

PRA RULEBOOK: NON-CRR FIRMS: CREDIT UNIONS AMENDMENTS INSTRUMENT 2017

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (1) section 137G (The PRA’s general rules); and
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

PRA Rulebook: Non-CRR Firms: Credit Unions Amendments Instrument 2017

- D. The PRA makes the rules in the Annex to this instrument.

Commencement

- E. This instrument comes into force on 27 February 2017.

Citation

- F. This instrument may be cited as the PRA Rulebook: Non-CRR Firms: Credit Unions Amendments Instrument 2017.

By order of the Board of the Prudential Regulation Authority

21 February 2017

Annex

Amendments to the Credit Unions Part

In this Annex, underlining indicates new text and striking through indicates deleted text.

1 APPLICATION AND DEFINITIONS

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1.2 In this Part, the following definitions shall apply:

additional activity

means an additional activity carried out or additional service provided by a *credit union* as described in 3.3, 3.5, Chapter 4, 6.4 or Chapter 7.

...

3 LENDING

...

3.2 Subject to 3.3, a *credit union* must not ~~hold~~ make:

- (1) an *unsecured loan* that is repayable within more than five years from the date of its provision; or
- (2) a *secured loan* that is repayable within more than ten years from the date of its provision.

3.3 ~~A *credit union* must not make a loan that is repayable within more than ten years from its provision, in relation to an *unsecured loan*, and 25 years, in relation to a *secured loan*, unless the *credit union* complies with 10.3.~~

If a *credit union* complies with 10.3, it may make:

- (1) an *unsecured loan* that is repayable within ten years from the date of its provision; or
- (2) a *secured loan* that is repayable within 25 years from the date of its provision.

...

6 INVESTMENT

...

6.3 ~~Subject to 6.4, a~~ A *credit union* must not hold *investments*, save that it may hold an *investment* that is:

...

- (3) a sterling-denominated security issued by the government of an *EEA State*, with a *maturity* of up to twelve months from the date on which that *investment* is made; or
- (4) a fixed-interest sterling-denominated security guaranteed by the government of an *EEA State*, with a *maturity* of up to twelve months from the date on which that *investment* is made, provided that such guarantee is unconditional in respect of the payment of both principal and interest on the security; or
- (5) described in 6.4, where the *credit union* meets the conditions set out therein.

6.4 ~~If a~~ A *credit union* complies with 10.3, it may hold an *investment* that is that holds an *investment* set out below must at all times while holding such *investment* comply with 10.3:

- (1) ~~a deposit placed with a credit institution which is authorised in an EEA State to accept deposits on terms that the deposit shall be repayable within at most twelve months from the date on which that investment is made; [deleted.]~~

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