

From the Office of the Minister



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ETI Committee Chair
Room 375
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Our Ref: DETI SUB 240/12

4 May 2012

Dear Alban

REFORM OF NORTHERN IRELAND CREDIT UNIONS: FINANCIAL SERVICES BILL

I am writing to inform you of my Department's intention to seek a Legislative Consent Motion (LCM) under urgent procedure to enable HM Treasury (HMT) to amend current legislation to allow the function of registrar of Northern Ireland credit unions to transfer from DETI to the appropriate GB authority. The proposed Northern Ireland clauses included in the Annex, would permit HM Treasury by Order, to amend the Credit Unions (Northern Ireland) Order 1985 to enable the transfer of any function of a Northern Ireland Department or the Registrar of Credit Unions for Northern Ireland to one or more of the successor bodies to the Financial Services Authority (FSA). We have raised concerns with Treasury that the phrase "*the transfer of any function of a Northern Ireland Department...*" is too wide ranging. Consequently the Treasury Bill team have agreed that this wording will be rephrased and tightened to reflect the Departments concerns.

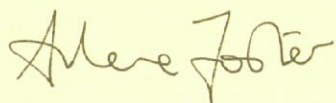
As you will be aware, the transfer of registration of Northern Ireland credit unions was consulted on jointly by HMT and DETI in March 2010. Following the consultation, I wrote to you to advise that it would be in the best interests of the Northern Ireland credit union movement as a whole that responsibility for both registration and regulation were transferred to the FSA (or its successor).

This position was reiterated in the October 2011 formal Government response to the March 2010 consultation, in which it was stated, that registration will transfer to the FSA (or its successor) following the introduction of the necessary legislation.

On 19 January 2012, the Financial Secretary to the Treasury, Mark Hoban MP, wrote to me proposing the inclusion of clauses permitting the transfer of registration in a Financial Services Bill, which was subsequently presented in Parliament on 26 January 2012.

HM Treasury has indicated that, in order to comply with its legislative programme schedule, it requires confirmation of the passage of the Legislative Consent Motion by 11 June 2012. The timescale is extremely challenging and requires that I lay the LCM before the Assembly on 9 May 2012. I appreciate the Committee is keen that the credit union reform process is completed without delay and I would therefore seek the support of the Committee to make this possible and request that the Committee complete its report by 24 May 2012 at the latest, if possible.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Arlene Foster', written in a cursive style.

ARLENE FOSTER MLA

Minister of Enterprise, Trade and Investment