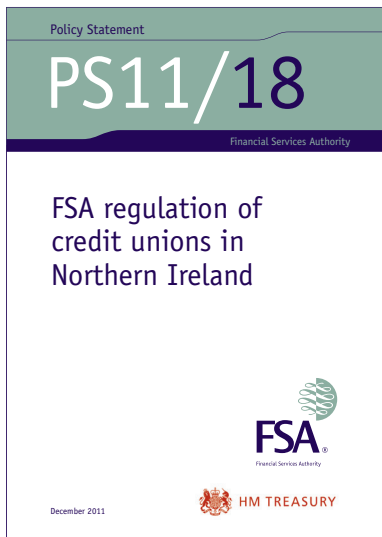


# In Summary

Policy Statement 11/18



The full PS11/18 can be found at:  
[www.fsa.gov.uk/pages/Library/Policy/Policy/2011/11\\_18.shtml](http://www.fsa.gov.uk/pages/Library/Policy/Policy/2011/11_18.shtml)

## FSA regulation of credit unions in Northern Ireland

### How the regulation of credit unions in Northern Ireland affects your credit union

As we, together with HM Treasury, publish this joint Policy Statement 11/18 – *FSA regulation of credit unions in Northern Ireland* – here we outline whether you need to read the paper and what will happen next. For more details, read the full paper on our website: [www.fsa.gov.uk](http://www.fsa.gov.uk).

#### Will this affect you – directly or indirectly?

This Policy Statement will be of interest to credit unions in Northern Ireland (Northern Ireland credit unions), their members, their officers and volunteers, their trade associations, their IT systems and software providers, their auditors and those planning to set up new Northern Ireland credit unions.

Stakeholders with an interest in credit unions in Great Britain may also be interested in this Policy Statement, particularly as it includes commitments to consult on parts of the regulatory regime that currently apply to them.

#### Why is this important?

Northern Ireland and HM Treasury Ministers have decided to transfer responsibility for regulating Northern Ireland credit unions from the Department of Enterprise, Trade and Investment (DETI) to the FSA. Parliament has now approved transfer taking place on 31 March 2012.

In a joint Consultation Paper (*CP11/17 FSA regulation of credit unions in Northern Ireland*) the Treasury and the FSA set out a proposed legislative and regulatory regime to apply to Northern Ireland credit unions from transfer. During the consultation period, the FSA discussed the proposed regime with a range of stakeholders. In particular, we:

- held five roadshows across Northern Ireland, which were very well attended by credit unions;
- met with the two largest trade associations, the Irish League of Credit Unions (ILCU) and the Ulster Federation of Credit Unions (UFCU), who together represent 153 of the 177 Northern Ireland credit unions; and
- discussed the changes with the IT system and software providers for the sector.

There was broad support for the enhanced consumer protection for members of Northern Ireland credit unions that will come with transfer. However, respondents also raised concerns about a number of the proposals. The Treasury and the FSA have considered this feedback very carefully and have revised some of the proposals. The Policy Statement sets out responses to the feedback received during consultation and explains which of the proposals have remained and which have changed, and why.

### And why is this important to your credit union?

The Policy Statement confirms the legislative and regulatory regime that will apply to Northern Ireland credit unions. Attached to the Policy Statement are the ‘near-final’ FSA rules that will apply to your credit union from transfer onwards.

### What do you need to do next?

The transfer of regulatory responsibility for Northern Ireland credit unions will take place on 31 March 2012. The FSA urges Northern Ireland credit union workers and trade associations to read the Policy Statement and consider the ‘near-final’ rules that will apply, and to continue preparations for adhering to them.

### What will the FSA do next?

The FSA appreciates that this is a significant change and will continue to work with Northern Ireland credit unions to ensure that transfer happens as smoothly as possible. We will help workers and trade bodies to prepare for the start of the new regime on 31 March 2012, by:

- continuing to update our dedicated website for Northern Ireland credit unions;

- publishing factsheets on the website, which will provide Northern Ireland credit unions with all the information they will need in the run up to transfer;
- writing to all Northern Ireland credit unions to outline and collect information for the grandfathering process;
- allowing Northern Ireland credit unions that will be grandfathered as version 1 to apply for version 2 status from 31 December 2011;
- holding a second series of roadshows around Northern Ireland in January and February 2012, providing another opportunity to meet the FSA, and during which guidance on preparing for FSA regulation will be provided; and
- holding surgery events in Northern Ireland following the transfer, allowing credit unions the opportunity to meet with FSA supervisors.

### What's the background to this?

In Consultation Paper *CP11/17 FSA Regulation of credit unions in Northern Ireland* (CP11/17), the Treasury confirmed that, subject to Parliamentary approval, the transfer would take place on 31 March 2012. The Treasury and the FSA also outlined and sought feedback on the proposed legislative and regulatory regime to apply to Northern Ireland credit unions from transfer. The consultation closed on 31 October 2011.

### Want to find out more?

Northern Ireland credit unions can find all the information they will need in the run up to transfer on our dedicated website for Northern Ireland credit unions:

[www.fsa.gov.uk/smallfirms/your\\_firm\\_type/credit/nicu.shtml](http://www.fsa.gov.uk/smallfirms/your_firm_type/credit/nicu.shtml)

## How can I get the full paper?

**You can download** the full Policy Statement from:

[www.fsa.gov.uk/pages/Library/Policy/Policy/2011/11\\_18.shtml](http://www.fsa.gov.uk/pages/Library/Policy/Policy/2011/11_18.shtml)

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This newsletter summarises Policy Statement 11/18 which reports on the main issues arising from Consultation Paper 11/17 (*FSA regulation of credit unions in Northern Ireland*), and publishes ‘near-final’ rules.

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A confidential response may be requested from us under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Tribunal.

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