
STATUTORY INSTRUMENTS

1985 No. 1205

The Credit Unions (Northern Ireland) Order 1985

Operation of credit union

Restriction on business of credit union

22. ^{F1}

F1 Art. 22 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(10)**

Shares

23.—(1) All shares in a credit union shall be of £1 denomination and may, subject to the rules of the credit union, be subscribed for either in full or by periodical or other subscriptions but no share shall be allotted to a member until it has been fully paid in cash.

[^{F2}(2) Shares in a credit union shall be transferable only in accordance with—

- (a) Article 18(1) (transfer to nominees on death of nominator), or
- (b) paragraph (2A) (transfer of certain corporate shares);

and a credit union shall not issue to a member a certificate denoting ownership of a share.

(2A) Shares held by an individual who is a corporate member may be transferred, in accordance with the rules of the credit union, to another individual (“the transferee”), who must be—

- (a) in the case of shares held by an individual acting in the capacity as a partner in a partnership, another partner in the partnership;
- (b) in the case of shares held by an individual acting in the capacity as an officer or member of the governing body of an unincorporated association, another officer or member of that governing body.

(2B) On the transfer of a share under paragraph (2A), all the rights and liabilities that the holder of the share has in respect of it, or in connection with it, are transferred to the transferee.]

(3) Subject to paragraph (4) [^{F3}and Article 28(1E)], shares in a credit union shall be withdrawable, but a credit union shall not issue shares except on terms enabling it to require not less than 60 days' notice of withdrawal.

[^{F4}(4) Where a credit union has made a loan to a member which is treated by virtue of Article 28A as a secured loan, the member must not be permitted to withdraw shares if the member's shareholding is (or following withdrawal would be) less than the member's total liability.

(5) In paragraph (4)—

- (a) the member's “shareholding” is the member's paid-up shareholding in the credit union;
- (b) the member's “total liability” is the member's total liability (including contingent liability) to the credit union whether as borrower, guarantor or otherwise;

Status: Point in time view as at 06/04/2018.

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

- (c) where the loan has been made to an individual in his or her capacity as a corporate member, the member's "shareholding" and "total liability" are any shareholding and total liability in that capacity.]

- F2** Art. 23(2)-(2B) substituted for art. 23(2) (23.4.2016) by [Credit Unions and Co-operative and Community Benefit Societies Act \(Northern Ireland\) 2016 \(c. 16\), s. 17, Sch. 1 para. 8](#)
- F3** Words in art. 23(3) inserted (6.4.2018) by [Credit Unions and Co-operative and Community Benefit Societies Act \(Northern Ireland\) 2016 \(c. 16\), ss. 4\(1\)\(a\), 17\(2\) \(with Sch. 2 para. 1\); S.R. 2017/217, art. 2\(a\)](#)
- F4** Art. 23(4)(5) substituted for art. 23(4) (6.4.2018) by [Credit Unions and Co-operative and Community Benefit Societies Act \(Northern Ireland\) 2016 \(c. 16\), ss. 4\(1\)\(b\), 17\(2\) \(with Sch. 2 para. 1\); S.R. 2017/217, art. 2\(a\)](#)

[^{F5}Power to issue interest-bearing shares

23A.—(1) A credit union may issue interest-bearing shares if—

- (a) its rules so provide,
- (b) its most recent year-end balance sheet shows that it holds reserves of at least the threshold amount,
- (c) its auditors have made a report under Article 47 on that balance sheet,
- (d) it has given the appropriate authority a copy of the balance sheet, and
- (e) it has given the appropriate authority a copy of a relevant report, made after the date of the balance sheet.

(2) The "threshold amount" is whichever of the following is greater—

- (a) £50,000;
- (b) 5% of the credit union's total assets.

(3) A "relevant report" is a report made by the auditors appointed to audit the credit union's accounts and balance sheet, stating that in their opinion the credit union satisfies such conditions as are specified by the appropriate authority for the purposes of this paragraph.

