

# **Registered Rules**

**Under the Credit Union Act, 1997 (as amended)**

**for**

***Comhar Linn INTO  
Credit Union Limited***

**2020**

# COMHAR LINN INTO CREDIT UNION RULES

In accordance with the Credit Union Acts 1997 (as amended)

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## SECTION 1. INTERPRETATION

### Rule 1. Interpretation

Words and expressions used in these Rules shall, unless otherwise defined herein, have the meanings ascribed to them by the Acts.

"the Act" means the Credit Union Act 1997 as the same may be amended from time to time;  
<http://www.irishstatutebook.ie/pdf/1997/en.act.1997.0015.pdf>

"the 2012 Act" means the Credit Union and Cooperation with Overseas Regulators Act 2012 as the same may be amended from time to time;  
<http://www.irishstatutebook.ie/pdf/2012/en.act.2012.0040.pdf>

"the Acts" means the Credit Union Acts 1997 to 2012 as the same may be amended from time to time;

"**amendment**", in relation to these rules includes a new rule and a resolution rescinding a rule;

"**annual accounts**" means the accounts prepared with respect to the credit union's financial year under section 111 of the Act together with the notes to them;

"**the annual general meeting**" has the meaning given by section 78(1) of the Act;

"**annual return**" means the annual return which a credit union is required by section 124 of the Act to send to the Bank;

"**APR**" in relation to a credit agreement entered into between the credit union and a member, means the annual percentage rate of charge;

"**Bank**" means the Central Bank of Ireland

"**board of directors**" means the body which has general control, direction and management of the credit union and to which Section 53 of the Acts relates;

"**board oversight committee**" has the meaning given by Section 76 of the Acts;

"**books and documents**" include accounts and records made in any manner, and "books or documents" shall be construed accordingly;

"**chair**" means the chair of the board of directors;

"**common bond**" means:

(a) the common bond of following a particular occupation;

(b) the common bond of residing or being employed in a particular locality;

(c) the common bond of being employed by a particular employer or having retired from employment with a particular employer;

(d) the common bond of being a member of a bona fide organisation or being otherwise associated with other members of a society for a purpose other than that of forming a society to be registered as a credit union;

(e) any other common bond approved by the Bank;

"**the Companies Acts**" means the Companies Acts, 1963 to 2013, together with any enactment which is to be construed as one with those Acts;

**"the Court"** means the High Court;

**"credit union"** means a society registered as such under the Act and a society which, immediately before the commencement of the Act, was registered as a credit union under the Industrial and Provident Societies Acts, 1893 to 1978;

**"electronic communications technology"**, in relation to a general meeting of a credit union, means technology that enables real time transmission and real time two-way audio-visual or audio communication enabling attendees as a whole with a reasonable opportunity to participate in the meeting using such technology from a remote location;

**"electronic platform"** in relation to a general meeting of a credit union, means an electronic system for the delivery of audio-visual or audio communication, including websites, access software and access telephone details or any other electronic technology that delivers such communication;

**"debentures"** means any debentures, debenture stock or bonds of a credit union, whether constituting a charge on the assets of the credit union or not;

**"financial services legislation"** means, where applicable to credit unions acting under an authorization from the Bank provided for by law,

- (a) The designated enactments within the meaning of Section 2 of the Central Bank Act 1942;
- (b) The designated statutory instruments within the meaning of Section 2 of the Central Bank Act 1942, and
- (c) The Central Bank Acts 1942 -2011 together with the statutory instruments made under these Acts.

**"general meeting"** means an annual general meeting or a special general meeting and includes a meeting that has been rescheduled

**"the organisation meeting"** has the meaning given by section 77(1) of the Act;

**"manager"** means the individual appointed to the role of manager of the credit union under Section 63A of the Acts;

**"meeting"** includes a meeting of delegates appointed by members;

**"member of the family"**, in relation to any person, means that person's parent, grandfather, grandmother, father-in-law, mother-in-law, husband, wife, civil partner or cohabitant, son, daughter, grandson, granddaughter, brother, sister, half-brother, half-sister, uncle, aunt, nephew, niece, first cousin, son-in-law, daughter-in-law, brother-in-law or sister-in-law;

**"Minister"** means the Minister for Finance;

**"nomination committee"** has the meaning given by Section 56B of the Acts;

**"officer"**, includes the chair, vice-chair, secretary, a member of the board of directors, the board oversight committee, or of a principal committee, the compliance officer, the risk management officer, an employee, credit officer or credit control officer, membership officer or voluntary officer but does not include an auditor appointed by the credit union in accordance with the requirements of the Act;

**"pass book"** includes any type of written statement of account;

**"persons claiming through a member"** includes the executors or administrators and assignees of a member and, where nomination is allowed, his nominee;

**"principal committee"** in relation to a credit union, means a credit committee, credit control committee,

membership committee;

"**prescribed**" means prescribed by regulations made and "prescribe" shall be construed accordingly; \*\*

"**the register**" means the register maintained under section 8(5) of the Act;

"**registered**" means for the time being entered in the register and "registration" shall be construed accordingly;

"**regulations**" means regulations made by the Minister and/or the Bank under the Act;

"**risk management officer**" the person appointed by the board of directors pursuant to Section 76 C (1) of the Acts

"**rules**" means the registered rules for the time being of the credit union and shall include any registered amendment of rules;

"**savings**" includes shares and deposits (if any);

"**savings protection scheme**" has the meaning given by section 46(2) of the Act; being a scheme to protect, in whole or in part, the savings of members of the credit union in the event of insolvency or other financial default on the part of the credit union and, for this purpose, "savings" includes shares, deposits and all other funds held by a credit union on behalf of its members;

"**share**" means each sum of one euro standing to the credit of a member of the credit union in the register of members required by the Act to be kept by the credit union;

"**special general meeting**" shall be construed in accordance with section 79 of the Act;

"**special resolution**" means a resolution which is passed by a majority of not less than three quarters of such members of a credit union for the time being entitled under the rules to vote as may have voted in person and / or in attendance and voting at a general meeting conducted wholly or partly by the use of electronic communications technology (within the meaning of section 78A if the Act) at any general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to the rules;

"**surplus funds**" shall be construed in accordance with section 45(2) of the Act;

"**unincorporated society**" means a society which has written rules but is not incorporated under any Statute or Act of the Oireachtas;

"**voluntary assistant**", in relation to a credit union, means a member of the credit union who, although not an officer of the credit union, is engaged in any way (but without remuneration) in the operation of the credit union.

