



**Caribbean
Confederation
Of Credit Unions**

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AFFILIATED TO THE WORLD COUNCIL OF CREDIT UNIONS

**ENHANCING THE REGULATORY ENVIRONMENT FOR
CARIBBEAN CREDIT UNIONS.**

The Caribbean Confederation of Credit Unions [CCCU] welcomes the formation of a Network of Caribbean Credit Union Regulators, and looks forward to supporting and collaborating with the Network, in pursuit of an enabling but sound regulatory framework for Caribbean Credit Unions.

It is sincerely regretted that difficulties with air travel between St. Kitts and Nevis and St. Vincent and The Grenadines, prevented our participation in this historic meeting but we look forward to a collaborative and mutually beneficial working relationship. It is anticipated that a major outcome resulting from the formation of the Network, will be the harmonization of prudential standards and approaches to regulation and supervision of Credit Unions across the Caribbean.

The CCCU has for many years advocated for the development of modernized Legislation and Regulations for the Credit Union sector and has on several sought to facilitate meetings of the Regional Regulators. It is therefore encouraging to note that with the exception of Guyana and Trinidad and Tobago, the Caribbean Credit Union sector is governed by updated Legislation.

Within the Organization of Eastern Caribbean States [OECS], the CCCU in collaboration with the Eastern Caribbean Central Bank [ECCB] has played a pivotal role in the development of new Legislation , which has been enacted over the last three [3] to four [4] years in all OECS Member Sates with the exception of St. Lucia.. Similar efforts are currently being made to develop new Regulations.

The CCCU and the Sector is aware however, that there is a need for further revision of some of the provisions of the Legislation in the OECS and arising out of a meeting which it convened in Grenada in October 2013, a number of agreed recommendations have been communicated to the respective Regulators.

The CCCU is also cognizant that the Regional Legislation should be aligned with relevant Global regulatory trends. In this regard, the development of a Risk-based framework for the assessment of Credit Union stress testing and performance, is being advocated.

The Global financial crisis and the on-going sluggish and/or negative performance of Regional economies, has also impacted the performance of financial institutions, especially in the area of non-performing loans. Whereas there is reasonably sound data in relation to the Banking sector, efforts are necessary to determine the status of the Credit Union sector, so that appropriate mitigation strategies can be developed.

Overall, the Confederation and its member Leagues and Credit Unions, will work collaboratively with the Regulators to ensure that efforts to ensure the safety and soundness of the sector is constantly pursued.

Ralph Wharton
General Manager

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