



2016 CHAPTER 16

Credit Unions

Corporate members of credit unions

1.—(1) In Article 2(2) of the 1985 Order (interpretation) at the appropriate places insert—

““body corporate” includes a partnership regarded as a legal person under the law of the country or territory in which it was established;”;

““corporate member”, in relation to a credit union, means—

- (a) a body corporate that is a member of the credit union,
- (b) an individual who is a member of the credit union in the individual’s capacity as a partner in a partnership, or
- (c) an individual who is a member of the credit union in the individual’s capacity as an officer or member of the governing body of an unincorporated association;”;

““partnership” means a partnership not regarded as a legal person under the law of the country or territory in which it was established;”.

(2) In Article 14 of that Order (membership) for paragraph (1) substitute—

“(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.”.

(3) After that Article insert—

“14A Corporate members

(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.

(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.”.