**The masculine shall, where necessary, include the feminine and the singular shall, where necessary, include the plural.**

**The marginal notes and headings are inserted for convenience of reference only and shall not affect the construction of these rules.**

## **SECTION 2. NAME, OBJECTS AND RULES**

### **Rule 2. Name**

(1) The name of the credit union shall be

Comhar Linn INTO Credit Union Limited (hereinafter referred to as the credit union).

As soon as practicable, the credit union shall cause its registered name to be painted or affixed, and to be kept painted or affixed, in a conspicuous position and in letters easily legible, on the outside of its registered office and every other office or place in which the business of the credit union is carried on, and shall have that name engraved in legible characters on its seal and set out in legible characters:

- (a) in all notices, advertisements and other official publications of the credit union;
  - (b) in all business letters of the credit union;
  - (c) in all bills of exchange, promissory notes, endorsements, cheques, orders for money or goods and other instruments purporting to be signed by or on behalf of the credit union; and
  - (d) in all bills, invoices, receipts and letters of credit of the credit union.
- (2) The credit union shall not use any name or title other than its registered name.
- (3) Any sub-office of the Credit Union may cause its name, along with the registered name of the credit union, to be painted or affixed, and to be kept painted or affixed, in a conspicuous position and in letters easily legible, on the outside of its office.

### **Rule 3. Change of registered name**

The credit union may not change its name except in accordance with section 11 of the Act.

### **Rule 4. Objects**

- (1) The objects for which the credit union is formed are:
- (a) the promotion of thrift among its members by the accumulation of their savings;
  - (b) the creation of sources of credit for the mutual benefit of its members at a fair and reasonable rate of interest;
  - (c) the use and control of members' savings for their mutual benefit;
  - (d) the training and education of its members in the wise use of money;
  - (e) the education of its members in their economic, social and cultural well-being as members of the community;
  - (f) the improvement of the well-being and spirit of the members' community; and
  - (g) the provision of the following additional service(s) by the credit union to the members subject to the prior approval of the Registrar of Credit Unions and any other permissions or licences that may be required by law:  
Member Personal Current Account Services;
  - (h) subject to section 48 of the Act, the provision to its members of such additional services as are for their mutual benefit.
  - (i) to provide or arrange for the provision of the following financial services: Pensions, PRSA'S, Life Assurance Savings and Investment Policies, Life Cover and Serious Illness Cover, Mortgages.
- (2) Pursuant to these objects, the credit union may:
- (a) acquire property of any description permitted by or under the Act; and
  - (b) do anything expedient for accomplishing, or conducive to or consequential upon, the objects for which the credit union is formed.
- (3) Where any act or thing is done by the credit union which it had no power to do, but which if it had been empowered to do, would have been lawfully and effectively done, that act or thing shall be effective in favour of any person who, relying on that act or thing, dealt with the credit union in good faith.

### **Rule 5. Rules**



- (1) The credit union shall conduct its affairs in accordance with these rules and the provisions of the Acts and so that for the avoidance of doubt the provisions of the Acts (including but not limited to those governing the conduct of the affairs of a credit union and the rights and obligations of the credit union and its officers and members and employees) shall have full force and effect and shall be deemed to be incorporated into these rules as if those provisions were set out herein in full. In the event of any conflict between the provisions of the Acts and/or any applicable Codes of Conduct issued by the Bank and these rules the provisions of the Acts and/or the Codes of Conduct shall prevail.
- (2) The rules of the credit union shall not be amended except in accordance with section 14 of the Act.
- (3) The rules of the credit union shall bind the credit union and all members of it and all persons claiming through them respectively in accordance with, and subject to the exceptions contained in section 15 of the Act.
- (4) A copy of the rules of the credit union shall be supplied by the credit union to any person who demands it on payment of such fee, not exceeding the permitted maximum (currently €1.27 or such larger sum as may for the time being be prescribed by the Minister).

### **SECTION 3. REGISTERED OFFICE**

#### **Rule 6. Registered office**

- (1) The registered office of the credit union shall be  
33 Parnell Square Dublin 1  
or such other place as may from time to time be determined by the board of directors.
- (2) Notice of any change in the situation of the registered office shall be sent within fourteen days to the Bank.

### **SECTION 4. MEMBERSHIP**

#### **Rule 7. Minimum number**

The requirements of, and qualifications for, membership of the credit union shall be as set out in these Rules and section 17 of the Act. Subject to Section 17 of the Act, the minimum numbers of the credit union at any time shall be 15.

#### **Rule 8. Membership**

Membership shall be limited to and consist of the signatories to the application to register the credit union and such other persons having the following common bond: of membership of the INTO, membership of the Retired Teachers Association of Ireland, staff of the INTO Head Office and staff of Comhar Linn INTO Credit Union Ltd as have been duly admitted members of the credit union in accordance with these rules and comply with such of the rules as relate to membership.

#### **Rule 9. Application for membership**

Each application for membership must be in writing and must be approved in the manner set forth in rule 10.

#### **Rule 10. Qualifications for membership**

- (1) An applicant shall be admitted to membership only when:
  - (a) it shall have been determined that he is eligible for membership in accordance with rule 8; and
  - (b) his application for membership shall have been approved by the affirmative vote of a majority of the board of directors or by a duly appointed and authorised membership committee present at a meeting at which the application is considered or by the duly appointed and authorised membership officer; and
  - (c) he has paid for a minimum of five shares (or such larger number of shares as may be prescribed by the Minister) in the credit union.
- (2) A person shall be treated as having the qualification required for admission to membership of the credit union if he is a member of the same household as, or is a member of the family of, another person who is a member of the credit union and who has a direct common bond with those other members.
- (3) A person under the age of 16 may be a member of the credit union and may enjoy all the rights of membership other than voting rights and can give all necessary receipts provided that a member who is not of full age may not be a member of the board of directors or of a principal Committee or an office manager of the credit union.
- (4) A member of the credit union shall not be excluded from membership by any amendment of these rules registered after he became a member.
- (5) A member who held common bond of the credit union shall not cease to be a member solely because that member no longer holds the common bond

#### **Rule 11. Incorporated or unincorporated body**

Notwithstanding any other provision in these rules, a body (whether incorporated or unincorporated), the majority of the members of which are, and continue to be, eligible for membership of the credit union may itself be admitted to, and retain membership of, the credit union, with the same rights and obligations as a natural person but, on application, must submit a copy of its rules and a copy of the resolution from its governing body authorising application for membership.

