



Northern Ireland  
Assembly

Owen Paterson MP  
Secretary of State for Northern Ireland  
Northern Ireland Office  
11 Milbank  
LONDON  
SW1P 4PN

9<sup>th</sup> February 2012

*Dear Owen,*

**Financial Services Authority Regulation of Northern Ireland Credit Unions**

At a meeting on 2<sup>nd</sup> February, the Committee for Enterprise, Trade & Investment agreed to seek your support for further amendments to the proposals for the regulation of Northern Ireland credit unions by the FSA. I have attached a copy of my letter to the FSA for your information.

While welcoming many of the changes to the proposals arising as a result of the consultation, the Committee believes that the proposal to limit the investment period for version 1 credit unions to 12 months is detrimental to credit unions and their members.

As you will be aware, the Northern Ireland credit union movement has a long history of prudent financial management. The FSA requirement for credit unions to apply to become version 2 credit unions before being permitted to invest surplus funds for up to five years is not in the interests of the FSA, credit unions or the communities they serve.

I ask that you lend your support to the requests of the Committee in asking the Financial Secretary to the Treasury, Mark Hoban MP to explore ways of amending the rules to allow for version 1 credit unions with a long-term history of sound investment of surplus funds and prudent management of liquidity pressures, to invest surplus funds for longer-term maturity periods. The Committee believes that the adoption of the current proposals are

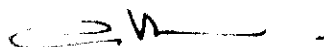
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likely to result in the closure of many small, mostly rural credit unions where, often deprived communities are unable to readily avail of other mainstream borrowing opportunities. The Minister for Enterprise, Trade & Investment expressed similar concerns in her letter to the FSA of 1<sup>st</sup> February, which was copied to you.

Yours sincerely



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**Mr Alban Maginness MLA**  
Chair  
Committee for Enterprise, Trade and Investment

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