
STATUTORY INSTRUMENTS

2003 No. 256

The Regulatory Reform (Credit Unions) Order 2003

Use of the name “credit union”

4.—(1) Section 3 (use of name “credit union” etc.)(1) is amended as follows.

(2) For subsection (3), substitute—

“(3) Subsection (2) above does not apply to—

- (a) the use, in reference to itself, of a name, title or descriptive expression by any body corporate which falls within subsection (3A) below;
- (b) the use by any person or unincorporated association with reference to himself (or itself) of a name which has been approved in writing by the Authority; or
- (c) the use by any officer or employee of—
 - (i) a credit union,
 - (ii) a body corporate which falls within subsection (3A) below, or
 - (iii) a person or association which has obtained approval under paragraph (b) above,of a title or descriptive expression indicating his office or post with that credit union, body, person or association.”.

(3) After subsection (3), insert—

“(3A) A body corporate falls within this subsection if its head office is not in England, Wales or Scotland and it—

- (a) has Part IV permission under the 2000 Act to accept deposits;
- (b) is exempt from the prohibition imposed by section 19 of that Act in respect of accepting deposits;
- (c) has permission under that Act to accept deposits by virtue of qualifying for authorisation under Schedule 3 or 4 to that Act; or
- (d) is subject to legal provisions that are similar to the relevant provisions.

(3B) For the purposes of subsection (3A)(d) above, a body corporate is to be treated as being subject to legal provisions that are similar to the relevant provisions if it is subject to legal provisions which—

- (a) provide that the main activities carried on by the body are accepting deposits from, and lending money to, persons who are members or shareholders of the body;
- (b) require the body to obtain authorisation or approval before it commences business;
- (c) require the members and shareholders of the body to be linked by reference to some common characteristic or circumstance; and

(1) Amended by the Welsh Language Act 1993 (c. 38), section 29 and by S.I.2001/2617. At the date on which this Order was laid in draft before Parliament, subsections (2) and (3) were not in force.

- (d) provide that those from whom the body accepts deposits must be shareholders or members of the body (although the legal provisions may allow for some exceptions to this proposition).

(3C) In determining, for the purposes of subsection (3A)(d) above, whether a body corporate is subject to legal provisions that are similar to the relevant provisions, regard must be had as to whether the legal provisions to which it is subject require the body to obtain authorisation or approval before it commences business and whether those provisions—

- (a) impose limits on the objects which the body may or must have,
- (b) impose limits on the membership of the body,
- (c) impose restrictions on the kind of activities which the body may carry on,
- (d) impose limits or conditions on the body’s ability to accept deposits,
- (e) impose limits on the value of the shares which any one shareholder may have in the body,
- (f) impose limits on the body’s ability to lend money,

which are similar to those imposed by the relevant provisions.

(3D) In this section—

- (a) “legal provisions” includes laws, regulations and administrative provisions;
- (b) “relevant provisions” means—
 - (i) the provisions of this Act; and
 - (ii) any provision of or made under the 1965 Act or the 2000 Act so far as it relates to credit unions.”.