements over 60 of the recommendations of the Commission on Credit Unions across a range of areas, including:

- **Prudential Regulation** – including reserves, liquidity, lending, savings and investments;
- **Governance** – including the role of the Board, Chair and the Manager;
- **Restructuring** – providing for a process of amalgamations and transfers to be undertaken on a voluntary, incentivised and time-bound basis and overseen by the Restructuring Board, ReBo;

²² Department of Finance "[Credit Unions](#)". See section on ReBo.

²³ Department of Finance (2017), "[Credit Union Restructuring Board-ReBo Final Section 43 Review](#)", p.27.

²⁴ [Section 48](#) of the Act permits a credit union to provide, as principal or agent, additional services of a description that appear to the RCU to be of mutual benefit to its members. There are some restrictions on the type of additional services that a credit union can provide which include but are not limited to; additional services which must not involve any risk to the assets of the credit union or the funds of its members; and the investment in certain financial products by a credit union may only be made if this is included in its objects clause. See Dillon Eustace (2006) "[Credit Unions-a changing environment](#)" for further detail.

- **Stabilisation** – providing financial support to viable but under-capitalised credit unions.

Restructuring, within the meaning of the legislation, involved a process of amalgamations or transfers of engagement under Part 9 of the *Credit Union Act 1997*. The guiding aims of restructuring were the protection of credit union members' savings, the stability and viability of credit unions and the sector at large and the preservation of the credit union identity and unique ethos.²⁵ [Section 42](#) of the 2012 Act established ReBo while [section 44](#) sets out its restructuring functions.

Restructuring and stabilisation are provided for in [Parts 3](#) (restructuring) and [Part 4](#) (stabilisation) of the 2012 Act. Under these sections stabilisation support funding could be paid to an individual credit union which failed to meet the regulatory reserve requirement but only if it had a regulatory reserve of at least 7.5% of the total assets and in the opinion of the Central Bank it was considered viable. The Central Bank must have regard to a number of key factors before approving the provision of stabilisation, including the extent of the credit union's compliance with regulatory requirements and its ability to maintain reserves and fund the business for up to three years after the support has been provided. To avoid any disconnect during the period of restructuring, a credit union will need a ReBo recommendation before it can be considered by the Central Bank for stabilisation during the restructuring period.²⁶

²⁵ Conflicts of Law [Annual Review of Irish Law 2012, 26\(1\), pp.90-116.](#)

²⁶ Conflicts of Law [Annual Review of Irish Law 2012, 26\(1\), pp.90-116.](#)

Principal Provisions

The [*Credit Union Restructuring Board \(Dissolution\) Bill 2019*](#) consists of 22 sections and is divided into four parts. This part of the Digest is structured around the principal themes of the Bill:

- Preliminary and general;
- Dissolution of ReBo and its functions;
- Records and confidential information;
- Funds and financial support;
- Transfer of functions, property, rights and liabilities;

The main developments that this Bill will bring about are that ReBo will cease to exist and any remaining functions necessary to carry out related work will be transferred to the Minister for Finance.

Preliminary and General: Part 1

Section 1 of the Bill empowers the Minister to commence various parts of the Act by way of order for different purposes. **Section 2** sets out definitions. **Section 3** provides that any expenses incurred by the Minister in the administration of this Act will, to such extent as may be sanctioned by the Minister for Public Expenditure and Reform, be paid out of monies provided by the Oireachtas. **Section 5** allows for regulations made by ReBo to continue in force after its dissolution.

Dissolution of ReBo and its functions: Part 1, 2 and 3

Section 4 of the Bill repeals a number of provisions within the 2012 Act which set out the establishment of ReBo, its functions and powers (see the appendix below for a breakdown of the repeals set out in section 4 of the Bill). It repeals the restructuring process and the restructuring functions of ReBo and dissolves ReBo's staff and CEO appointments. Please see the Appendix for an individual breakdown of section 4 of the Bill and what it repeals.

It also removes all powers of ReBo to collect fees owed to the CUF but maintains that any levies owed may still be collected by the Minister (as amended by **section 15** of the Bill) and paid to the CUF. Under **section 14** of the Bill the Minister may recover debts owed to ReBo through the courts.

Under **section 6** of the Bill the Minister may appoint a day, by order, as the day on which ReBo is dissolved. Under **section 10** liabilities can be pursued by or against the Minister. From the dissolution day, a claim for loss or injury will lie against the Minister. Any pending legal proceedings will continue by substituting the Minister for the dissolved body. Where a settlement was already agreed in respect of a claim, before the dissolution day, it will be enforceable against the Minister. Any claim of loss or injury can be sued for by the Minister. Under **section 11** anything commenced but not completed before dissolution day may be carried out by the Minister. Any instrument made under an enactment will continue to have effect after dissolution day as if granted by the Minister. References to ReBo in any memorandum or articles of association will be

construed as references to the Minister. Any money, stock, shares or securities will be transferred into the name of the Minister.

Records and confidential information: Part 1, 2, 3 and 4

Section 4 removes the requirement that was placed on ReBo to share confidential information with the Central Bank and Minister. However, the Minister for Finance can continue to disclose confidential information to the Central Bank and specified persons in the place of ReBo (**section 16** of the Bill). **Section 4** also removes the provisions which set out the sharing and disclosure of confidential information with ReBo. **Section 20** amends [section 33AK](#) of the [Central Bank Act 1942](#) which will allow the Central Bank to disclose confidential information to the Minister for the performance of functions related to ReBo. Under **section 12** each record held by the dissolved body shall be transferred to the Minister.

