



2016 CHAPTER 16

Credit Unions

Interest-bearing shares

3.—(1) In Article 2(2) of the 1985 Order at the appropriate place insert—
““interest-bearing share” means a share issued on terms which entitle the holder to interest but not to a dividend;”.

(2) After Article 23 of that Order insert—

“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.

Status: Point in time view as at 23/04/2016.

Changes to legislation: There are currently no known outstanding effects for the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016, Section 3. (See end of Document for details)

(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.

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,
- (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.”.

Status:

Point in time view as at 23/04/2016.

Changes to legislation:

There are currently no known outstanding effects for the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016, Section 3.