

**1. Credit Unions (Amendment) Bill 2017 –
First Reading approved**

Mr Henderson to move:

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

The President: We turn to our Order Paper and the first Item is the Credit Unions (Amendment) Bill, and I call on the mover, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

5 The main purpose of the Credit Unions (Amendment) Bill 2017 is to improve consumer protection standards in the legislation that governs credit unions following the authorisation of the Island's first Credit Union. Accordingly, the Bill 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 The Bill is in one Part, comprising 41 clauses, and it has four goals which are: firstly, 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; secondly, to enable all regulatory matters to be addressed in and under the Financial Services Act 2008 instead of in the Act; thirdly, to enable the Treasury to establish a savings compensation scheme for credit unions; and finally, to update the remaining sections of the Act so that it will provide effective constitutional and governance legislation for credit unions in the future.

15 These changes will improve the FSA's enforcement and regulatory powers over credit unions to a level consistent with those it has for other regulated entities. The detailed framework will be in the secondary legislation and subject to public consultation.

20 A clearer and more flexible regulatory regime is expected to bring benefits for credit unions, their members and for Government. Additionally, enabling children and corporates to become members, as well as permitting deferred shares, are likely to benefit society.

25 A pre-drafting consultation on the policy proposals indicated overwhelming support for credit unions in the Island and the draft Bill was also well received in a public consultation. In addition to this, the support in February 2016 of Mr Ray Harmer, MHK, in another place has undoubtedly assisted both the Credit Union and progress of the Bill to date.

Eaghtyrane, I beg to move that the Credit Unions (Amendment) Bill 2017 now be read for the first time.

30 **The President:** Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Mr President.
I beg to second.

35 **The President:** Mr Anderson.

Mr Anderson: Thank you, Mr President.

40 I very much welcome anything that strengthens the credit unions and I just want to ask the mover, in particular, is this amending legislation fully supported by the existing Manx Credit Union?

The President: Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

45 I thank the Hon. Member, Mr Anderson, for his question and I can concur that it does have the full backing of the MCU.

The President: Does any other Member wish to speak?

50 I put the motion that the Credit Unions (Amendment) Bill be read for the first time. Those in favour, say aye; against, no. The ayes have it. The ayes have it.