
STATUTORY INSTRUMENTS

1985 No. 1205

The Credit Unions (Northern Ireland) Order 1985

Suspension of credit union, etc.

Appointment of inspectors and calling of special meetings

58.—(1) Upon the application of one-tenth of the whole number of members of a credit union or, in the case of a credit union with more than 1,000 members, of 100 of those members, the registrar may, with the consent of the Department—

- (a) appoint an inspector to investigate and report on the affairs of the credit union; or
- (b) call a special meeting of the credit union.

(2) An application under this Article shall be supported by such evidence for the purpose of showing that the applicants have good reason for requiring the investigation or meeting and are not actuated by malicious motives, and such notice of the application shall be given to the credit union, as the registrar shall direct.

(3) The registrar may require the applicants to give security for the costs of the proposed investigation or meeting before appointing any inspector or calling the meeting.

(4) Without prejudice to paragraph (1) where the registrar is of the opinion that an investigation should be held into the affairs of a credit union or that the affairs of the credit union call for consideration by a meeting of the members, he may, with the consent of the Department—

- (a) appoint an inspect to investigate and report on the affairs of the credit union; or
- (b) call a special meeting of the credit union; or
- (c) (either on the same or different occasions) both appoint such an inspector and call such a meeting.

(5) All expenses of and incidental or preliminary to any investigation or meeting under this Article shall be defrayed by the members applying for it, or out of the funds of the credit union, or by the members or officers, or former members or officers, of the credit union, in such proportions as the registrar shall direct.

(6) An inspector appointed under this Article may require the production of all or any of the books, accounts, securities and documents of the credit union and may examine on oath its officers, members, agents and servants in relation to its business, and may for that purpose administer oaths.

(7) The registrar may direct at what time and place a special meeting under this Article is to be held, and what matters are to be discussed and determined at the meeting; and the meeting shall have all the powers of a meeting called according to the rules of the credit union, and may appoint its own chairman notwithstanding any rule of the credit union to the contrary.

Suspension of credit union's operations

59.—(1) If, with respect to any credit union, the registrar considers it expedient to do so having regard to the interests of all the members of the credit union or in the interests of potential members of the credit union, he may, with the consent of the Department, give a direction prohibiting the

Status: Point in time view as at 01/01/2006.

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Suspension of credit union, etc. is up to date with all changes known to be in force on or before 05 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

credit union to such extent and subject to such conditions as may be specified in the direction from carrying on any one or more of the following activities, that is to say,—

- (a) borrowing money;
- (b) accepting a payment representing the whole or any part of an amount due by way of subscription for a share in the credit union other than a payment which fell due before the giving of the direction;
- (c) lending money; and
- (d) repaying share capital;

and Schedule 3 shall have effect in relation to the giving of a direction under this Article.

(2) Nothing in any direction given under this Article shall make it unlawful for a credit union to borrow from an authorised bank if the credit union has obtained the consent in writing of the registrar.

(3) For the purposes of this Article and of any direction given under it, if any indebtedness of a member to a credit union is set off to any extent against the share capital credited to him, then, to that extent, the setting off shall be treated as a repayment of that share capital.

(4) A direction given under this Article may be revoked by the registrar with the consent of the Department and notice of the revocation shall be published in the same manner as notice of the giving of the direction.

(5) Any obligation of any person to make a part payment as mentioned in paragraph (1)(b) to the credit union which falls due at a time when the credit union is prohibited by the direction from accepting it shall be suspended for a period equal to the period for which the prohibition is in force.

(6) Subject to paragraph (5), any obligation to make a credit union a payment which the credit union is prohibited from accepting by a direction under this Article shall be wholly rescinded.

(7) If a credit union contravenes a direction under this Article it shall be guilty of an offence and shall be liable—

- (a) on conviction on indictment to a fine; or
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

Cancellation of registration

60.—(1) Subject to the provisions of this Article and Article 62(2)(b), and without prejudice to Article 65(6) or 66(3), the registrar may, by writing under his hand, cancel the registration of any credit union—

- (a) if at any time it is proved to his satisfaction—
 - (i) that the number of members of the credit union has been reduced to less than 21; or
 - (ii) that an acknowledgement of registration has been obtained by fraud or mistake; or
 - (iii) that the credit union has ceased to exist;
- (b) at the request of the credit union, to be evidenced in such manner as he shall direct;
- (c) with the consent of the Department—
 - (i) on proof to his satisfaction that the credit union exists for an illegal purpose, or has wilfully and after notice from him violated any of the provisions of this Order or the Industrial and Provident Societies Act (Northern Ireland) 1969;
 - (ii) if at any time it appears to him that there is no longer a common bond between the members of the credit union.

