



STANDING COMMITTEE ON ECONOMIC AFFAIRS

REVIEW REPORT ON THE CREDIT UNION BILL 2025 (BILL NO. 29 OF 2025)

ANNEXURE



**PARLIAMENT OF THE REPUBLIC OF FIJI
Parliamentary Paper No. 115 of 2025**

ANNEX 1

Clause by Clause Analysis – & Drafting Instructions

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
Page 7	Clause 1 - (2) This Act comes into force on a the date or dates appointed by the Minister by-through notice published in the Gazette.	The original wording allows only one fixed commencement date for the entire Act, whereas the revised wording ("on the date or dates") allows the Minister to bring different parts of the Act into force at different times. times and to avoid repetition of the word "BY".	Noted and agree to the changes suggested.	We advise that the provision remains as is given that it is a standard clause. The article "the" provides that there is a certain date however this is not the case.	The Committee agrees with the drafter's comment not to have the article "the".
Page 8	Common bond of membership means a common shared interest or connections among that forms the members, hip which is primarily based on occupation, association or residence that forms the basis for eligibility to join the Credit Union.	Changes make the definition clearer and more precise in expressing that the bond is what determines membership eligibility.	Noted and agree to the changes suggested.	We note the proposed changes and have no issues; we propose the following additional adjustments as highlighted below: Common bond of membership means a common shared interest or connections among that forms the members, hip which is primarily based on occupation, association or residence that forms the basis for eligibility to join a credit union.	Amendment agreed to.
	"co-operative" means a co-operative registered under the Co-operatives Act 1996 and that carries out credit union business.	The revised wording flows naturally and avoids redundancy. The word "that" alone is sufficient to connect the qualifying clause.	Noted and agree to the changes suggested.	We note the proposed change and have no issues.	Agreed.
	"deposit" means a savings balance held by a credit union and owned by a member, which constitutes a liability owed by the credit union to that particular member.	Deleting an unnecessary word.	Noted and agree with the change suggested.	We note the proposed change and have no issues.	Agreed.
	"Field of membership" means, with respect to a credit union, means persons that who share the common bond of membership of that credit union	The revised version repositions "means" for better reading, and the use of "who" is grammatically correct.	Noted and agree with the changes suggested.	We note the proposed changes; we propose the following additional adjustments as highlighted below: "Field of membership" means, in relation to a credit union, means persons that who share the common bond of membership of that credit union.	Amendments agreed to.
	"immediate family" is the relation to	The changes reflect typical family	Noted and agree with all changes suggested, except	We note the proposed changes and have no issues; we	Amendments agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	means persons related to a member by the first degree of consanguinity and or affinity to a member of the family, that is, including the spouse, parents, siblings or children of a member, whether related by blood, or adoption, of the member or previous marriage.	relationships relevant to members who have blended families, providing clearer guidance.	for removal of 's' in 'parents'. Propose to maintain 'parents'	propose the following additional adjustments as highlighted below: "immediate family" is the relation to means persons related to a member by the first degree of consanguinity and or affinity to a member of the family, that is, including the spouse, parents, sibling or children of a member, whether related by blood, or adoption, of the member or previous marriage. The additional suggestion is to maintain use of subject matter in the singular form- this can be interpreted to mean one or more.	
	licensing" means to license a the process of granting licence to a credit union under this Act to conduct credit union business	It reads more smoothly.	Agree, however we suggest changing 'license' to 'a licence'. License – verb Licence - noun	We note the proposed changes and have no issues; we propose the following additional adjustments as highlighted below: licensing" means to license a the process of granting a licence to a credit union under this Act to conduct credit union business	Amendments agreed to.
	"Membership share" means a share of a credit union subscribed to and paid for by a member of the credit union and having subject to the terms and conditions as specified in the credit union's standard by-laws and supplementary by-laws	The revised definition improves clarity and readability without altering the original meaning.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.	Agreed
	"Net income" means the amount of money a remaining with a credit union has left over remaining after subtracting all of its expenses from its total revenue over a specific period	The revised definition improves clarity and reads better.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.	Agreed.
Page 9	"organisation" means a any legal entity including a corporation,	To improve readability without changing the meaning	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	partnership, association; or limited liability company; or any other legal entity				
	“organiser” means any person who assists in organising at least 30 or so individuals to apply for a credit union licence under section 10 to carry on credit union business.	The phrase “ or so ” is imprecise and informal, which creates ambiguity in a legal or regulatory definition. Replacing it with “ at least ” provides a clear minimum threshold of 30 or more individuals, removes ambiguity.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.	Agreed.