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

- F5** Art. 23A - Art. 23B inserted (23.4.2016) by [Credit Unions and Co-operative and Community Benefit Societies Act \(Northern Ireland\) 2016 \(c. 16\), ss. 3\(2\), 17](#)

Duties where interest-bearing shares have been issued

23B.—(1) This Article applies to a credit union that has issued interest-bearing shares.

(2) The credit union must give the appropriate authority a relevant report each year, by the date specified by the appropriate authority for the purposes of this paragraph.

(3) The credit union must convert any interest-bearing shares in issue into shares that are not interest-bearing if—

- (a) its rules cease to provide for the issue of interest-bearing shares,
- (b) neither its most recent year-end balance sheet nor the year-end balance sheet preceding it shows that the credit union holds reserves of at least the threshold amount,

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

- (c) neither of those balance sheets was given to the appropriate authority by the specified date, or
 - (d) for two consecutive years it has not complied with paragraph (2).
- (4) In this Article—
- “relevant report” and “threshold amount” have the same meaning as in Article 23A;
 - “specified date”, in relation to a credit union's year-end balance sheet, means the date by which rules under the 2000 Act require the credit union to give a copy of the balance sheet to the appropriate authority.]

F5 Art. 23A - Art. 23B inserted (23.4.2016) by [Credit Unions and Co-operative and Community Benefit Societies Act \(NorthernIreland\) 2016 \(c. 16\)](#), **ss. 3(2)**, 17

Prohibition on carrying on banking

24. ^{F6}

F6 Art. 24 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(11)**

Prohibition on deposit-taking

25.—(1) Subject to Articles 26 and 27, a credit union shall not accept a deposit from any person except by way of subscription for its shares.

- (2) ^{F7}
- (4) ^{F8}
- (5) ^{F9}

F7 Art. 25(2) 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(12)**

F8 Art. 25(4) 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(12)**

F9 Art. 25(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(12)**

Deposits by persons too young to be members

26.—(1) A credit union may take deposits^{F10} . . . from a person who is under the age at which, by virtue of Article 15, he may become a member of the credit union.

- (2) ^{F11}
- (3) ^{F11}
- (4) ^{F11}
- (5) ^{F11}

Status: Point in time view as at 06/04/2018.

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

- (6) ^{F11}
- (7) ^{F11}
- (8) ^{F11}
- (9) ^{F11}

<p>F10 Words in art. 26(1) 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(13)(a)</p> <p>F11 Art. 26(2)-(9) 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(13)(b)</p>
--

Power to borrow money

- 27.—(1) A credit union may borrow money ^{F12}
- (2) ^{F13}
 - (3) ^{F13}
 - (4) ^{F13}
 - (5) ^{F13}
 - (6) ^{F13}

<p>F12 Words in art. 27(1) 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(14)(a)</p> <p>F13 Art. 27(2)-(6) 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(14)(b)</p>
--

Loans by credit unions

28.—^{F14}(1) A credit union may make to a member a loan, upon such security (or without security) and terms as the rules of the credit union may provide.]

- ^{F15}(1A) But a credit union may make a loan to a corporate member only if—
- (a) the credit union's rules provide that it may make loans to corporate members, and
 - (b) the making of the loan would not result in the total amount of the outstanding balances on loans made to corporate members exceeding 10% of the total amount of the outstanding balances on all loans made by the credit union to members.

(1B) The Department may by order substitute for the percentage for the time being specified in paragraph (1A)(b) such other percentage as it considers appropriate.

(1C) If a credit union's rules provide that it may make loans to corporate members, those rules may also provide that loans to individuals who are corporate members may be transferred in accordance with this paragraph.

(1D) The reference in paragraph (1C) to the transfer of a loan is to a transfer of all the rights and liabilities that the borrower has under the loan, or in connection with it, to an individual who is—

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

- (a) in the case of a loan to a person who is an individual acting in the capacity as a partner in a partnership, another partner in the partnership;
- (b) in the case of shares held by an individual acting in the capacity as an officer or member of the governing body of an unincorporated association, another officer or member of that governing body.]

