

## Press Release

### Act on the Supervision of Credit Unions adopted in parliament

The Hague, March 24, 2015

Today, the Second Chamber of Parliament unanimously adopted the draft bill Act on the Supervision of Credit Unions (WTK). This will allow credit unions to attract an amount of up to € 10 million in savings outside the supervisory rules of the Financial Markets Authority, The Dutch Central Bank (DNB) and the European rules of Capital Requirements Directive IV (CRD IV), subject to approval of the bill in the Senate and if the Dutch credit union organizations will be placed on the CRD IV exception list by the European Commission. Credit Unions attracting savings in amounts up to € 100 million will be covered by limited DNB banking supervision, which concerns liquidity, solvency and integrity of management and organization. Above € 100 million in savings, credit unions will have to apply for a full banking license. Credit Unions which raise funds through the issuance of perpetual investment titles remain outside the scope of the Banking Law and the Financial Supervision Act (Wft).

The Second Chamber also decided to assist new credit unions in financing startup costs. In practice, a lot of energy and enthusiasm is lost by credit union initiatives, as a result of the lengthy and difficult route to obtain financing of the start-up costs from public and private parties.

Roland Lampe, director of the Association of Credit Unions in the Netherlands (ACUN): *"On March 27, 2013, we went to the Second Chamber and found parliamentarians Agnes Mulder and Eddy van Hijum willing to provide credit unions room to grow. Late last year Henk Nijboer took over enthusiastically from Eddy van Hijum when he became deputy in the province of Overijssel.*

*This is an exception to the increasingly stringent Dutch and international rules on the supervision of financial institutions which would also apply to credit unions. Our Second Chamber has shown vision by enabling credit unions to develop and operate under a regime less restrictive than the Wft. A second obstacle, the financing of start-up costs, is removed. We expect the establishment of credit unions to be less cumbersome and that they can quickly concentrate on attracting members, arrange funding and start lending. Thus, SME entrepreneurs will be offered a genuine alternative source of credit, furthering growth and employment. Up to now, we have set up ten credit unions. ACUN foresees the establishment of ten more credit unions this year, and 100 in the next five years, with at present 158 applications. May this milestone be the beginning of many thriving credit unions in our country. The ACUN will contribute to that development wholeheartedly. "*

#### For further information:

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