	“qualifying share” means a non-refundable share, equivalent to a in value of to one fully paid membership share, which a person applying to be a member of a for credit union membership is required to pay and which is retained by the credit union in its capital-account for operational management purposes.	The revised definition improves clarity and reads better.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.	Agreed.
	“related member” means a member that bears any connected to another member by any of the following relationships: to each other (b) shared ownership, substantial investment, or other substantial significant financial interest in the same business enterprise; or (c) a business enterprise in which a member has a substantial interests or control as described above if that enterprise is itself is a member.	The revised definition improves clarity and reads better.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues; we propose the following additional adjustments as highlighted below: “related member” means a member that bears any connected to another member by any of the following relationships: to each other (a) immediate family; (b) shared ownership, substantial investment, or other substantial significant financial interest in the same business enterprise; or (c) a business enterprise in which a member has a substantial interests or control as described above if that enterprise is itself is a member.	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
Page 9	“supervisory agency” refers to Reserve Bank of Fiji. means an organisation, whether established in Fiji or any other jurisdiction; established by law with the responsibility for supervision of one or more types of financial service providers; and	The definition has been refined to clearly identify the “supervisory agency” as the Reserve Bank of Fiji, rather than providing a long explanation referring to other agencies with which it may collaborate with.		We advise that given the proposed changes to the definition of the term “supervisory agency”, there is no longer a need for the term to be defined, noting the proposed changes to clause 106, where the term is used. We advise that the definition be deleted to avoid confusion.	Agreed.
	“Unsafe or unsound practice” means any action or inaction in the operation of a credit union that is contrary to generally accepted standards of prudent operation, the likely consequences of which, if continued, would pose be a material risk of loss or danger harm to the credit union's, its members, or any organisation insuring or guaranteeing the credit union's shares and deposits related guarantors.	To simplify the sentence.	We propose to maintain the current interpretation. We suggest maintaining ‘contrary’ it means in opposition to or not aligned with a rule whilst violate means to break or breach a rule.	We note the proposed changes and have no issues.	Agreed.
	(3) The objective of this Act is to promote a sound financial system through the regulation, registration and supervision of credit unions in Fiji	Including “in Fiji” prevents any misinterpretation that the Act could extend to cross-border or international activities.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.	Agreed.
	4 (2) The Reserve Bank must discharge its functions in a way that is compatible with the objective of this Act and shall that the Reserve Bank considers the most appropriate action for the purpose of achieving those meeting the its objectives.	Simplifying and to remove repetitive words.	Noted and agree with the changes suggested.	We note the proposed changes; we propose the following additional adjustments as highlighted below: The Reserve Bank must discharge its functions in a way that is compatible with the objective of this Act and shall that the Reserve Bank considers the most appropriate action for the purpose of achieving the rose meeting the its objectives.	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
Page 10	<p>4(3).The RBF will facilitate all disputes arising from the industry as per its powers under Section 94 of the Credit Union Bill.</p> <p>5. The Reserve Bank may, negotiate, contract or enter into an agreements for professional services, in accordance with applicable procurement requirements.</p>	<p>A new clause was added as there was a lack of clarity regarding who is responsible for resolving disputes between members and officials of credit unions, as well as disputes among members themselves.</p>	<p>Noted and agree with the changes suggested.</p> <p><i>Compared to the 2017 version, this provision has a missing leading paragraph that provides its proper context. Suggest that the leading paragraph is included</i></p>	<p>We note the proposed changes and refer to the Reserve Bank/Ministry.</p> <p>Would the Reserve Bank's role be a facilitative one? Will the by-laws for a credit union provide for how disputes are to be dealt with?</p> <p>We advise not to use "shall" and leave as is.</p>	Agreed.
	<p>6 (2) In setting fees, the Reserve Bank must have regard to consider the anticipated costs of the Reserve Bank it expects to incur it in performing any other all functions assigned to it-under this Act.</p> <p>(3) The prescribed fees payable under this section must be paid upon the grant of the licence or registration, and thereafter on an annual basis.</p> <p>(4) "Without limiting section 6(3), the Reserve Bank may vary the term of licences as it deems appropriate".</p>	<p>To simplify the sentence for better reading and to remove repetitive words.</p> <p>This new provision was introduced to allow members the option of paying the licensing fee for a longer-term period rather than on an annual basis.</p>	<p>Noted and agree with the changes suggested.</p>	<p>We note the proposed changes to clause 6(2) and propose the following additional adjustments as highlighted below:</p> <p>The Reserve Bank must have regard to consider any anticipated cost of the Reserve Bank t associated with the performance of any function assigned to it-under this Act.</p> <p>We note the proposed change to clause 6(3) and have no issues. The clause is titled fees.</p> <p>We note the proposed inclusion of clause 6(4) and advise that the inclusion is appropriate for operationalising the licensing of credit unions rather than in clause 6. We do not agree with the inclusion of the proposed subclause (4) in clause 6.</p>	Amendments and corrections agreed to.