#### **Rule 12. Expulsion of member**

A member of the credit union may be expelled from the credit union by a resolution for his expulsion passed by not less than two-thirds of the members present and voting at a special general meeting called for such purpose in accordance with section 19 of the Act provided that the member concerned is given at least 21 days' notice in writing of the meeting and the proposed resolution and is given a reasonable opportunity of being heard at the meeting..

#### **Rule 13. Appeal against refusal or expulsion of membership**

A person who applies for membership of the credit union in accordance with the rules and is refused membership or a person who is expelled from the credit union may appeal against the refusal / expulsion to a Judge of the District Court for the district in which the registered office of the credit union is situated in accordance with sections 18 and 19 respectively of the Act.

#### **Rule 14. Cessation of membership**

A person ceases to be a member:

- (a) on his withdrawal from the credit union; or
- (b) on ceasing to hold the minimum shareholding, in accordance with rule 10(1)(c); or

- (c) on death; or
- (d) on expulsion from the credit union, in accordance with section 19 of the Act; or
- (e) in the case of a member other than a natural person, on its dissolution, or the taking of an effective action to wind it up; or
- (f) if, after admission, any defect is discovered in his qualification for membership at the time of his admission.

## **SECTION 5. MEETINGS AND RESOLUTIONS**

*The provisions set out in Part V of the Act shall, in addition to these rules, apply to and govern the holding of member's Meetings and passing of member's resolutions of the credit union*

### **Rule 15. The annual general meeting**

- (1) Annual general meetings shall take place, in respect of each financial year, in accordance with Section 78 of the Act at a time, at a place in the State (where applicable) and in the manner (where applicable) as the board of directors may by resolution determine. The annual general meeting in respect of any financial year shall be held in the October, November, December or January following the end of the Financial Year.
- (2) At each annual general meeting of the credit union the directors shall lay before the meeting the annual accounts for the financial year in respect of which the meeting is held and a copy of these accounts shall be delivered, together with notice of the meeting, to every person entitled to receive such a notice.

### **Rule 16. Special general meeting**

- (1) The board of directors or the board oversight committee may, whenever they think fit, convene a special general meeting of the credit union.
- (2) If by notice in writing addressed to the secretary of the credit union at its registered office, a qualifying group of members of the credit union so request, the board of directors shall convene a special general meeting of the credit union; and if, within one month from the date of receipt of the notice at the credit union's registered office, the board of directors have not convened a special general meeting to be held within six weeks of that date, any ten members of the credit union, acting on behalf of the qualifying group who made the request may convene a special general meeting.
- (3) For the purpose of a request under Rule 16(2) above a group of members is a qualifying group if:
  - (a) each of them has been a member throughout the period of 12 months ending on the date of the request, and
  - (b) they together number at least 50, or, if it is less, at least 10 per cent of the membership of the credit union at that date.
- (4) The Bank may direct that no special general meeting of the credit union shall be held in accordance with Section 79(5) of the Act.

### **Rule 17. Notice of general meetings**

- (1) Before a general meeting of the credit union is held, the secretary of the credit union shall, in accordance with paragraph (2) below give notice of the meeting to the Bank, to the auditor of the credit union and to every member of the credit union who, at the beginning of the relevant period, is eligible to vote at the meeting.
- (2) Subject to paragraph (4) the notice required by paragraph (1): -

- (a) shall state the date, time and place (where applicable) and the manner of holding (where applicable) of the general meeting;
  - (b) shall be accompanied by the agenda for the meeting;
  - (c) shall, in the case of a general meeting proposed to be held wholly or partly by the use of electronic communications technology, state—
    - (i) the electronic platform to be used for the meeting,
    - (ii) details for access to the electronic platform,
    - (iii) where required by a credit union, the time and manner by which an attendee must confirm his or her intention to attend the meeting,
    - (iv) any requirements or restrictions which the credit union has put in place in order to identify attendees who intend to attend the meeting,
    - (v) the procedure for attendees to communicate questions and comments during the meeting, and
    - (vi) the procedure to be adopted for voting on resolutions proposed to be passed at the meeting
  - (d) in the case of a notice of special general meeting, shall contain a statement that the annual accounts for the recent financial year may be obtained, not later than seven days before the date of the general meeting at the registered office of the credit union;
  - (e) shall within the relevant period be delivered personally, or by post to the auditor and to each member of the credit union, and if delivered by post to any member, shall be so delivered to the address of that member as recorded in the books of the credit union.
- (3) References in paragraphs (1) and (2) to the relevant period are references to the period which begins twenty-one days before and ends seven days before the date of the general meeting;
- (4) With the consent of the Bank, given where the Bank considers there are exceptional circumstances justifying this subsection, the notice required by paragraph (1) shall be given by publishing a notice in accordance with paragraph (5) below at such times, (or within such period) and in such form as the Bank may require.
- (5) Where paragraph (4) applies, the notice, which shall include the agenda for the meeting, shall be published: -
- (a) in at least two appropriate newspapers published in the State and circulating in the area in which the registered office of the credit union is situated; and
  - (b) in any other manner which the Bank requires as being necessary for bringing the notice to the attention of persons entitled to attend the meeting,
- and for the purposes of paragraph (a), the two appropriate newspapers are a local newspaper and a national daily newspaper, or if there is no local newspaper circulating in the area concerned, two national daily newspapers.
- (6) The proceedings of a general meeting shall not be invalidated by: -
- (a) the accidental omission to give notice to any member entitled to receive notice of the meeting; or
  - (b) the non-receipt by any member of the notice of the meeting.
- (7) A general meeting of which notice is given less than seven days before the meeting but otherwise in

accordance with paragraph (2) above shall not be invalid if not less than two thirds of the members entitled to vote at the meeting and the auditor so agrees in writing either before or during the meeting.

