

**COMPENSATION SOURCEBOOK (CREDIT UNIONS)
INSTRUMENT 2003**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the "Act"):
- (1) section 138 (General rule-making power);
 - (2) section 156 (General supplementary powers);
 - (3) section 157(1) (Guidance);
 - (4) section 213 (The compensation scheme); and
 - (5) section 214 (General).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) of the Act (Rule-making instruments).

Commencement

- C. This instrument comes into force on 1 February 2003.

Amendments to the Compensation sourcebook

- D. The Compensation sourcebook is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Compensation Sourcebook (Credit Unions) Instrument 2003

By order of the Board
16 January 2003

Annex

Amendments to COMP

Transitional Provisions

After transitional provision 4, insert the following new transitional provisions:

1 Table Transitional Provisions Table

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional Provision	(5) Transitional provision: dates in force	(6) Handbook Provisions coming into force
...					
5	<i>COMP</i> 6.2.1R	R	<p><u>Credit unions</u></p> <p>In relation to a <i>claim</i> or potential <i>claim</i> referred to in (1) or (2), a <i>relevant person</i> is also any credit union which:</p> <p>(1) becomes unable, or is likely to become unable, to satisfy <i>claims</i> against it which relate to <i>deposits</i> which were accepted before 2 July 2002; or</p> <p>(2) (a) has ceased to have <i>Part IV permission</i> by virtue of article 3(4) of the Financial Services and Markets Act 2000 (Permission and Applications) (Credit Unions etc.) Order 2002 (SI 2002/704) (failure to comply with a direction to re-apply for Part IV permission); and</p> <p>(b) thereafter, becomes unable, or is likely to become unable, to satisfy <i>claims</i> against it</p>	Indefinitely	<i>Commencement</i>

			which relate to <i>deposits</i> which were accepted on or after 2 July 2002 but before the date on which it ceased to have <i>Part IV permission</i> .		
6	COMP 6.2.1R	G	<p>In consequence of transitional provision 5R, compensation can be provided:</p> <p>(a) in respect of a credit union which is unable, or likely to become unable, to satisfy <i>claims for protected deposits</i> accepted before 2 July 2002; and</p> <p>(b) where a credit union has ceased to hold a <i>Part IV permission</i> (because of failure to comply with a direction to re-apply for the <i>Part IV permission</i>), for <i>protected deposits</i> accepted on or after 2 July 2002 but before the date at which it ceased to have the <i>Part IV permission</i>.</p>		
7	COMP 6.2.1R	G	In consequence of transitional provision 5R(1), a credit union becomes a <i>relevant person</i> in respect of <i>deposits</i> accepted before 2 July 2002.		