

**4. BILL FOR THIRD READING**

**4.1. Credit Unions (Amendment) Bill 2017 –  
Third Reading approved**

Mr Shimmins to move:

*That the Credit Unions (Amendment) Bill 2017 be read a third time.*

**The Speaker:** Turning to Item 4, Bill for Third Reading, Credit Unions (Amendment) Bill 2017, in the hands of Mr Shimmins.

**Mr Shimmins:** Thank you, Mr Speaker.

5 As described in the clauses reading, the Credit Unions (Amendment) Bill 2017 updates the Credit Unions Act 1993 and allocates responsibility for credit unions regulatory matters to the Isle of Man Financial Services Authority, which I shall refer to as the FSA.

10 In moving the Third Reading I would like to thank Hon. Members for their support in taking the legislation forward this far. The Bill has four main purposes, which together seek to ensure adequate protection for consumers. These are: to add to the Credit Unions Act, which I shall refer to as the Act, all the constitutional matters relating to credit unions from the Industrial and Building Societies Act 1892 – this will enable the amended Act to address credit unions and corporation matters in a similar way as company law does for companies; to transfer all regulatory matters from the Act to the Financial Services Act 2008 and secondary legislation under the Financial Services Act – subject to consultation on the changes to secondary legislation, credit unions would become licence holders of the FSA; to enable the Treasury to establish a credit unions savings compensation scheme under the Financial Services Act – if the Treasury consider this appropriate, such a scheme would be the subject of separate secondary legislation; and to update the remaining sections of the Act so that it provides constitutional and governance legislation for credit unions that is both effective and modern.

20 The FSA already has a framework for regulating regulated activities and it plans to bring credit unions into this existing framework following the Bill's enactment. The framework is largely prescribed in secondary legislation and is subject to public consultation. In addition, transitional arrangements to address the existing credit union will be discussed with that entity before implementation.

25 The Bill aims to reduce the administrative burden on both the FSA and on any credit unions.

Mr Speaker, I beg to move that the Credit Unions (Amendment) Bill 2017 be now read a third time.

30 **The Speaker:** Hon. Member for Douglas North, Mr Peake.

**Mr Peake:** Thank you, Mr Speaker, I beg to second.

**The Speaker:** Hon. Member, Mr Harmer.

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**Mr Harmer:** Yes, I will just be very brief; just to thank the Treasury team and to the FSA for their excellent work pulling this together. As we know, January is a tough month for everyone and I think this Bill will go a long way to help. It obviously has many aspects that will remove some of the administrative burden and educational aspects so I commend the Bill, and I would like to thank the team.

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**The Speaker:** Mr Shimmins to respond to the debate.

**Mr Shimmins:** Thank you, Mr Speaker.

45 I am grateful for the kind remarks from the Member for Peel, Mr Harmer, who I know has been a strong supporter of the Manx Credit Union from its inception. Thank you to all the Members for their support. I hope we can now proceed.

Thank you.

50 **The Speaker:** The question is that the Credit Unions (Amendment) Bill 2017 be read for a third time. All those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, that concludes the business before the House today. The House now stands until adjourned until next Tuesday, 30th January, in our own Chamber.

*The House adjourned at 10.17 a.m.*