[^{F16}(1E) The terms of a loan made from a credit union to a member (other than a loan treated by virtue of Article 28A as a secured loan) must state whether, for the duration of the loan, the borrower is permitted to withdraw shares where the borrower's shareholding is (or following withdrawal would be) less than the borrower's total liability.

(1F) In paragraph (1E)—

- (a) the borrower's "shareholding" is the borrower's paid-up shareholding in the credit union;
- (b) the borrower's "total liability" is the borrower's total liability (including contingent liability) to the credit union whether as borrower, guarantor or otherwise;
- (c) where the loan is made to an individual in his or her capacity as a corporate member, the borrower's "shareholding" and "total liability" are any shareholding and total liability in that capacity.]

(2) ^{F17}
Para. (3) rep. by 1997 NI 22

(4) ^{F18}

(5) A credit union may charge interest on loans made by it but such interest shall be at a rate not exceeding 1 per cent per month (or such other rate as an order may specify) on the amount of the loan outstanding and such interest shall be inclusive of all administrative and other expenses incurred in connection with the making of the loan.

(6) ^{F19}

F14	Art. 28(1) 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(15)(a)
F15	Art. 28(1A)-(1D) 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. 9
F16	Art. 28(1E)(1F) inserted (6.4.2018) by Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (c. 16) , ss. 4(2), 17(2) (with Sch. 2 para. 1); S.R. 2017/217, art. 2(a)
F17	Art. 28(2) 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(15)(b)
F18	Art. 28(4) 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(15)(b)
F19	Art. 28(6) 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(15)(b)

[^{F20}**Loans to be treated as secured**

28A.—(1) This Article applies where—

- (a) a credit union makes a loan to a member of the credit union, and

Status: Point in time view as at 06/04/2018.

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

(b) at the time the loan is made, the member's paid-up shareholding in the credit union is equal to or greater than his total liability (including contingent liability) to the credit union, whether as borrower, guarantor or otherwise.

(2) On the application of the member to the credit union, the loan shall be treated for the purposes of this Order as a secured loan.]

F20 1997 NI 22

Loans by approved credit unions

28B. ^{F21}

F21 Art. 28B 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(16)**

Grant of certificates of approval

28C. ^{F22}

F22 Art. 28C 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(16)**

Withdrawal of certificates of approval

28D. ^{F23}

F23 Art. 28D 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(16)**

Promissory notes and bills of exchange

29. A promissory note or bill of exchange shall be deemed to have been made, accepted or endorsed on behalf of any credit union if made, accepted or endorsed in the name of the credit union, or by or on behalf or account of the credit union, by any person acting under the authority of the credit union.

Contracts

30.—(1) Contracts may be made, varied or discharged on behalf of a credit union as follows:—

- (a) a contract which, if made between individuals, would be by law required to be in writing under seal may be made, on behalf of the credit union in writing under the common seal of the credit union;
- (b) a contract which, if made between individuals, would be by law required to be in writing, signed by the parties to be charged with the contract, may be made on behalf of the credit union in writing by any person acting under the express or implied authority of the credit union;

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

- (c) a contract which, if made between individuals, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the credit union by any person acting under the express or implied authority of the credit union;
- (d) a contract made according to this paragraph may be varied or discharged in the same manner in which it is authorised by this Article to be made and a contract under seal which, if made between individuals, might be varied or discharged in writing not under seal, signed by any person interested in the contract, may be similarly varied or discharged in writing not under seal on behalf of the credit union, signed by any person acting under the express or implied authority of the credit union.

(2) A signature purporting to be made by a person holding any office in a credit union attached to a writing by which any contract purports to be made, varied or discharged by or on behalf of the credit union shall, until the contrary is proved, be taken to be the signature of a person holding that office at the time when the signature was made.

(3) A contract which may be or have been made, varied or discharged according to the provisions of this Article shall be effectual in law and bind the credit union and its successors and all other parties to the contract.

Charges on assets of credit unions

31.—(1) An instrument which is executed by a credit union and which creates or is evidence of a fixed or floating charge on assets of the credit union shall not be a bill of sale for the purposes of the Bills of Sale (Ireland) Acts 1879 and 1883 or be invalidated by those Acts if the charge is recorded in accordance with paragraph (2).

