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STATUTORY INSTRUMENTS

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**2001 No. 3649**

The Financial Services and Markets Act 2000  
(Consequential Amendments and Repeals) Order 2001

PART 6

ENACTMENTS RELATING TO MUTUAL SOCIETIES

CHAPTER I

primary legislation

*Credit Unions Act 1979 (c. 34)*

**General prohibition on deposit taking**

**191.** In section 8(2) of the Credit Unions Act 1979(1) (general prohibition on deposit taking) for the words “has the meaning given in section 5 of the Banking Act 1987” substitute—

“must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.”.

**Insurance against fraud or other dishonesty**

**192.**—(1) Section 15 of the Credit Unions Act 1979 (insurance against fraud or other dishonesty) is amended as follows.

(2) In subsection (2), for paragraph (d) substitute—

“(d) must be issued by—

- (i) a person who has a permission under Part IV of the Financial Services and Markets Act 2000 to effect or carry out contracts of insurance of a relevant class, or
- (ii) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of insurance of a relevant class.”.

(3) After subsection (3) insert—

“(3A) Paragraph (d) of subsection (2) above must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and

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(1) Subsection (2) of section 8 was substituted by the Banking Act 1987 section 108(1), Schedule 6 paragraph 7(1).

(c) Schedule 2 to that Act.”.

**Definition of “authorised bank”**

**193.**—(1) Section 31(1) of the Credit Unions Act 1979 (interpretation) is amended as follows.

(2) In subsection (1), for paragraph (a) of the definition of “authorised bank” (2) substitute—

- “(a) a person who has permission under Part IV of the Financial Services and Markets Act 2000 to accept deposits;
- (ab) an EEA firm of the kind mentioned in paragraph 5(b) of Schedule 3 to that Act which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to accept deposits;
- (ac) a municipal bank, that is to say a company which, immediately before the coming into force of this provision, fell within the definition in section 103 of the Banking Act 1987;”.

(3) After subsection (1) insert—

“(1A) Paragraphs (a) and (ab) of the definition of “authorised bank” in subsection (1) must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.”.

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(2) The definition of “authorised bank” in section 31(1) was substituted by the Banking Act 1987 (c. 22), Schedule 6 paragraph 7.