	<p>7(1) The Reserve Bank must prepare an annual report detailing its activities and outcome for the preceding year, including—</p> <p>(d) the outlook for the credit union sector and notable developments or innovations within the credit union industry; and</p>	<p>To enhance the accountability of the Reserve Bank of Fiji in achieving specific outcomes during the reporting year, rather than with greater emphasis on its key activities.</p>	<p>Section 7(1) - we agree to the changes and (d).</p> <p>We suggest that section 7(2) be changed to the following: "The Annual</p>	<p>We note the proposed changes to clauses 7 and 8 and have no issues.</p>	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>New 7(2) The Annual Report must be submitted to the Minister within 3 months after the Reserve Bank's financial year.</p> <p>8. The Reserve Bank must—</p> <p>(c) provide assistance and advice as necessary to assist officers and members of the Credit Union League in due observance of, and compliance with, this Act.</p>	<p>This change is intended to ensure the timely submission and presentation of Annual Reports to Parliament.</p> <p>Remove unnecessary words.</p>	<p>Report must be submitted to the Minister within 3 months after the Reserve Bank's financial year"</p> <p>[this will coincide with publication of the Bank's annual report and submissions cycle. The CU annual report can be a section in the Bank's publication]</p> <p>Section (8) – we agree to the changes</p>		
	<p><i>Exclusion from liability</i></p> <p>9. Neither the Reserve Bank nor any director, officer or employee of the Reserve Bank, any person authorised to assist the Reserve Bank under section 5 nor any person acting as a director or employee of the Reserve Bank is liable in any manner whatsoever for anything done or omitted to be done in good faith in the discharge or purported discharge of the functions and duties of the Reserve Bank under this Act.</p>	<p>The revision was necessary to improve grammatical accuracy and readability.</p>	<p>Section 9</p> <p>Use of "Board Members" is redundant as "director" captures this already.</p>	<p>We note the proposed changes and propose the following additional adjustments as highlighted below:</p> <p>9. Neither the Reserve Bank nor any director, officer or employee of the Reserve Bank, nor any person authorised to assist the Reserve Bank under section 5 nor any person acting as a director or employee of the Reserve Bank is liable in any manner whatsoever for anything done or omitted to be done in good faith in the discharge or purported discharge of the functions and duties of the Reserve Bank under this Act.</p>	<p>Amendments and corrections agreed to.</p>
Page 11	<p>10 2(c) have subscribed for a qualifying share equivalent to of at</p>	<p>To simplify the sentence for better clarity.</p>	<p>Section 10 (2) (c)</p>	<p>We note the proposed change to clause 10 and have no issues.</p>	<p>Agreed.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	least 10 membership shares; and (3) The applicants or organisers must file submit with to the Reserve Bank an completed application in a form approved by the Reserve Bank accompanied with a prescribed fee.		Noted and agree to the changes suggested. Section 10 (3) Noted and agree to the changes suggested		
	10 (4)(d) a business plan covering 3 years must include financial projections and providing a detailed explanation of actions intended to accomplish the primary functions of the credit union; and 10 (4)(e) such other any additional information as the Reserve Bank may prescribe, consistent with achieving the objective of this Act.	The change aims to make the business plan more meaningful and comprehensive by requiring the inclusion of financial projections. For better readability.	Section 10 (4) (d) Noted and agree to the changes suggested. Section 10 (4) (e) Noted and agree to the changes suggested.	We note the proposed change to clause 10 and have no issues.	Agreed.
	11.—(1) Less More than 30 20 individuals with the intention to carry on credit union business must obtain registration from the Reserve Bank.	The provision is intended to prevent existing members from establishing a new credit union in response to grievances, as permitting fewer than 30 members could result in situations where only two individuals form a separate credit union out of discontent.	Section 11 (1) This is specifically for CUs that will be registered	We note the proposed changes to clause 11(1) and refer to the Reserve Bank/Ministry on the changes to policy.	Agreed.
Page 12	11 (2)(c) have subscribed for a qualifying share of equivalent to at least 10 membership shares; and	To simplify the sentence.	Section 11(2) (c) Noted and agree to the changes suggested	We note the proposed changes to clause 11(2)(c) and have no issues.	Agreed.
	11 (3) The applicants must file with submit a completed application in a form approved by the Reserve Bank an application in a form approved by the Reserve Bank	To simplify the sentence and remove unnecessary words that made it awkward to read.	Noted and agree to the changes suggested.	We note the proposed changes to clause 11(3) and have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	accompanied by a prescribed fee.				