(2) An application for the recording of a charge under paragraph (1) shall be made by delivering by post or otherwise to the [F24FCA] , within the period of 14 days beginning with the date of execution of the instrument which creates or is evidence of the charge of within any extended period allowed under paragraph (5),—

- (a) a copy of the instrument authenticated in [F25such manner as may be directed by the FCA] and such additional particulars relating to the charge [F26authenticated in such manner as may be directed by the FCA] ; and

[F27(b) any fee required by rules made in accordance with paragraph 23 of Schedule 1ZA to the 2000 Act.]

[F28(3) If an application is made in accordance with subsection (2), the FCA must—

- (a) give the person who makes the application an acknowledgment of the application, bearing the FCA's seal;
- (b) place the copy of the instrument included in the application, a note of any particulars included in it, and a copy of the acknowledgement on a file kept by the FCA in respect of the society; and
- (c) make the file available for inspection during office hours by members of the public on payment of any fee required by rules made in accordance with paragraph 23 of Schedule 1ZA to the 2000 Act.]

[F29(4) The FCA may, under Article 80, make provision for—

- (a) the giving to the FCA of notice of any release, discharge or other transaction relating to a charge in respect of which an application under this Article has been made;
- (b) the inclusion in the file mentioned in this Article of any such notice appearing to the FCA to relate to the charge.]

Status: Point in time view as at 06/04/2018.

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

(5) If in the case of an instrument such as is mentioned in paragraph (1) it appears to the High Court, on the application of the credit union which executed the instrument or of any other person claiming the benefit of the instrument, that by reason of inadvertence or other sufficient cause—

- (a) an application for the recording of the charge to which the instrument relates was not made within the period of 14 days mentioned in paragraph (2); or
- (b) any matters were omitted from or were mis-stated in such an application,

the Court may, on such terms as it thinks fit, order that the period for making such an application shall be extended or, as the case may be, that the omission or mis-statement shall be rectified.

F24	Word in art. 31(2) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323) , art. 1, Sch. 3 para. 2(h) (with art. 3)
F25	Words in art. 31(2)(a) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323) , art. 1, Sch. 3 para. 9(a)(i)(aa) (with art. 3)
F26	Words in art. 31(2)(a) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323) , art. 1, Sch. 3 para. 9(a)(i)(bb) (with art. 3)
F27	Art. 31(2)(b) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323) , art. 1, Sch. 3 para. 9(a)(ii) (with art. 3)
F28	Art. 31(3) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323) , art. 1, Sch. 3 para. 9(b) (with art. 3)
F29	Art. 31(4) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323) , art. 1, Sch. 3 para. 9(c) (with art. 3)

Holding of land

32.—(1) A credit union may acquire and hold in its own name any land for the purpose of conducting its business on the land but, subject to paragraph (2), for no other purpose, and may dispose of any such land; and—

- (a) no person shall be bound to inquire as to the authority for any dealing with the land by a credit union; and
- (b) the receipt of the credit union shall be a discharge for all money arising from or in connection with any dealing with land by it.

(2) A credit union may hold any estate in land so far as is necessary for the purpose of making loans to its members on the security of an estate in land and of enforcing any such security.

- (3) ^{F30}
- (4) ^{F30}

F30	Art. 32(3)(4) 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(18)
------------	---

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

Investments

33. ^{F31}

F31 Art. 33 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(19)**

Discharge of mortgages

34.—(1) Where, in the case of any mortgage to a credit union of any property, a receipt in full for all money secured by the mortgage on that property is endorsed on or annexed to the mortgage or other assurance, being a receipt—

- (a) signed by 2 members of the board of directors and countersigned by the secretary of the credit union or, if the credit union is in liquidation, signed by the liquidator or liquidators for the time being, described as such; and
- (b) in the form set out in Schedule 2, or in any other form set out in the rules of the credit union or any schedule to those rules,

then, that receipt shall be fully effective to vacate the mortgage and vest in the mortgagor the estate of and in the property comprised in the mortgage.

