
STATUTORY INSTRUMENTS

1985 No. 1205

The Credit Unions (Northern Ireland) Order 1985

Registration as a credit union

Registration

- 3.—(1) Subject to ^{F1}Article 13] a society may be registered as a credit union under this Order if—
- (a) it is shown to the satisfaction of the ^{F2}FCA] that the conditions specified in paragraph (2) are fulfilled;
 - (b) the rules of the society comply with Article 8(1); ^{F3} . . .
 - (c) the place which under those rules is to be the society's registered office is situated in Northern Ireland ^{F4};
 - ^{F5}(d) the society has made an application for a permission under Part 4A of the 2000 Act to accept deposits;
 - (e) the FCA is satisfied that, once registered under this Order, the society will satisfy, and continue to satisfy, the threshold conditions (within the meaning of section 55B(1) of the 2000 Act) for which the FCA is responsible in relation to the regulated activity of accepting deposits; and
 - (f) the PRA is satisfied that, once registered under this Order, the society will satisfy, and continue to satisfy, the threshold conditions (within the meaning of section 55B(1) of the 2000 Act) for which the PRA is responsible in relation to the regulated activity of accepting deposits.]
- ^{F6}^{F7}(1A)
- (1B) The PRA must notify the ^{F8}FCA] in writing if it is satisfied as mentioned in paragraph (1) (f).]
- (2) The conditions referred to in paragraph (1)(a) are—
- (a) that the objects of the society are those, and only those, of a credit union; and
 - (b) that admission to membership of the society is restricted to persons each of whom has, in relation to all the other members, not less than one common bond.
- (3) The objects of a credit union are—
- (a) the promotion of thrift among its members by the accumulation of their savings;
 - (b) the creation of sources of credit for the benefit of its members at a fair and reasonable rate of interest;
 - (c) the use and control of members' savings for their mutual benefit; and
 - (d) the training and education of members in the wise use of money and in the management of their financial affairs.
- ^{F9}(3A) In paragraph (3) references to members do not include corporate members.]
- (4) A common bond for the purpose of paragraph (2)(b) is—
- (a) following a particular occupation;

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- (b) residing or being employed in a particular locality;
 - (c) being employed by a particular employer;
 - (d) being a member of a bona fide organisation or being otherwise associated with other members of the society for a purpose other than that of forming a society to be registered as a credit union;
 - (e) any other common bond approved by the [F10FCA] .
- (5) In ascertaining whether a common bond exists between the members of a society, the [F11FCA] —
- [F12(a) may, if [F13the FCA] considers it proper in the circumstances of the case, treat as sufficient evidence of the existence of a common bond a statutory declaration which is given by three members and the secretary of the society, and is to the effect that a common bond exists,]
 - (b) may, if [F14the FCA] considers it proper in the circumstances of the case, treat the fact that admission to membership is restricted as mentioned in paragraph (2)(b) as sufficient evidence of the existence of a common bond.
- (6) For the purposes of this Order, if the rules of a credit union so provide, a person shall be treated as having the qualifications required for admission to membership stated in those rules if he is a member of the same household as, and is a member of the family of, another person who is a member of the credit union and who has a direct common bond with those other members.

- F1** Words in art. 3(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(5)(a)**
- F2** Word in art. 3(1)(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. 2(b)** (with art. 3)
- F3** Word in art. 3(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(5)(b)**
- F4** In art. 3(1)(c) ";," 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(5)(b)**
- F5** Art. 3(1)(d)-(f) substituted for art. 3(1)(d)(e) (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 7 para. 4(2)** (with Sch. 12)
- F6** Art. 3(1A) omitted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by virtue of [The Financial Services Act 2012 \(Mutual Societies\) Order 2018 \(S.I. 2018/323\)](#), art. 1, **Sch. 3 para. 6** (with art. 3)
- F7** Art. 3(1A)(1B) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 7 para. 4(3)** (with Sch. 12)
- F8** Word in art. 3(1B) 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(b)** (with art. 3)
- F9** Art. 3(3A) 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. 1**
- F10** Word in art. 3(4)(e) 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(b)** (with art. 3)
- F11** Word in art. 3(5) 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(b)** (with art. 3)
- F12** 1997 NI 22

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- F13** Words in art. 3(5)(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. 3\(a\)](#) (with art. 3)
- F14** Words in art. 3(5)(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. 3\(a\)](#) (with art. 3)

[^{F15}Common bonds: corporate members

3A.—(1) This Article applies for the purposes of determining whether—

- (a) a body corporate, or
- (b) an individual acting in the capacity as a partner in a partnership or an officer or member of the governing body of an unincorporated association,

has a common bond within Article 3(4)(a) to (d) in relation to other members of a credit union.

(2) The body corporate or individual falls within the common bond specified in Article 3(4)(a) if the principal business of the body corporate, partnership or unincorporated association—

- (a) requires it to employ or otherwise engage persons who follow the particular occupation, or
- (b) relates to that occupation in some other way.

(3) The body corporate or individual falls within the common bond specified in Article 3(4)(b) if the body corporate, partnership or unincorporated association has a place of business in, or other significant connection with, the particular locality.

