An Roinn Airgeadais
Department of Finance

GUIDANCE NOTE:
Minister for Finance's Approval of Transfers of Banking Business under Part III of the Central Bank Act, 1971

Under section 33 of the Central Bank Act, 1971 (as amended) the Minister for Finance must give his approval for any transfer of authorised banking business in the State. This note has been prepared to give guidance to industry as to what the Minister's expectations are for a bank's engagement in the approval process and the timelines involved.

Once a bank submits its proposed Transfer Agreement (including all necessary supporting documentation) to the Department, officials will begin preparing the submission to the Minister. It is recommended that the Transfer Agreement be submitted in **draft form** to allow a degree of flexibility on the date of transfer. Department officials may have queries on the proposed transfer, and may request written information notes, telephone calls or face-to-face meetings.

The Minister must consult with the Governor of the Central Bank of Ireland on any proposed transfer of banking business, so as to be fully informed of the relevant regulatory, supervisory and prudential considerations. This consultation includes a formal exchange of letters and can take up to two weeks, or more, depending on the availability of relevant parties. Sufficient time must be allocated to do this.

Should there be no objections to the transfer from the Central Bank, a Draftsperson from the Office of the Parliamentary Counsel (OPC) will then be assigned to draft the legal document, a Statutory Instrument (S.I.), pertaining to the transfer of business. While it is open to a bank to submit a suggested text for the S.I., as it is a legal document, the final wording is agreed between Department and the OPC. Consequently, several iterations of the text may be required in order that the OPC is satisfied with the language and form of the Order. This exchange can take several weeks, and again sufficient time should be factored in for it. The bank's level of engagement and how quickly it responds to queries will impact on timelines.

When the OPC provide a final "stamped" copy of the Order, the Department must then arrange for it to be formatted, proofed and printed on vellum in preparation for the Minister's signature. This process can take up to two days, or more.

Once the vellum is prepared, it is a matter of the Minister's availability when the Statutory Instrument will be signed. The Minister's government, diary and other commitments will impact upon their availability.

The statute sets out a deadline that, *"the Minister, after consultation with the Bank, may, not less than two months before the transfer date, either approve of or decline to approve of the scheme by order"*. To allow sufficient time for the processes outlined above, the Department recommends submitting the transfer proposal with a minimum of two months' notice prior to the deadline (i.e. **at least four months before the proposed transfer date**). However, earlier submission is strongly advised.

Please be aware that as the Central Bank does not disclose confidential information, the Minister will not be aware of any proposed transfers until the proposal is submitted to him directly. Any bank considering transferring its business should engage with **both** the Department of Finance and the Central Bank at an early stage in the process.