	11(4)(c) a business plan covering 3 years must include financial projections and provide a detailed explanation of actions intended to accomplish the primary functions of the credit union; and 11(4)(d) such any other information as the Reserve Bank may require, consistent with achieving the objective of this Act.	The change aims to make the business plan more meaningful and comprehensive by requiring the inclusion of financial projections. For better readability	One is for Registration purposes the other is for Licensing. A Credit Union would either be registered or licensed, not both. Suggest using "any additional" as it has already been used in section 10 (4)	We note the proposed changes to clause 11(4)(c) and (d) and have no issues.	Agreed.
	11 (6) The Reserve Bank may determine that a registered credit union be licensed by giving due consideration to the size of its membership and deposits size .	Simplifying the sentence by rearranging words.	Noted and agree to the changes suggested	We note the proposed changes to clause 11(6) and have no issues.	Agreed.
	12.— (1) A co-operative which is registered under the Co-operatives Act 1996 with 30 or more members and carries out engages in credit union business must apply for a credit union licence under this Act. (2) A co-operative with less than 30 members and carries out engages in credit union business must apply for registration as a credit union under this Act.	Inclusion of an appropriate word for formal writing.	Section 12 (1) Noted and agree to the changes suggested.	We note the proposed changes to clause 12 and advise that the provision remains as is. Please see the definition of "co-operative".	Agreed.
	13 (1). No credit union is to be licensed or registered under this Act unless it is considered if the RBF determines it is to be economically viable in the long-term by the Reserve	Removal of unnecessary words for better clarity and easy reading.	Section 13 (1) Noted and agreed to the suggested changes.	We note the proposed changes and propose the following additional adjustments as highlighted below: 13 (1). No credit union is to be licensed or registered under this Act unless it is considered if the Reserve Bank assesses it to be to	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>Bank on the basis of based on the following assessment:</p> <p>(a) the level of demand anticipated for the proposed credit union services.</p> <p>(b) the projected asset base and financial strength of the credit union;</p> <p>(c) the size of the membership base size and potential for growth potential of the credit union; and</p> <p>13(2) Every applicant seeking a licence or registration as a credit union must submit, as part of the application, evidence to demonstrate compliance with the economic viability criteria specified under clause 13(1).</p>	<p>For clarity purposes</p> <p>For better sentence construction and reader friendly.</p> <p>It ensures that applications are assessed based on verifiable information rather than assumptions or projections without supporting documentation..</p>		<p>be economically viable in the long-term by the Reserve Bank on the basis of based on the following criteria:</p> <p>(a) the level of demand anticipated for the proposed credit union services.</p> <p>(b) the projected asset base and financial strength of the credit union;</p> <p>(c) the size of the membership base size and potential for growth potential of the credit union; and</p> <p>13(2) An application for a license or registration must be accompanied with the relevant documentation as may be required by the Reserve Bank under subsection (1).</p> <p>We advise not to use "shall" and leave as is.</p>	
	<p>(14) (3) A credit union may make by-laws to be known as supplementary by-laws by no less than two-thirds vote of the members present at an annual general meeting or at a special general meeting called for the purpose of making the supplementary by-laws. for the credit union.</p> <p>(4) The supplementary by-laws made under subsection (3) may amend or repeal the standard by-laws, on the subject to the prior written approval of the Reserve Bank.</p> <p>(5) A supplementary by-law may only be used enforced or applied by a credit</p>	<p>To remove unnecessary words.</p> <p>Simplifying the sentence for better reading.</p> <p>To make the sentence formal</p>	<p>Section 14 (3)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 14 (4)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 14 (5)</p> <p>Noted and agreed to the suggested changes.</p>	<p>We note the proposed change to clause 14(3) and advise that the provision remains as is.</p> <p>We note the proposed changes to clause 14(4) and (5) and have no issues.</p>	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	union on the approval of the Reserve Bank.				
	<p>(15) (2) The official name of a credit union must include the words "Credit Union" or the abbreviation "CU" and an appropriate descriptive word or words, or an acronym made up of initials of the appropriate descriptive word or words and ending in "CU".</p> <p>(3) Unless a credit union is formed by merger or consolidation, the Reserve Bank may not issue a licence to the credit union or approve the change of the name of the credit union if such name is identical or would have the same name as another credit union or a name nearly resembling the name of another credit union in a manner likely as to cause confusion or be calculated to deceive.</p>	<p>It ensures the public can identify legitimate, registered credit unions easily through their official name rather than the marketing or unofficial name</p> <p>Removal of unnecessary words while maintaining the meaning.</p>	<p>Section 15 (2)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 15 (3)</p> <p>Noted and agree to the suggested changes.</p>	<p>We note the proposed change to clause 15(2) and advise that the provision remains as is. We advise that any name or description that is not the 'name' of a credit union as allowed for under the law, would therefore not be the name of the credit union. