



Circular

Exemption Regime - Multiple Membership; Borrowing by Staff and Elected Officers; and Signatories to Bank Account

Purpose

The Financial Services Commission (the Commission) informs of its decision to establish an exemption regime applicable to the credit union sector through this circular related to Section 52 (1) of the Co-operatives Societies Act Cap. 378A, and Regulation 23 Section 1 and Regulation 33 Sections 2, 3, 4 and 5 of the Co-operatives Societies Regulations, 2008. The following activities may be undertaken without specific approval from the Commission, subject to compliance with applicable conditions.

Overview of the Exemption Regime

The regime **exempts** the credit union sector from specified legislative requirements as follows.

A. For ALL Credit Unions

- Section 52 (1) of the Co-operative Societies Act Cap. 378A relating to multiple memberships.
- Regulation 23 Section 1 of the Co-operative Societies Regulations, 2008 relating to borrowing by staff and elected officers.

B. For Eligible Credit Unions (with total assets of BDS\$35 million and above, and with a structure that includes a manager and at least one other senior officer who can co-sign cheques)

- Regulation 33 Sections 2, 3, 4 and 5 of the Co-operative Societies Regulations, 2008 relating to the authorisation of signatories to bank accounts.

Reporting Requirements

Credit unions will be required to provide specific reports and declarations signed by their Board of Directors (Board) and Supervisory Committee as outlined below.

A. Approval of Loans to Staff and Elected Officers

- Submission of a [Quarterly Activity Report](#) confirming whether the loans granted were consistent with the credit union's loan policy.

B. Authorisation of Signatories to Bank Accounts

- Submission of Board approved policies and internal control procedures relating to the authorisation of signatories no later than thirty (30) days from the date of this circular.
- Submission of names and positions of signatories and authorisation limits must be reported to the Commission within 5 days of granting authorisation to the signatory, consistent with the [Material Change Guideline](#).

The Commission expects that credit unions proactively monitor their operations to ensure ongoing compliance with this exemption regime. Where the established criteria are breached, the Commission will restrict credit unions' participation under this regime.