**Rule 17 A. Notice of rescheduled general meeting**

Notwithstanding Rule 17 but subject to subsection (2) of same, notice for the purposes of section 78A(10) or 78B(9) of the Act, as the case may be, shall be given in the same manner as the notice for the general meeting referred to Rule 17 but where, in the opinion of the board of directors, giving such notice in that manner is not reasonably practicable, notice shall be given—

- a) where the credit union has a website, on that website,
- b) by email to every member for whom the credit union has an email address, and
- c) in at least one national newspaper published in the State and circulating in the area in which the registered office of the credit union is situated.

This shall not apply where all members agree in writing to the cancellation, change of venue or change of means of holding the general meeting concerned, or to dispensing with notice for the general meeting.”.

**Rule 18. General meetings: voting, adjournment, quorum and minutes**

- (1) No member shall have more than one vote at each question at any general meeting of the credit union or any adjournment thereof irrespective of his shareholding or the number of accounts in his name in the credit union provided however, that, except at voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. No member may vote by proxy other than in accordance with paragraph (4) below.
- (2) A general meeting of the credit union may, for good and sufficient reasons and with the consent of the majority of the members present and voting, be adjourned for not more than ninety days or such longer period that the Bank may require in accordance with the procedures set out in Section 81 of the Act.
- (3) The quorum for a general meeting of the credit union shall be ten percent of the members, or thirty members whichever is the lesser provided that in no case shall the quorum of a general meeting or of an adjourned general meeting of the credit union be less than ten members.
- (4) Where a member of the credit union is not a natural person, that member may be represented at a general meeting by a representative who may vote on behalf of the member if: -
  - (a) the representative is duly authorised in writing by the member to do so; and
  - (b) the board of directors of the credit union has, expressly or by implication accepted that authorisation,

and such a representative shall be entitled to exercise on behalf of the member the same powers as the member could exercise if the member were a natural person.

- (5) A poll may be demanded at a general meeting (or at an adjourned meeting) of the credit union: -
  - i. by the chairman of the meeting (or the adjourned meeting), or
  - ii. by at least ten members being present and having the right to vote at the meeting (or the adjourned meeting) on any question, other than the election of the chairman of the meeting (or the adjourned meeting).
- 6) Any temporary failure or disruption of electronic communications technology shall not invalidate the general meeting or any proceedings relating to the meeting.
- 7) Unless such failure or disruption is attributable to any wilful act of the credit union, the credit union shall not be liable in respect of any failure or disruption relating to the equipment used by an attendee to access a general meeting by electronic communications technology that occurs and which failure or disruption prevents or interferes with the attendee’s participation, by the use of such technology, in the meeting.

- 8) Where, in the opinion of the board of directors, it is deemed necessary, due to exceptional and unexpected circumstances, the board of directors may, by resolution, cancel a general meeting at any time prior to the holding of the meeting

**Rule 19. Special resolutions**

- (1) If, at any general meeting of which notice has been given specifying the intention to pose a special resolution the chair declares that the resolution has been passed, as required by the definition of “special resolution” in section (2)(1) of the Act, that declaration shall, without more, be evidence of that fact until the contrary is proved.
- (2) A copy of every special resolution for any of the purposes mentioned in this Act: -
- (a) shall be signed by the chair of the meeting at which the resolution was passed;
  - (b) shall be countersigned by the secretary of the credit union; and
  - (c) within twenty-one days of the meeting at which the resolution was passed shall be sent to the Bank to be registered by it,

and the special resolution shall not take effect until that copy is so registered.

**Rule 20. Election and election procedure**

- (1) When at any meeting nominations are announced, tellers shall be appointed by the chair and ballot papers shall be distributed either physically or by using electronic communications technology (as appropriate). Nominations shall be in the following order:
- (a) nominations for auditor;
  - (b) nominations for members of the board oversight committee;
  - (c) nominations for directors.
- (2) General meetings, voting and elections shall take place in accordance with these Rules, the Acts and standing orders adopted by the board of directors, from time to time.

## **SECTION 6. OFFICERS AND COMMITTEES**

*The provisions of Part IV and IVA of the Act shall govern and apply to the management of the credit union and the board of directors shall ensure that the credit union is in compliance with the Acts, financial services legislation and any applicable codes of conduct issued by the Bank.*

### **SECTION 6A. BOARD OF DIRECTORS**

**Rule 21. Board of directors**

- (1) The board of directors of the credit union shall have responsibility for the general control, direction and management of the credit union in accordance with section 53 and Part IV and IVA of the Acts.
- (2) At the time of adoption of these rules the board of directors shall consist of nine members, all of whom shall be members of the credit union.
- (3) The credit union shall comply with the Acts and all applicable requirements of financial services legislation, including, in particular, but without limitation to the Fitness & Probity Regulations for Credit Unions, with respect to the appointment, and continuation in office, of directors.
- (4) The board of directors of a credit union shall elect one of its members to be the chair of the board subject to that person being eligible to hold the position of chair. The chair shall be elected in accordance with Rule 42 below and the provisions of Rule 43 shall apply to the chair.

**Rule 22. Elections and terms of office**

The election and term of office of a member of the board of directors shall be carried out and implemented in accordance with section 53 of the Act.

**Rule 23. Director's meetings and procedures**

- (1) The board of directors shall meet as often as may be necessary for the proper discharge of the business of the credit union as required by and in accordance with section 54 of the Act.
- (2) Meetings of the board of directors shall be chaired by the chair or, in his absence, by the vice-chair or, in the absence of the chair and the vice-chair, in a manner prescribed by the Bank or, if no manner is so prescribed, by such director as is nominated by majority vote by the directors present to chair that meeting.

**Rule 24. Quorum**

- (1) A majority of the number of directors specified in the rules (inclusive of any vacancies) shall constitute a quorum for the transaction of any business at any meeting of the board of directors, but fewer than a quorum may adjourn to any date not less than two nor more than thirty days from the date of the meeting.
- (2) The quorum for an adjourned meeting shall be five or such greater number as the board of directors has previously decided by resolution.
- (3) Notice of an adjourned meeting shall be given as provided in rule 26.