(2) Not less than 2 months' previous notice in writing specifying briefly the ground of the proposed cancellation shall be given by the registrar to a credit union before its registration is cancelled otherwise than—

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Suspension of credit union, etc. is up to date with all changes known to be in force on or before 05 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) at its own request; or
- (b) by virtue of Article 65(6) or 66(3)—

and if before the expiration of the period of that notice the credit union duly lodges an appeal under Article 62(2)(b), then, without prejudice to Article 61(2), the credit union's registration shall not be cancelled before the date of the determination or abandonment of the appeal.

(3) Notice of every cancellation under this Article of a credit union's registration shall, as soon as practicable after it takes place, be published in the Belfast Gazette and in any other manner which the registrar considers necessary for bringing the cancellation to the notice of persons affected by the cancellation.

(4) From the date of the publication in the Belfast Gazette under paragraph (3) of a notice of the cancellation of a credit union's registration, the credit union shall absolutely cease to be entitled to any of the privileges of this Order as a credit union, but without prejudice to any liability actually incurred by the credit union which may be enforced against it as if the cancellation had not taken place.

Suspension of registration

61.—(1) Where under Article 60(1)(c) the registrar might with the consent of the Department cancel the registration of a credit union, he may, by writing under his hand—

- (a) subject to paragraph (3), suspend the registration of that credit union for any term not exceeding three months; and
- (b) with the consent of the Department, but subject to Article 62(2)(c), renew any such suspension for the like period.

(2) Where before the expiration of the period of a notice under Article 60(2) of the proposed cancellation of a credit union's registration, that credit union duly lodges an appeal from the proposed cancellation under Article 62(2)(b), the registrar may by writing under his hand suspend the credit union's registration from the expiration of that period until the date of the determination or abandonment of the appeal.

(3) Not less than two months' previous notice in writing specifying briefly the ground of the proposed suspension shall be given by the registrar to a credit union before its registration is suspended under paragraph (1)(a).

(4) Notice of every suspension of a credit union's registration under paragraph (1)(a) or (2) and of any renewal of a suspension under paragraph (1)(b) shall, as soon as practicable after it takes place, be published in the Belfast Gazette and in any other manner which the registrar considers necessary for bringing the suspension to the notice of persons affected by the suspension.

(5) From the date of publication in the Belfast Gazette of a notice under paragraph (4) of the suspension of any credit union's registration under paragraph (1)(a) or (2) until the period of that suspension and any renewal of that suspension under paragraph (1)(b) ends (whether on the expiration of that period or on a successful appeal under Article 62(2)(c) from such a renewal) the credit union shall not be entitled to any of the privileges of this Order as a credit union, but without prejudice to any liability actually incurred by the credit union which may be enforced against it as if the suspension had not taken place.

Appeals

62.—(1) A society may appeal to the High Court from the decision of the registrar to refuse registration of the society as a credit union (including a refusal by reason only of anything contained in or omitted from the society's rules) on any ground other than that he is not satisfied that a common bond exists between the members of the society.

Status: Point in time view as at 01/01/2006.

Changes to legislation: The Credit Unions (Northern Ireland) Order 1985, Suspension of credit union, etc. is up to date with all changes known to be in force on or before 05 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) A credit union may appeal to the High Court from any decision of the registrar—
- (a) to refuse registration of any amendment of the credit union's rules; or
 - (b) to cancel the credit union's registration (being a cancellation of which notice is required under Article 60(2), and not being a cancellation by virtue of Article 60(1)(c)(ii)) if the appeal is lodged before the expiration of the period of notice of the proposed cancellation given under Article 60(2); or
 - (c) to renew under Article 61(1)(b) a suspension of the credit union's registration so far as that renewal provides for the suspension to continue more than three months from the original date of suspension.

(3) If any decision such as is mentioned in paragraph (1) or (2)(a) is overruled on appeal, the registrar shall issue to the credit union an acknowledgement of registration under this Order, or, as the case may be, of the amendment under Article 10(4).

Petition for winding-up

63. A petition for the winding-up of a credit union may be presented to the court by the registrar if it appears to him that—

- (a) the credit union is unable to pay sums due and payable to its members, or is able to pay such sums only by obtaining further subscriptions for shares or by defaulting in its obligations to creditors; or
- (b) there has been, in relation to that credit union, a failure to comply with any provision of, or any direction given under, this Order or the Industrial and Provident Societies Act (Northern Ireland) 1969; or
- (c) there is no longer a common bond between the members of the credit union;

or in any other case where it appears to him that the winding-up of the credit union is in the public interest or is just and equitable having regard to the interests of all the members of the credit union.

Status:

Point in time view as at 01/01/2006.

Changes to legislation:

The Credit Unions (Northern Ireland) Order 1985, Suspension of credit union, etc. is up to date with all changes known to be in force on or before 05 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.