

---

## STATUTORY INSTRUMENTS

---

# 1985 No. 1205

## The Credit Unions (Northern Ireland) Order 1985

### Membership of credit union

#### *Minimum and maximum number of members*

13.—(1) The minimum number of members of a credit union shall be 21.

(2) Subject to the provisions of this Article, the maximum number of members of a credit union shall be 5,000.

(3) An order may amend paragraph (1) or (2) so as to substitute for the number of members provided for in that paragraph such other number as may be specified in the order.

(4) The registrar may grant exemption from the maximum number provided for in paragraph (2)

—  
(a) to a credit union, and

(b) in respect of a credit union proposed to be created by amalgamation,

if he is satisfied that exemption would be in the public interest and in the interests of the members and would not jeopardise the existence of a common bond between them.

(5) An exemption under paragraph (4) may be granted on such conditions as the registrar thinks fit, and those conditions shall include, in particular, a condition that the number of members shall not exceed such other maximum as may be determined by him.

#### *Membership and voting rights*

14.—(1) Only individuals shall be members of a credit union.

(2) A person shall not be a member of a credit union unless he holds at least 1 fully paid-up share in that credit union, but the rules of the credit union shall not require a person to hold more than £5 in fully paid-up shares as a condition of membership.

(3) A member of a credit union shall not have or claim any interest in the shares of a credit union exceeding<sup>[F1]</sup> the greater of £10,000 and 1.5 per cent. of the total shareholdings in the credit union].

(4) An order may amend paragraph (3) so as to substitute for the sum provided for in that paragraph such other sum, not being less than £3,000, as may be specified in the order.

[<sup>F1</sup>(4A) Where paragraph (3) would be breached in relation to a member of a credit union because of a reduction in the total shareholdings in the credit union, that paragraph shall, in relation to him, have effect, as respects any shares which he had, or interest which he claimed, immediately before the reduction, as if there were added at the end “ at the time or latest time, when he acquired shares, or an interest in the shares, of the credit union ”.]

(5) A member of a credit union who ceases to have the required qualifications for admission to membership shall be entitled, subject to paragraph (6), to retain his membership unless the rules of the credit union provide otherwise.

(6) The number of non-qualifying members of a credit union shall not at any time exceed 10 per cent of the total membership of the credit union.

**Status:** Point in time view as at 01/01/2006.

**Changes to legislation:** The Credit Unions (Northern Ireland) Order 1985, Membership of credit union is up to date with all changes known to be in force on or before 01 July 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(7) Non-qualifying members of a credit union shall be left out of account in determining for any purpose whether a common bond exists between the members of the credit union.

(8) A non-qualifying member of a credit union shall be entitled, except so far as the rules of the credit union may provide otherwise, to purchase shares and<sup>F1</sup> . . . to receive loans.

(9) Subject to any provision in the rules of a credit union as to voting by a chairman who has a casting vote, on every matter which is determined by a vote of members of a credit union every member shall be entitled to vote and shall have one vote only.

[<sup>F1</sup>(10) For the purposes of paragraph (3), the total shareholdings in a credit union at any time shall be taken to be the total shareholdings as shown in the most recent audited balance sheet to have been sent to the registrar under Article 49(1).]

**F1** 1997 NI 22

### ***Members under the age of 18***

**15.** A person under the age of 18 years but above the age of 16 years may be a member of a credit union unless the rules otherwise provide and may, subject to those rules and to the provisions of this Order, enjoy all the rights of a member and execute all instruments and give all receipts necessary to be executed or given under those rules, but shall not be a member of the board of directors or any committee, trustee, manager or treasurer of the credit union.

### ***Remedy for debts from members***

**16.—(1)** All money payable to a credit union by a member of it shall be a debt recoverable summarily by the credit union from the member.

(2) A credit union shall have a lien on the shares of any member for any debt due to the credit union by that member, and may set off any sum credited to the member on those shares in or towards the payment of that debt.

### ***Nomination to property in credit union***

**17.—(1)** Subject to paragraphs (2) and (3), a member of a credit union may, by a written statement signed by him and delivered at or sent to the credit union's registered office during his lifetime or made in any book kept at that office, nominate a person or persons to become entitled at his death to the whole, or to such part or respective parts as may be specified in the nomination, of any property in the credit union (whether in shares, loans or otherwise) which he may have at the time of his death.

(2) The nomination by a member of a credit union under paragraph (1) of a person who is at the date of the nomination an officer or servant of the credit union shall not be valid unless that person is the husband, wife,<sup>F2</sup> civil partner,] father, mother, child, brother, sister, nephew or niece of the nominator.