**Rule 25. Additional meeting**

The chair or, in his absence, the vice-chair, may call a special meeting of the board of directors at any time and shall do so upon the written request of any five directors. The chair or, in his absence, the vice-chair shall fix the date, time and place of such meetings unless the board of directors, by resolution, decides otherwise.

**Rule 26. Notice of meeting**

All meetings of the board of directors shall be summoned in such manner as the board of directors may from time to time resolve.

**Rule 27. Suspension and removal of a director from office**

- (1) The credit union may, by resolution of a majority of the members present and voting at a special general meeting called for that purpose, remove a director from office in accordance with the procedures set out in section 56 of the Act.
- (2) If the board oversight committee of a credit union considers that a member of the board of directors;
  - (a) has taken any action or decision which, in the opinion of the committee, given in writing to the director concerned, is not in accordance with the requirements of Part IV of the Act or
  - (b) is more than 90 consecutive days in arrears under a debt obligation to the credit union;

then in accordance with the procedures set out in Section 66 of the Acts, after consulting the Bank, the committee may either suspend the director with immediate effect by unanimous vote of all the members of the committee taken at a meeting of the committee called for the purpose of considering the director's suspension or convene a special general meeting of the credit union to consider the removal of the director having first given the director concerned an opportunity to be heard by the

committee.:

**Rule 28. Voting**

Each director shall have one vote on any matter at a meeting of the board of directors provided that the chair of the meeting shall have a second or casting vote in the event of equality of voting.

**Rule 29. Powers and functions**

- (1) Subject to law and these rules the board of directors shall have responsibility for the general control, direction and management of the business, affairs, funds and records of the credit union and in particular the functions of the board of directors shall include, (but not be limited to) those matters listed in section 55 of the Act.
- (2) For the avoidance of doubt the acts of a director of the credit union shall be valid notwithstanding any defect in the appointment of the director which may be subsequently discovered.
- (3) Subject to the Acts and any matter prescribed by the Bank, the board of directors of the credit union may, in accordance with the provisions of Section 56 of the Act, cause any matter relating to its functions to be performed or carried out on its behalf by a committee comprised entirely of directors or a majority of directors to act on behalf of the board of directors in respect of matters to be performed or carried out.

**Rule 30. Register of directors**

A register of directors shall be kept by the secretary of the credit union in accordance with section 57 of the Act.

**Rule 31. Director ceasing to hold office**

A director of the credit union who is also a member of a principal committee, upon ceasing to hold office as a director, also ceases to be a member of the principal committee.

## **SECTION 6B. BOARD OVERSIGHT COMMITTEE**

**Rule 32. Board oversight committee**

- (1) The credit union shall have a board oversight committee which shall consist of three or five members elected in accordance with Section 76N of the Acts and shall exercise the functions assigned to it by Part IVA of the Acts and in particular shall assess whether the board of directors has operated in accordance with Parts IV and IVA of the Act and any regulations made for the purposes of Parts IV and IVA and any other matter prescribed by the Bank in respect of which they are to have regard in relation to the board of directors.
- (2) The board oversight committee shall meet and operate in accordance with these rules
- (3) The credit union shall comply with the Acts and all applicable requirements of financial services legislation, in particular but without limit to the Fitness & Probity Regulations for credit unions, with respect to the appointment and, continuation in office, of members of the board oversight committee.

**Rule 33. Election and term of office**

The election and term of office of a member of the board oversight committee shall be in accordance with section 76N and section 76P of the Acts.



**Rule 34. Regular meetings**

The board oversight committee shall meet in accordance with section 76O of the Act and shall hold at least one meeting in every month and meet with the board of directors at least four times in every year.

**Rule 35. Quorum**

A majority of the members of the board oversight committee specified in the rules (inclusive of any vacancies) shall constitute a quorum for the transaction of any business at any meeting of the board oversight committee.

**Rule 36. Notice of meeting**

All meetings of the board oversight committee shall be summoned in such manner as the board oversight committee may from time to time resolve.

**Rule 37. Removal of a director from office**

The credit union may, by resolution of a majority of the members present and voting at a special general meeting called for that purpose, remove a member of the board oversight committee from office in accordance with section 76Q of the Act.

**Rule 38. Voting**

Each member of the board oversight committee shall have one vote on any matter at a meeting of the board oversight committee provided that the chair of the meeting shall have a second or casting vote in the event of equality of voting.

**Rule 39. Chair and secretary**

- (1) The board oversight committee shall choose from its number a chair and secretary. The offices of chair and secretary shall not be held by the same person.
- (2) The secretary shall prepare and have custody of records of all decisions and actions taken by the committee.

**Rule 40. Register of members of the board oversight committee**

A register of members of the board oversight committee shall be kept by the secretary of the credit union in accordance with section 76R of the Act.

## **SECTION 6C. PRINCIPAL OFFICERS**

**Rule 41. Principal officer posts**

- (1) The principal officer posts of the credit union shall be elected in accordance with Section 63 of the Act. The principal officer posts are that of chair (or president), vice-chair (or vice-president) and secretary.
- (2) Directors of the credit union may not serve more than three consecutive years in each of the principal posts and a person who has been the holder of such a principal post shall not be eligible for re-election thereto until after the expiry of one year since he last held it.

**Rule 42. Chair**

- (1) The term of office of the chair shall be for the period of one year and the chair may not serve more than four consecutive terms in that position in accordance with Section 55 A of the Act.
- (2) The functions of the chair of the board of directors shall include the functions set out in Section 55A of the Act.

**Rule 43. Vice-chair**

The vice-chair shall exercise the duties of the chairman during the latter's absence or inability to act.

**Rule 44. Secretary**

The secretary of the credit union shall give, or cause to be given proper notice of all meetings of the members and of the board of directors and shall prepare and maintain minutes of all meetings thereof, and shall perform such other duties not inconsistent with the provisions of the law and these rules as the board of directors may from time to time direct.

