
STATUTORY INSTRUMENTS

2002 No. 704

The Financial Services and Markets Act 2000 (Permission and Applications) (Credit Unions etc.) Order 2002

Effect of restrictions and prohibitions under 1979 Act

5.—(1) Where immediately before commencement an unauthorised credit union was subject to a direction under section 19 of the 1979 Act⁽¹⁾, that direction has effect after commencement as if it were a requirement imposed on that credit union under section 43 of the Act.

(2) For the purposes of the rules and guidance made prior to commencement by the Authority under Part X of the Act that relate to credit unions⁽²⁾, a credit union which, immediately before commencement, did not hold a certificate under section 11C of the 1979 Act⁽³⁾ is to be treated from commencement as a version 1 credit union (and so, by virtue of rule 10.3.2 of the Credit Union Sourcebook⁽⁴⁾, such a credit union may not lend more than £10,000 in excess of the borrowing member's shareholding).

(3) For the purposes of those rules and that guidance, a credit union which, immediately before commencement, held a certificate under that section is to be treated from commencement as a version 2 credit union (and so, by virtue of rule 10.3.4 of the Credit Union Sourcebook, such a credit union may lend up to £10,000 in excess of the borrowing member's shareholding or 1.5% of the total shares in the credit union in excess of the borrowing member's shareholding, whichever is the greater).

(4) Paragraphs (2) and (3) are subject to anything done by or under the Act after commencement.

(1) Amended by S.I.2001/2617.

(2) See Authority's Handbook.

(3) Sections 11A to 11D inserted by S.I. 1996/1189; amended by S.I. 2001/2617; repealed by the Financial Services and Markets Act 2000 as from 2nd July 2002.

(4) The Credit Unions Sourcebook, which forms part of the Authority's Handbook, was made by the Authority on 20th December 2001. It was amended by the Credit Union Sourcebook and Consequential Amendments Instrument 2002 made on 21st February 2002.