

STATUTORY INSTRUMENTS

**1985 No. 1205**

**The Credit Unions (Northern Ireland) Order 1985**

Membership of credit union

**[<sup>F1</sup>Minimum number of members] N.I.**

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

<sup>F2</sup>(1A) Where shares are allotted to an individual who is a corporate member (see Articles 14(1) (b) and 14A), then for the purposes of paragraph (1) the partnership or (as the case may be) the unincorporated association is to be treated as the member in respect of those shares.

(1B) This does not affect the treatment of the individual as a member in respect of any shares that the individual holds on his or her own behalf.]

- (2) <sup>F3</sup> .....
- (3) <sup>F3</sup> .....
- (4) <sup>F3</sup> .....
- (5) <sup>F3</sup> .....

- F1** Art. 13 heading substituted (31.3.2012) by [Financial Services and Markets Act 2000 \(Permissions, Transitional Provisions and Consequential Amendments\) \(Northern Ireland Credit Unions\) Order 2011 \(S.I. 2011/2832\)](#), arts. 1(2), **13(8)**
- F2** Art. 13(1A)(1B) inserted (23.4.2016) by [Credit Unions and Co-operative and Community Benefit Societies Act \(Northern Ireland\) 2016 \(c. 16\)](#), s. 17, **Sch. 1 para. 3**
- F3** Art. 13(2)-(5) omitted (31.3.2012) by virtue of [Financial Services and Markets Act 2000 \(Permissions, Transitional Provisions and Consequential Amendments\) \(Northern Ireland Credit Unions\) Order 2011 \(S.I. 2011/2832\)](#), arts. 1(2), **13(8)**

**Membership and voting rights N.I.**

**14.—**[<sup>F4</sup>(1) The following may be members of a credit union—

- (a) an individual (acting on his or her own behalf);
- (b) if, and to the extent, permitted by virtue of Article 14A—
  - (i) a body corporate;
  - (ii) an individual acting in the capacity as a partner in a partnership;
  - (iii) an individual acting in the capacity as an officer or member of the governing body of an unincorporated association.]

(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) <sup>F5</sup> .....

**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 19 October 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) View outstanding changes

(4) <sup>F5</sup> .....

(4A) <sup>F5</sup> .....

(5) A member of a credit union who ceases to have the required qualifications for admission to membership shall be entitled<sup>F6</sup>... to retain his membership unless the rules of the credit union provide otherwise.

<sup>F7</sup>(6) .....

(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>F8</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>F9</sup>(9A) Article 13(1A) and (1B) (membership rules: treatment of corporate members) apply for the purpose of paragraph (9); and the vote of the partnership or unincorporated association is to be cast by the corporate member.]

(10) <sup>F10</sup> .....

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| <b>F4</b>  | Art. 14(1) substituted (23.4.2016) by <a href="#">Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (c. 16), ss. 1(2), 17</a>   |
| <b>F5</b>  | Art. 14(3)-(4A) omitted (31.3.2012) by virtue of <a href="#">Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), arts. 1(2), 13(9)</a> |
| <b>F6</b>  | Words in art. 14(5) omitted (23.4.2016) by virtue of <a href="#">Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (c. 16), ss. 2(a), 17</a>  |
| <b>F7</b>  | Art. 14(6) omitted (23.4.2016) by virtue of <a href="#">Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (c. 16), ss. 2(b), 17</a>   |
| <b>F8</b>  | 1997 NI 22   |
| <b>F9</b>  | Art. 14(9A) inserted (23.4.2016) by <a href="#">Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (c. 16), s. 17, Sch. 1 para. 4</a>  |
| <b>F10</b> | Art. 14(10) omitted (31.3.2012) by virtue of <a href="#">Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), arts. 1(2), 13(9)</a>     |

## [<sup>F11</sup>Corporate members **N.I.**

**14A.—**(1) A credit union may admit persons of a kind mentioned in Article 14(1)(b)(i) to (iii) (persons who will, if admitted, be corporate members) if its rules so provide.

(2) The number of corporate members of a credit union must not exceed 10% of the total number of members.

(3) For the purposes of paragraph (2) the number of corporate members and the total number of members are to be determined in accordance with Article 13(1A) and (1B) (membership rules: treatment of corporate members).

(4) The number of shares in a credit union allotted to corporate members must not exceed 25% of the total number of allotted shares.

(5) For the purposes of paragraph (4) the total number of allotted shares is the total found in the most recent year-end balance sheet submitted to the appropriate authority.

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(6) Where shares are allotted to an individual who is a corporate member, then for the purpose of determining the amount of the interest in the shares of the credit union held by each of its members—

- (a) the partnership or, as the case may be, the unincorporated association is to be treated as a member holding the shares, and
- (b) the shares are not to be treated as being held by the individual.

(7) The Department may by order substitute for the percentage for the time being specified in paragraph (2) or (4) such other percentage as it considers appropriate.]

**F11** Art. 14A inserted (23.4.2016) by [Credit Unions and Co-operative and Community Benefit Societies Act \(NorthernIreland\) 2016 \(c. 16\), ss. 1\(3\), 17](#)

### **Members under the age of 18** **N.I.**

**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** **N.I.**

**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.

[<sup>F12</sup>(3) Where any debt arises in respect of shares held by, or a loan made to, an individual who is a corporate member, paragraphs (1) and (2) are to be read subject to Articles 23(2A) and (2B) (transfer of shares) and 28(1C) and (1D) (transfer of loans).]

**F12** Art. 16(3) inserted (23.4.2016) by [Credit Unions and Co-operative and Community Benefit Societies Act \(NorthernIreland\) 2016 \(c. 16\), s. 17, Sch. 1 para. 5](#)

### **Nomination to property in credit union** **N.I.**

**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>F13</sup>civil partner,] father, mother, child, brother, sister, nephew or niece of the nominator.

(3) 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

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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 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 [F13formation 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 [F13or 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 [F13the 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.

[F14(7) A nomination made by an individual who is a corporate member is valid only if—

- (a) in the case of a nomination made by an individual acting in the capacity as a partner in a partnership, the person nominated is (immediately before the individual's death) a partner in the partnership;
- (b) in the case of a nomination made by an individual acting in the capacity as an officer or member of the governing body of an unincorporated association, the person nominated is (immediately before the individual's death) an officer or member of the governing body of the unincorporated association.]

**F13** 2004 c.33

**F14** Art. 17(7) inserted (23.4.2016) by [Credit Unions and Co-operative and Community Benefit Societies Act \(Northern Ireland\) 2016 \(c. 16\), s. 17, Sch. 1 para. 6](#)

**Modifications etc. (not altering text)**

**C1** Art. 17(3) modified (8.12.2020) by [The Administration of Estates \(Small Payments\) \(Increase of Limit\) Order \(Northern Ireland\) 2020 \(S.R. 2020/280\), arts. 1, 2\(d\)](#)

**Proceedings on death of nominator** **N.I.**

**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.

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[<sup>F15</sup>(2A) The reference in paragraph (2) to the shareholding of the nominee is to be read in accordance with Article 14A(6).]

(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.

**F15** Art. 18(2A) inserted (23.4.2016) by [Credit Unions and Co-operative and Community Benefit Societies Act \(Northern Ireland\) 2016 \(c. 16\)](#), s. 17, **Sch. 1 para. 7**

#### ***Provision for small payments on death*** **N.I.**

**19.** 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.

#### **Modifications etc. (not altering text)**

**C2** Art. 19 modified (8.12.2020) by [The Administration of Estates \(Small Payments\) \(Increase of Limit\) Order \(Northern Ireland\) 2020 \(S.R. 2020/280\)](#), arts. 1, **2(d)**

#### ***Payments in respect of mentally incapable persons*** **N.I.**

**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*** **N.I.**

**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.

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**Changes and effects yet to be applied to the whole Order associated Parts and Chapters:**

Whole provisions yet to be inserted into this Order (including any effects on those provisions):

- Sch.1 Pt.I amended by [S.I. 1996/2653 art.2\(b\)](#)
- Sch.1 Pt.I rev.in pt. by [S.I. 1996/2653 art.2\(a\)](#)
- Sch. 1 Pt. 1 words inserted by [S.I. 1996/2653 art. 2\(b\)](#)
- Sch. 1 Pt. 1 words omitted by [S.I. 1996/2653 art. 2\(a\)](#)