## **SECTION 6D. BOARD COMMITTEES**

**Rule 45. Credit committee**

The board of directors shall appoint a credit committee in accordance with Section 67 and in compliance with Schedule Three of the Act to decide on applications for credit from members.

**Rule 46. Credit officer**

The board of directors may approve the appointment by the manager of the credit union, of a credit officer (not being a member of the board, or the credit control committee or a credit control officer) in accordance with Section 65 of the Act to work under the supervision of the credit committee and approve credit on its behalf in compliance with Section 65 of the Act.

**Rule 47. Credit control committee**

The board of directors shall appoint a credit control committee in accordance with Section 67 and in compliance with Schedule Three of the Act to seek to ensure the repayment of loans by members of the credit union in accordance with their loan agreements.

**Rule 48. Credit control officer**

The board of directors may approve the appointment by the manager of the credit union of a credit control officer (other than a member of the board, the credit committee or the credit officer) in accordance with Section 65 of the Act to assist the credit control committee and work under its supervision and control.

**Rule 49. Membership committee / Membership Officer**

The board of directors shall appoint a membership committee, which shall consider and decide on

applications for membership of the credit union, in accordance with Section 67 and in compliance with Schedule Three of the Act.

The Board of Directors may approve the appointment of a person by the manager as a membership officer to assist the membership committee and work under its supervision and control.

A record of each application for membership which has or has not been approved shall be furnished by the membership officer to the membership committee on a monthly basis.

The membership committee shall at least once in every month notify the board of directors of new members whose applications have been approved and, where there is doubt in respect of an applicant's qualification for membership, submit the application to the board of directors for a decision.

#### **Rule 50. Nomination committee**

The board of directors shall establish a nomination committee, responsible for identifying candidates to be nominated for appointment to the board of directors in accordance with Section 56B of the Acts and fulfilling the additional functions set out in Section 56B of the Acts.

## **SECTION 6E. APPOINTED OFFICERS**

#### **Rule 51. Manager**

The board of directors shall appoint an individual to the role of manager of the credit union. The manager shall be the chief executive officer of the credit union having responsibility for the day-to-day management of the credit union's operations, compliance and performance and shall be responsible to the board of directors for the performance of his or her functions, in accordance with Section 63A of the Act. Subject to the Acts, any matter which the Bank may prescribe and applicable financial services legislation, the respective functions of and divisions of responsibilities between the board of directors and the manager shall be clearly established, formally documented in writing and approved by the board of directors, and in the case of the manager shall include the functions listed in Section 63A of the Act

#### **Rule 52. Money laundering reporting officer**

The board of directors of the credit union shall appoint an experienced member of the board of directors or a senior member of staff as money laundering reporting officer to whom all reports of suspected money laundering offences will be directed, assessed and, where appropriate, passed to the Gardaí and the Revenue Commissioners, in accordance with the Criminal Justice Act 1994 (as amended).

#### **Rule 53. Risk Management and Risk Management Officer**

1. In accordance with Section 76B of the Act, the credit union shall develop, implement, document and maintain a risk management system with such governance arrangements and systems and controls to allow it to identify, assess, measure, monitor, report and manage the risks which the credit union is or might reasonably be exposed to and shall develop and maintain systems and controls to manage and mitigate the risks identified by the risk management system.
2. The board of directors shall appoint a risk management officer in accordance with Section 76C of the Act who shall be responsible for identifying, assessing, reporting and monitoring the risk management system and all internal and external risks identified by the risk management system including risks to its employees, members, reputation and assets, and assisting the manager with managing and mitigating those risks.

#### **Rule 54. Compliance and Compliance Officer**

1. In accordance with Section 76B (5) of the Act the credit union shall develop, implement, document and maintain a compliance programme that allows it to evaluate compliance with its obligations including all legal and regulatory requirements.
2. The board of directors shall appoint a compliance officer in accordance with Section 76D of the Act. The compliance officer shall be responsible for managing compliance at all levels in the credit union including:
  - (a) ensuring that the credit union complies with all statutory and regulatory requirements, and
  - (b) monitoring such compliance to ensure that no conflict of interest arises.

#### **Rule 55. Remuneration Policies and Procedures**

The remuneration policies and procedures of the credit union shall be consistent with and promote sound and effective risk management and are in compliance with Section 68 of the Act.

#### **Rule 56. Confidentiality of information**

During his term of office or at any time thereafter, an officer or voluntary assistant of the credit union shall not disclose or permit to be disclosed any information which concerns an account or transaction of a member with, or any other business of, the credit union other than in accordance with Section 71 of the Act

#### **Rule 57. Conflict of Interest**

The credit union has established policies for identifying, managing and resolving conflicts of interest which policies apply to all officers of the credit union and which comply with Section 69 of the Act.

#### **Rule 58. Register of members and officers**

The credit union shall keep a register of members and officers, at its registered office, in accordance with section 75 of the Act.

## **SECTION 7. SHARES AND DEPOSITS**

#### **Rule 59. Shares: Denominations limits and transfers**

- (1) The credit union may raise funds to be used for its objects by the issue to its members of shares in the credit union (which shares may be designated as withdrawable or non- withdrawable) and by the acceptance of deposits
- (2) All shares in the credit union shall be of €1 denomination and shall be subscribed for in full or by periodic or other subscription. An amount of less than €1 may be credited to a member's share account in the credit union but no share shall be allotted to a member unless it is fully paid in cash
- (3) The maximum amount of shares and deposits which may be held by a member shall be as prescribed by the Bank or such lesser amount as may be determined by the board of directors from time to time.
- (4) Subject to the approval of the board of directors and Section 29 of the Act, a member of the credit union may transfer a share in the credit union to another member so long as the number of shares held by that member does not exceed the limit imposed by the Acts.

**Rule 60. Dividends on shares**

- (1) At each annual general meeting of a credit union, a dividend on shares ( not exceeding the rate recommended by the board of directors and not exceeding the permitted maximum (being 10% of the nominal value of the shares of the credit union or such other percentage value as may from time to time be prescribed)) may be declared in respect of the preceding financial year by a resolution passed by a majority of the members present and voting. Dividends shall be payable in accordance with Section 30 of the Act.
- (2) Dividends due to any member may be placed to the credit of his share balance.

