

Chapter 3A

Shares, deposits and borrowing



3A.2 Shares and deposits

Joint accounts

3A.2.1 **G** There is no restriction on the number of members who may jointly hold shares in a *credit union*.

Deposits including child trust funds

3A.2.2 **R** A *credit union* must not accept deposits except:

- (1) by way of subscription for its shares from *persons* who may lawfully be admitted to membership of the *credit union* under the Credit Unions Act 1979 or the Credit Union (Northern Ireland) Order 1985 (as appropriate) and the rules of the *credit union*; or
- (2) from *persons* too young to be members under any provision of the *credit union's* rules or (for Northern Ireland *credit unions*) under article 15 of the Credit Unions (Northern Ireland) Order 1985; or
- (3) as loans from *persons* under ■ CREDS 3A.3.1R.

3A.2.3 **G** *Credit unions* that provide CTFs should ensure that under their rules depositors under the age of 18 whose *deposits* are held within a CTF continue to be treated as juvenile depositors until the age of 18. This will provide for the fact that CTF account holders may not withdraw any money from the CTF until they reach the age of 18, in contrast with the position in relation to other *deposits* which become shares and may be withdrawn earlier.

3A.2.4 **G** ■ CREDS 3A.2.2R and ■ CREDS 3A.3.1R are intended to ensure that the liberalisation of *credit union* borrowing (■ CREDS 3A.3.2G) does not have the unintended effect of undermining the common bond concept by allowing *credit unions* to operate deposit accounts for natural *persons* who do not qualify for membership.

Sale of deferred shares

3A.2.5 **R** A *credit union* must not require any of its members to purchase *deferred shares* or purport to do so.