(2) If the mortgage is registered in accordance with the Registration of Deeds Acts, the Registrar under those Acts shall—

- (a) on production of the receipt mentioned in paragraph (1), make an entry in the margin of the registry-book against the registry of the memorial of the mortgage that the mortgage is satisfied; and
 - (b) grant a certificate, either on the mortgage or separately, that the mortgage is satisfied.
- (3) The certificate granted under paragraph (2) (b) shall—
- (a) be received in all courts and proceedings without further proof; and
 - (b) have the effect of clearing the register of the mortgage.

(4) In this Article “mortgage” includes a further charge, and “mortgagor”, in relation to a mortgage, means the person for the time being entitled to the equity of redemption.

Receipt on payment of money secured to a credit union

35. On payment of all money intended to be secured to a credit union on the security of any property, the debtor or his successor or representatives shall be entitled to a receipt in the form set out in Schedule 2, or in any other form set out in the rules of the credit union or any schedule to those rules.

[^{F32}Application of surplus]

36.—(1) ^{F33}

(2) ^{F34}

[^{F35}(3) Following the application of such amount of its surplus funds to its reserves as may be required by rules made by the [^{F36}FCA under the 2000 Act and, if the society is a PRA-authorised person, rules made by the PRA under the 2000 Act], a credit union may apply such proportion of the remaining amount available for distribution in respect of any year of account (that is to say, the

Status: Point in time view as at 06/04/2018.

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

surplus for that year reduced or increased by any transfer to or from general reserve) in one or more of the following ways as the credit union may in general meeting determine—

- (a) subject to paragraph (4), in the payment to members of dividends on the amount of their paid-up shares;
- (b) as a rebate of interest paid by or due from members who have received loans from the credit union, such rebate being proportional to the interest paid by or due from such members during that year of account; and
- (c) subject to paragraph (5), for social, cultural or charitable purposes.]

(4) The dividend payable on any shares of a credit union shall not exceed a rate of 8 per cent per annum or such other rate as an order may specify.

(5) No part of the amount available for distribution in respect of any year of account shall be applied by a credit union for the purposes mentioned in paragraph (3) (c) unless a dividend^{F37}... is paid for that year on all paid-up shares of the credit union; and the total sum applied for those purposes out of the amount available for distribution in respect of any year of account shall not exceed 10 per cent of that amount.

- (6)^{F38}
- (7)^{F39}

F32	Art. 36 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(20)
F33	Art. 36(1) 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(20)(a)
F34	Art. 36(2) 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(20)(a)
F35	Art. 36(3) 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(20)(b)
F36	Words in art. 36(3) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496) , art. 1(1), Sch. 7 para. 7 (with Sch. 12)
F37	Words in art. 36(5) omitted (23.4.2016) by virtue of Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (c. 16) , ss. 6, 17
F38	Art. 36(6) 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(20)(a)
F39	Art. 36(7) 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(20)(a)

Insurance against fraud or other dishonesty

- 37.^{F40}

F40	Art. 37 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(21)
------------	---

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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)

Guarantee funds

38.—(1) Subject to the provisions of this Article, a credit union, or any 2 or more credit unions, may enter into arrangements with a person carrying on the business of insurance for the purpose of making funds available to meet losses incurred by members of a credit union which is a party to the arrangements; and any 2 or more credit unions may enter into any other kind of arrangements for that purpose.

(2) [^{F41}A] credit union may make contributions under arrangements made in accordance with paragraph (1), and such arrangements may in particular provide for the vesting of a fund in trustees appointed under the arrangements.

(3) ^{F42}

F41 Word in art. 38(2) 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(22)(a)**

F42 Art. 38(3) 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(22)(b)**

Prohibition on undischarged bankrupts and other persons

39. ^{F43}

F43 Art. 39 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(23)**

Status:

Point in time view as at 06/04/2018.

Changes to legislation:

The Credit Unions (Northern Ireland) Order 1985, Operation of credit union is up to date with all changes known to be in force on or before 25 August 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.