(3 <sup>F3</sup> For the purposes of the disposal of any property which is the subject of a nomination under paragraph (1) if the nomination was made after 20th April 1967 and at the date of the nominator's death the amount of his property in the credit union comprised in the nomination exceeds £5,000 (or such higher amount as may be substituted under section 6(1) of the Administration of Estates (Small Payments) Act (Northern Ireland) 1967), the nomination shall be valid to the extent of £5,000 (or such higher amount as aforesaid) but not further or otherwise.

(4) A nomination by a member of a credit union under paragraph (1) may be varied or revoked by a subsequent nomination by him under that paragraph or by any similar document in the nature of a revocation or variation signed by the nominator and delivered at or sent to the credit union's

**Changes to legislation:** The Credit Unions (Northern Ireland) Order 1985, Membership of credit union is up to date with all changes known to be in force on or before 01 July 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

registered office during his lifetime, but shall not be revocable or variable by the will of the nominator or by any codicil to such will.

(5) Every credit union shall keep a book in which the names of all persons nominated under paragraph (1) and any revocation or variation of any nomination under that paragraph shall be recorded.

(6) The<sup>F2</sup> formation of a marriage or civil partnership by] a member of a credit union shall operate as a revocation of any nomination made by him before the marriage<sup>F2</sup> or civil partnership was formed]; but if any property of that member has been transferred by an officer of the credit union in pursuance of the nomination in ignorance of<sup>F2</sup> the formation of a marriage or civil partnership] by the nominator subsequent to the date of the nomination, the receipt of the nominee shall be a valid discharge to the credit union and the credit union shall be under no liability to any other person claiming the property.

F2 2004 c.33

F3 mod. by SR 2004/68

#### ***Proceedings on death of nominator***

**18.**—(1) Subject to paragraph (2), where any member of a credit union has made a nomination under Article 17, the board of directors, on receiving satisfactory proof of the death of that member, and if and to the extent that the nomination is valid under paragraphs (2) and (3) of that Article, shall in the case of each person entitled under the nomination either transfer to him, or pay him the full value of, any property to which he is so entitled.

(2) Where any of the property comprised in a nomination under Article 17 consists of shares in the credit union, paragraph (1) shall have effect notwithstanding that the rules of the credit union declare the shares in the credit union not be transferable; but if the transfer of any shares comprised in the nomination in the manner directed by the nominator would raise the shareholding of any nominee beyond the maximum for the time being permitted in the case of that credit union, the board of directors shall not transfer to that nominee more of those shares than will raise his shareholding to that maximum and shall pay him the value of any of those shares not transferred.

(3) Where any sum fails to be paid under paragraph (1) or (2) to a nominee who is under the age of 16 years, the credit union may pay that sum to either parent, or to a guardian, of the nominee or to any other person of full age who will undertake to hold it on trust for the nominee or to apply it for his benefit and whom the credit union may think a fit and proper person for the purpose, and the receipt of that parent, guardian or other person shall be a sufficient discharge to the credit union for all money so paid.

#### ***Provision for small payments on death***

**19** <sup>F4</sup>. If any member of a credit union dies and at his death his property in the credit union (whether in shares, loans or otherwise) does not exceed in the whole £5,000 (or such higher amount as may be substituted under section 6(1) of the Administration of Estates (Small Payments) Act (Northern Ireland) 1967) and is not the subject of any nomination under Article 17, then the board of directors may, without letters of administration or probate of any will, distribute that property among such persons as appear to the board on such evidence as it deems satisfactory to be entitled by law to receive it.

F4 Art. 19 modified by S.R. 2004/68

**Status:** Point in time view as at 01/01/2006.

**Changes to legislation:** The Credit Unions (Northern Ireland) Order 1985, Membership of credit union is up to date with all changes known to be in force on or before 01 July 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

---

### ***Payments in respect of mentally incapable persons***

**20.** Where in the case of a member of a credit union or a person claiming through such a member the credit union's board of directors is satisfied after considering medical evidence that the member or person is incapable through disorder or disability of mind of managing his own affairs and is also satisfied that no person has been duly appointed to administer his property on his behalf, and it is proved to the satisfaction of the board that it is just and expedient so to do, the credit union may pay the amount of any property (whether in shares, loans or otherwise) belonging to that member or person to any person whom it judges proper to receive it on his behalf, whose receipt shall be a good discharge to the credit union for any sum so paid.

### ***Validity of payment to persons apparently entitled***

**21.** All payments or transfers made by the board of directors of a credit union under Article 19 or 20 to any person appearing to the board at the time of the payment or transfer to be entitled under those Articles shall be valid and effectual against any demand made upon the board or credit union by any other person.

**Status:**

Point in time view as at 01/01/2006.

**Changes to legislation:**

The Credit Unions (Northern Ireland) Order 1985, Membership of credit union is up to date with all changes known to be in force on or before 01 July 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.