**Rule 61. Interest on deposits**

The credit union may pay interest on deposits at different rates as determined from time to time by the board of directors and otherwise in accordance with section 31 of the Act.

**Rule 62. Restrictions on withdrawal of shares and deposits**

Restrictions on the withdrawal by members of share and deposits shall be in accordance with section 32 of the Act and in particular a member must give: -

1. not less than [60] days' notice in writing of his intention to withdraw a share in the credit union and, for the avoidance of doubt, may not withdraw shares at a time when a claim due on account of deposits is unsatisfied; and
2. not less than 21 days' notice in writing of his intention to withdraw a deposit.

The provisions of Section 32 of the Act shall apply to all withdrawals

**Rule 63. Joint accounts**

- (1) Shares may be issued to and deposits accepted from two or more members by means of a joint account with the members holding as joint tenants. By virtue of the right of survivorship on the death of one of the holders, the account including all accruals, additions thereto and insurances shall become the property of the remaining joint tenants whose receipt therefore shall be a good discharge to the credit union.
- (2) Only the first-named tenant in a joint account may vote unless the members of the joint tenancy nominate one of the other joint tenants to the account to cast the vote. In the event of all tenants of a joint account holding separate accounts in the credit union, the joint account may not exercise a further vote.
- (3) No tenant of a joint account is eligible to hold office in the credit union unless he owns a separate account or unless all the tenants of the joint account agree in writing to his nomination to office.
- (4) For the avoidance of doubt, none of the joint tenants in a joint account can exercise the right of nomination of persons entitled to his interest in the joint account permitted by section 21 of the Act.
- (5) Loans may be made by the credit union:
  - (a) to the tenant designated by the tenants in a joint account as eligible to obtain loans, by virtue of the joint tenancy; or
  - (b) jointly to the joint tenants named in a joint account, by virtue of the joint tenancy.Such loans must be made in accordance with section 35 of the Act (where it is applicable) and may be secured or unsecured and each account tenant shall be jointly and severally liable for the repayment of same.

- (6) Where the board of directors is satisfied, after considering medical evidence, that a member who is responsible for the operation of a joint account is incapable by reason of a mental or physical condition to manage and administer the property in that account, the responsibility shall pass to another joint tenant named on the relevant form specified in paragraph (1).

**Rule 64. Forfeiture of payments on shares**

Written notice to his last known address shall be sent to any person who ceases to hold the minimum shareholding in accordance with rule 10(1)(c) after he has been admitted to membership, which notice shall state that his membership of the credit union has ceased in accordance with rule 14(b).

**Rule 65. Dormant accounts**

The credit union may deal with shares and deposit accounts as hereinafter provided when there has been no member-initiated transaction on the account for a period of three years and when no reply has been received within thirty days from the member to a notice sent, by ordinary post, to him/her at his/her last known address, of intent by the credit union to close the account(s). Such share and deposit accounts shall then be transferred to the reserve account. Dividends and interest shall continue to be payable on such accounts.

**Rule 66. Bankruptcy**

If any member becomes bankrupt, his property in the credit union not automatically assigned to the credit union against a loan or guarantee of a loan shall be transferred or paid to the Official Assignee in Bankruptcy.

## **SECTION 8. RECEIPTING FOR MONEY**

**Rule 67. Receipting for money**

- (1) Numbered pass books or statements of accounts shall be issued to members.
- (2) Money paid in or paid out on account of shares, deposits, loans, interest, entrance fees and fines (if any) shall be evidenced by an appropriate voucher or receipt or by entries in a member's pass book. Each voucher or receipt or entry in the pass book shall identify the person receiving or paying out, on behalf of the credit union, the money represented thereby.
- (3) If a pass book or other receipt given to the member by the credit union is lost or stolen, immediate notice of such fact shall be given to the credit union and written application shall be made for the payment of the amount due to the member as recorded on said pass book or receipt or for the issue of a duplicate pass book or receipt. The board of directors may require the filing of an adequate bond to indemnify the credit union against any loss or losses resulting from the issue of such duplicate pass books or receipts. The board of directors may also require payment to the credit union of a reasonable charge to cover the cost of issuing the duplicate pass book or receipt.

## **SECTION 9. LOANS**

**Rule 68. Making, and Approval, of loans**

- (1) The credit union shall make loans in accordance with Section 35, and shall approve loans in compliance with section 36 of the Act.

- (2) Subject to the Act (and any regulations made thereunder), any financial services legislation, any applicable Codes of Conduct issued by the Bank and these rules, the credit union may make a loan to a member for such purpose as the credit union considers appropriate upon such security (or without security) and terms as the board of directors may provide but no loan shall be made to a member who is under the age of eighteen and neither is nor has been married nor is nor has been a civil partner unless an indemnity is provided by the member's parent or guardian or by a person approved by the board of directors. The ability of the loan applicant to repay shall be the primary consideration in the underwriting process of the credit union.
- (3) In accordance with section 35(6) of the Act, the credit union may make loans to persons ceasing to have the common bond required of members of the credit union provided the total amount outstanding in respect of all such loans shall not exceed ten per cent., or such larger percentage as may be approved by the Bank, of the total amount outstanding in respect of all loans made by the credit union to its members.
- (4) Every application for a loan shall be in writing in compliance with Section 35 of the Act and in form specified by the credit union from time to time and shall contain such information as may be required by the board of director's or the credit committee from time to time.

**Rule 69. Appeal against non-approval of loan**

If an application for a loan which was considered by the credit committee or by a credit officer was not approved under rule 68, the applicant may appeal to the board of directors (excluding, where the application for a loan was considered by the credit committee any director who was a member of that committee) in accordance with section 37 of the Acts.

**Rule 70. Notification of loan approval**

On approving a loan in accordance with section 36 or 37 of the Act, the credit union shall, in writing, notify the member who applied for the loan of the approval and of any time limit within which the approval will expire. Such notice may be in a form that when signed by the member accepting the loan constitutes a credit agreement for the purposes of Sections 37B and 37C of the Acts or, where applicable the European Communities (Consumer Credit Agreements) Regulations 2010 (S.I. No 281 of 2010) and other applicable financial services legislation.