(4) The body corporate or individual falls within the common bond specified in Article 3(4)(c) if the body corporate, partnership or unincorporated association—

- (a) employs the persons who qualify for membership under that common bond, or
- (b) provides services, or is otherwise related, to that employer.

(5) The body corporate or individual falls within the common bond specified in Article 3(4)(d) if the body corporate, partnership or unincorporated association is a member of a bona fide organisation or otherwise associated with other members of the society for the purpose specified in that provision.]

- F15** Art. 3A 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. 2](#)

Supplementary provisions as to registration

4.—(1) An application for the registration of a society under this Order shall be signed by 21 members and the secretary of the society and shall be sent [^{F16}to the FCA with 2 copies of the society's rules or, if the application is made by electronic means, one copy of those rules] .

(2) On being satisfied that a society has complied with the provisions of this Order as to registration the [^{F17}FCA] shall issue to the credit union an acknowledgement of registration [^{F18}, bearing the FCA's seal,] which shall be conclusive evidence that the credit union is duly registered under this Order unless it is proved that the registration of the credit union has been cancelled or is for the time being suspended.

[^{F19}(2A) The FCA must not issue an acknowledgement of registration under paragraph (2) unless—

- (a) if the FCA is the appropriate regulator (within the meaning given in section 55A of the 2000 Act), it proposes to give the society permission under Part 4A of the 2000 Act to accept deposits; or

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(b) if the PRA is the appropriate regulator (within the meaning given in section 55A of the 2000 Act), the PRA has confirmed to the FCA that it proposes to give the society permission under Part 4A of the 2000 Act to accept deposits.]

(3) A society whose objects are wholly or substantially those of a credit union within the meaning of Article 3(3) shall not be registered otherwise than as a credit union under this Order and any such registration shall be void.

- F16** Words in art. 4(1) 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. 7\(a\)](#) (with art. 3)
- F17** Word in art. 4(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\(c\)](#) (with art. 3)
- F18** Words in art. 4(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. 7\(b\)](#) (with art. 3)
- F19** Art. 4(2A) 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. 7\(c\)](#) (with art. 3)

Registration to effect incorporation of credit union with limited liability

5. A credit union shall by virtue of its registration be a body corporate known by its registered name, by which it may sue and be sued, with perpetual succession and a common seal and with limited liability; and that registration shall rest in the credit union all property for the time being vested in any person in trust for the credit union and all legal proceedings pending by or against the trustees of the credit union may be brought or continued by or against the credit union in its registered name.

Use of name “ credit union ”, etc.

6.—(1) A credit union shall not be registered under this Order under a name which in the opinion of the [FCA] is undesirable.

(2) The name of every credit union shall contain the words “credit union” and the word “Limited” shall be the last word in that name.

(3) Every credit union shall cause its registered name to be painted or affixed, and to be kept painted or affixed, in a conspicuous position and in letters easily legible, on the outside of its registered office and every other office or place in which the business of the credit union is carried on, and shall have that name engraven in legible characters on its seal and set out in legible characters—

- (a) in all notices, advertisements and other official publications of the credit union;
- (b) in all business letters of the credit union;
- (c) in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods, purporting to be signed by or on behalf of the credit union;
- (d) in all bills, invoices, receipts, and letters of credit of the credit union.

(4) Any officer of a credit union, or any other person acting on a credit union's behalf, who—

- (a) uses any seal purporting to be a seal of the credit union which does not have the credit union's registered name engraven on it in legible characters; or
- (b) issues or authorises the issue of any document such as is mentioned in paragraph (3) (a) or (d) in which that name is not set out in legible characters; or

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(c) signs or authorises to be signed on behalf of the credit union any document such as is mentioned in paragraph (3)(c) in which that name is not so set out, shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale and, in the case of a conviction by virtue of sub-paragraph (c), shall further be personally liable to the holder of any such document as is referred to in that sub-paragraph for the amount specified in the document unless that amount is duly paid by the credit union.

(5) Subject to paragraph (6), a person shall not, unless registered as a credit union,—

- (a) use, in reference to himself, a name, title or descriptive expression containing the words “credit union” or any cognate term or any derivative of those words; or
- (b) represent himself as being a credit union;

and any person who contravenes this paragraph shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale.

(6) Paragraph (5) does not apply to—

- (a) the use by an officer or employee of a credit union of a title or descriptive expression indicating his office or post with the credit union; or
- (b) the use with reference to an association or group of credit unions of a name which has been approved in writing by the [F21FCA] .

F20 Word in art. 6(1) 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(d)** (with art. 3)

F21 Word in art. 6(6)(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. 2(d)** (with art. 3)

Change of name

7.—(1) A credit union may change its name in the following manner and in that manner only, that is to say—

- (a) by a resolution for the purpose passed at a general meeting of the credit union after the giving of such notice as is required by the rules of the credit union for such a resolution or, if the rules do not make special provision as to notice of such a resolution, after the giving of such notice as is required by the rules for a resolution to amend the rules; and
- (b) with the approval in writing of the [F22FCA] .

(2) A change in the name of a credit union shall not affect any right or obligation of the credit union, or of any member of the credit union and any pending legal proceedings may be continued by or against the credit union notwithstanding its new name.

F22 Word in art. 7(1)(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. 2(e)** (with art. 3)

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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\(a\)](#)