



Florin Simeon  
Chief Executive Officer  
Federatia Caselor de Ajutor Reciproc din Romania (FEDCAR)  
Calea Bucuresti, nr. 82, B2-2,  
Otopeni/Ilfov  
Romania

26 May 2014

**Re: Romanian Legislative Proposal on the Organisation and Operation of Credit Unions**

Dear Florin,

We are writing on behalf of the European Network of Credit Unions (ENCU) and the approximately 1,000 credit unions in Europe to express our support for Romania's proposed Law on the organisation and operation of credit unions. Our associations represent credit unions in Estonia, Great Britain, Ireland, Macedonia, and Poland that have over €18 billion in total assets and serve more than 6.8 million natural person members across Europe.

Credit unions are cooperative financial institutions chartered to promote thrift and financial inclusion through the provision of loans and savings at fair rates. The draft law recently introduced in the Romanian Senate will help clarify credit unions' organisational structure consistently with credit union laws in other European Union (EU) Member States and consistently with the International Co-operative Alliance's *7 Principles of Co-operation*<sup>1</sup> adopted in 1995.

The draft law will also allow Romanian credit unions to expand their financial inclusion efforts and enhance their important role in Romanian economic-social life. Romanian credit union membership is currently limited in most cases only to workers with wage or salary income. The draft law will for the first time allow categories of natural persons who earn a legal income that is not of a salary nature, such as self-employed practitioners of free professions, to become credit union members and gain access to financial services through the credit union.

The proposal also places credit unions under government control, as is the case for credit unions in other EU Member States. As proposed, both the credit unions and their federations will be subject to control by the Ministry of Public Finance and other public authorities. This regulatory structure will enhance the Romanian credit union system's safety and soundness and help protect the interests of credit unions' natural person members.

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<sup>1</sup> International Co-operative Alliance, *7 Principles of Co-operation* (1995), available at <http://usa2012.coop/about-co-ops/7-cooperative-principles>.



On behalf of Europe's credit unions, we congratulate you on the introduction of the proposed Law on the organization and operation of credit unions in the Romanian Senate. We look forward to working with you and FEDCAR to see that it is enacted.

Sincerely,

Mark Lyonette  
Chief Executive  
Association of British Credit Unions Ltd.

Andrus Ristkok  
President  
Estonian Union of Credit Cooperatives

Eleonora Zgonjanin  
Chief Executive Officer  
FULM Savings House of Macedonia

Kieron Brennan  
Chief Executive Officer  
Irish League of Credit Unions

Rafal Matusiak  
President and Chief Executive Officer  
National Association of Savings and Credit Unions of Poland

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