**Rule 71. Interest on loans**

The credit union shall charge interest on loans made to its members subject to and in accordance with the provisions of section 38 of the Act.

**Rule 72. Loan interest refund**

- (1) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a credit union operates a system whereby different rates of interest are charged for different classes of loans, the board of directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.
- (2) An interest rate refund shall not be made by the members at annual general meeting in the

absence of a recommendation by the board of directors and any interest refund recommended by the directors under rule 72(1), shall not be exceeded by the members at annual general meeting.

**Rule 73 Remedy for Debts from Members**

- (1) All money payable to the credit union by a member shall be recoverable as a civil debt by the credit union from the member.
- (2) The credit union shall have a lien on the shares, deposits, dividends and interest of any member for any debt due to the credit union from that member and may set off any sum credited to the member on those shares, deposits, dividends and interest in or toward payment of that debt.

## **SECTION 10. CUSTODY AND USE OF SEAL**

**Rule 74. Custody and use of the credit union seal**

- (1) The credit union shall have its name engraved in legible characters on a seal which shall be kept in such custody as the board of directors may appoint.
- (2) In accordance with section 12 of the Act, the seal of the credit union shall be used only under the authority of a resolution of the board of directors and shall be attested by the signatures of two directors of the credit union and the countersignature of the secretary for the time being.

## **SECTION 11. AUDIT AND ACCOUNTS**

**Rule 75. Accounts and Audit**

The credit union shall keep, records, prepare annual accounts and appoint auditors in accordance and in compliance with Part VII of the Act.

## **SECTION 12. DISPUTES AND COMPLAINTS**

**Rule 76. Settlement of disputes**

- (1) Save as otherwise required by or under the Act, this rule applies to any dispute between the credit union and:
  - (a) a member of the credit union in his capacity as a member;
  - (b) any former member of the credit union (in that capacity) who ceased to be a member of the credit union not more than six months previously;
  - (c) any person claiming through any such member or former member (in their capacity as such); or
  - (d) any person claiming under these rules.
- (2) Nothing in this rule shall prevent:
  - (a) a credit union, or
  - (b) a member of a credit union, or
  - (c) any person claiming through or under a member of a credit union,

from obtaining in the ordinary course of law any remedy to which the credit union, member or person is entitled in respect of any contract, excluding that constituted by these rules.



- (3) All disputes under this rule shall be decided in the following manner:
- (a) For the purposes of this rule the complaining party or parties described under paragraph (1) shall be referred to as the complainant. The credit union shall ensure that this procedure and the names of officers designated under paragraph (3)(b) are notified to all members and are displayed in a prominent position in the public office of the credit union.
  - (b) The board of directors shall appoint:
    - (i) a complaints officer whose duty it shall be to receive complaints forms under paragraph (3)(d) and to investigate, discuss and wherever possible resolve such complaints;
    - (ii) a complaints sub-committee, whose membership shall not include the officer appointed under paragraph (3)(b)(i) above, whose duty it shall be to investigate, discuss and wherever possible resolve complaints;
  - (c) The complainant shall discuss the complaint with the complaints officer appointed by the credit union under paragraph (3)(b)(i).
  - (d) In the event that the complaint is not resolved to the satisfaction of the complainant under paragraph (3)(c), the complainant shall complete a complaints form which shall be readily available in the public office of the credit union and pre-addressed to the complaints sub-committee. Following receipt of the complaints form, the complaints sub-committee shall investigate, discuss and wherever possible resolve the complaint. The complainant shall have the right to be heard by the sub-committee.
  - (e) In the event that the complaint is not resolved to the satisfaction of the complainant under paragraph (3)(d), the complainant shall request the secretary of the credit union to forward the complaint to the board of directors. The board of directors shall investigate, discuss and wherever possible resolve the complaint. The complainant shall have the right to be heard by the board of directors.
  - (f) Nothing in this rule shall prevent the Financial Services Ombudsman from investigating and adjudicating a complaint made against a credit union about the provision of, or failure to provide, a financial service, so long as the complaint:
    - (i) falls within the jurisdiction of that Ombudsman, and;
    - (ii) does not relate to a matter that involves only the governance of the credit union.

## **SECTION 13. PASSING OF MEMBERS' INTERESTS**

### **Rule 77. Nomination of property in the credit union**

In accordance with section 21 of the Act, a member of the credit union who is over the age of sixteen (the "nominator") may, by written statement signed by him, nominate a person or persons to become entitled at his death to the whole, or such part or parts as may be specified in the nomination, of any property in the credit union (whether in savings, loans, insurances or otherwise) which he may have at the time of his death. For the avoidance of doubt this rule does not apply to joint account holders referred to in Rule 63.

### **Rule 78. Proceedings on death of nominator**

Payments to be made on the death of a nominator shall be in accordance with and subject to the restrictions contained in section 22 of the Act.

### **Rule 79. Provision for small payments on death**

In accordance with section 23, the board of directors may on the death of a member, without letters of administration or probate of any will, make small payments (being not more than the amount prescribed from time to time) to such persons as appears to the board of directors (on such evidence as they consider satisfactory) to be entitled by law to receive it

**Rule 80. Payments in respect of mentally incapable persons**

The board of directors may, where it is proved to the satisfaction of the board of directors that it is just and expedient to do so, make payments in respect of mentally incapable persons in accordance with section 24 of the Act.

**Rule 81. Validity of payment**

All payments or transfers made by the board of directors under section 23 or section 24 of the Act to a person appearing to the board of directors at the time of payment or transfer to be entitled under the rule in question shall be valid and effectual against any demand made upon the board of directors or credit union by any other person.

## **SECTION 14. OFFICERS IN ARREARS**

**Rule 82. Officer in arrears**

Where a director or member of the board oversight committee of the credit union is more than 90 consecutive days in arrears under a debt obligation to the credit union he will be asked to resign his position and the credit union may seek his removal from office by resolution of a majority of member present and voting at a special general meeting called for that purpose.

## **SECTION 15. INSURANCES**

**Rule 83. Insurances**

The credit union may purchase and maintain such insurances as the Act may require or permit and as the board of directors or the members in general meeting consider necessary or desirable.