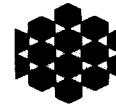


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Our Ref: DETI SUB 418/2010

Mr Alban Maginness MLA
Chairperson
Committee for Enterprise, Trade and Investment
Room 424
Parliament Buildings
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16th September 2010

Dear Alban

REFORM OF NI CREDIT UNIONS: TERRORIST ASSET-FREEZING BILL

This letter is to advise the Committee of further progress in relation to the ongoing reform of Northern Ireland credit unions. I have already written to the Financial Secretary to the Treasury seeking early removal of the current NI exemption.

A further aspect which also will require legislative intervention at Westminster is the revocation of paragraphs 18(1)(d) and 39(2)(d) of Schedule 7 to the Counter-Terrorism Act 2008 (CTA2008). These paragraphs placed an enforcement and supervisory responsibility on my Department in relation to NI credit unions in respect of terrorist financing and money laundering activities, responsibilities which will revert to the Financial Services Authority (or its successor) upon full implementation of the reforms.

To arrange for this to happen, HM Treasury has proposed the inclusion of a clause in the Terrorist Asset-Freezing Bill to omit the provisions mentioned above from a future, yet to be determined, date. The clause will make provision for appropriate arrangements to be in place to enable a smooth transfer of these responsibilities to the FSA (or its successor), when required. While it is not anticipated that the provisions included will be commenced before the latter part of 2011, it is current government policy to ensure that only related, and appropriate, subjects are included in upcoming Bills. No future, suitable Bill, which will meet the proposed time limit for transfer of responsibility (December 2011), is anticipated.

I intend to seek the Executive's agreement to the proposal at its meeting of 23 September and to obtain the consent of the Assembly through a legislative consent motion week commencing 11 October. HM Treasury has indicated that it requires confirmation of the Assembly's consent by the end of October 2010.

I apologise for the tight timescale but I know that the Committee is as keen as I that the reforms should be introduced without delay. I would be grateful if you would confirm that you are content with this proposal.

Sincerely, Arlene Foster

ARLENE FOSTER MLA

Minister of Enterprise, Trade and Investment