Funds and financial support: Part 1, 2, 3 and 4

Section 4 repeals the provisions which set out that the purpose of the CUF is to provide stabilisation support for credit union restoration and maintenance. However, under **section 17** of the Bill expenses incurred by the Minister which are related to ReBo functions can be drawn from the CUF. A new section 57(4A) (as inserted by **section 17** of the Bill) allows the Minister to transfer money from the CUF to the Central Fund,²⁷ except for monies which are for the provision of stabilisation support. **Section 4(h)** of the Bill removes the power of the Minister to make regulations for prescribing the rate of contribution by credit unions to the CUF. **Section 4(i)** removes the ability of the Central Bank and the Minister to enter arrangements with ReBo to collect credit union levies. [Section 61H](#) of the [Central Bank Act 1942](#) is amended by **section 21** of the Bill to reflect that ReBo is no longer on the list of public bodies that the Central Bank can enter arrangements with. **Section 4(j)** removes the ability of ReBo to recommend a credit union for restructuring. Under **section 13** the Minister will have the final accounts of ReBo prepared after the dissolution day. They will be submitted to the Comptroller & Auditor General for audit. A copy of the accounts and the audit report will be presented to the Minister.

Transfer of functions, property, rights and liabilities: Part 2 & 4

Transfer of functions: Under **section 7** functions assigned to ReBo, such as the power to collect fees and disclosure of confidential information to the Central Bank shall be transferred to the Minister on dissolution day. Any references to ReBo functions in enactment or legislation will be construed as references to the Minister.

²⁷ The Exchequer comprises the **Central Fund**, which is the Irish central government's main treasury account. It is held at the Central Bank of Ireland and is recorded on a cash basis. All government receipts and expenditure are accounted for by the Central Fund. Receipts into the Central Fund consist of Exchequer tax and non tax revenues, EU receipts and other capital receipts, while expenditure out of the Central Fund includes Departmental/office spending, wages and pensions of the President, the C&AG, and the judiciary, running costs of the Oireachtas, debt servicing costs, and EU Budget payments. Non-Exchequer funds include semi-state bodies, the social insurance fund, the National Pension Reserve Fund (NPRF), the Irish Strategic Investment Fund (ISIF) and local authorities. See [Appendix E](#) of the Fiscal Council report.

Transfer of property: Under **section 8** all property (other than land) will be vested in the Minister from dissolution day. Every chose-in-action²⁸ may be sued on, recovered or enforced by the Minister from dissolution day.

Transfer of rights and liabilities: Under **section 9** all rights and liabilities of ReBo will be transferred to the Minister on dissolution day. These rights and liabilities may be sued on, recovered or enforced by or against The Minister.

Freedom of information: Section 21 amends [schedule 1](#) of the [Freedom of Information Act 2014](#). This reassigns an exemption from FOI obligations from ReBo to the Minister for Finance. The FOI exemption is in relation to records which contain personal information required to carry out functions under the 2012 Act.

²⁸ A *chose in possession* is a movable chattel (generally property other than freehold) in the custody or control of the owner or the right to which can be enforced by taking physical possession. A ***chose in action*** is a right of proceeding in law to procure the payment of a sum of money or to recover pecuniary damages for a wrong inflicted or the non-performance of a contract. Source: [Murdoch's legal dictionary](#).

Appendix: Repeal of provisions relating to ReBo

Bill Section	Section of 2012 Act being repealed	What is being repealed
Section 4(a)	Section 40	The provision which ensures the independence of the Central Bank is not affected by the establishment of ReBo.
	Section 41	The provision which requires the Minister to have regard to EU law.
	Section 42	The provision which establishes ReBo.
	Section 43	The provision which allows the Minister to dissolve ReBo when satisfied it has completed its functions.
	Section 44	The restructuring functions of ReBo.
	Section 45	The restructuring process.
	Section 46	The guidelines for restructuring.
Section 4(b)	Section 47(1)	The provision that creates the ReBo levy.
	Section 47(3)	The amount of levy to be charged annually.
	Section 47(6)	The consultations that must take place before ReBo can make regulations.
Section 4(c)	Section 49	The membership of ReBo.
Section 4(d)	Section 50(3)(a)	The disclosure of confidential information to the Minister.
	Section 50(4)	The sharing of information with the Central Bank to promote credit union interests.
	Section 50(5)	The memorandum giving effect to the disclosure of information.
Section 4(e)	Section 51	The requirement on ReBo to report to the Minister on its progress.
	Section 52	The appointment of ReBo's CEO and their functions.
	Section 53	Establishes the staff of ReBo.
	Section 54	The requirement of ReBo's CEO to submit estimates of income and expenditure to the Minister.
	Section 55	The ability of ReBo to engage the services of expert advisers.

Section 4(f)	Section 56(1)	ReBo disclosure of information and records does not contravene a duty of confidentiality.
	Section 56(2)	The credit union can disclose personal information to ReBo.
	Section 56(4)	Definition of Data protection regulations.
Section 4(g)	Section 57(2)(a)	The purpose of the Credit Union Fund is to provide stabilisation support for credit union restoration and maintenance.
	Section 57(5)	That the Minister provides financial restructuring support where it is recommended by ReBo.
Section 4(h)	Section 59(2)	Removes the power of the Minister to make regulations prescribing the rate of contribution to the Credit Union Fund.
Section 4(i)	Section 60(1)	Removes the ability of the Central Bank, the Minister and ReBo to enter arrangements to collect levies.
Section 4(j)	Section 65(2)	Removes the ability of the Central Bank to provide a credit union with stabilisation support unless it has been recommend for restructuring by ReBo.
	Section 65(3)	Removes the conditions upon which ReBo can recommend a credit union for stabilisation support.



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