Sir/Madam,

I wish to make the following submission on behalf of Chapter XI Cork Credit Unions.

It is felt that the proposal on maximum €100K per account has the following disadvantages; (The DGS limit of €100K is acknowledged)
1 A perception may arise where Credit Unions were asking members to withdraw their shares that Credit Unions had become untrustworthy
2 The Credit Unions were the only financial institutions tasked with this requirement, again raising trust issues
3 A perception may occur that Credit Unions are incapable of managing accounts where sizeable sums were involved.
It may be acceptable that measures would be implemented to prevent any further accounts exceeding €100K, however points number 2 and 3 above would still prevail.

It is felt that the proposals re short term liquidity ratio of 10% for < 8 days could in a small number of cases force Credit Unions to seek an early release from an investment contract with resulting penalties. It is accepted that in the majority of cases, this proposal should not be an issue, however depending on maturity dates of investments a short term liquidity issue might arise. The exposure may be of a few days duration, yet the penalty would apply regardless. A limit of 10 working days might be an alternative solution.

Thank you,

Tom Scriven
Chairman, Chapter XI Cork Credit Unions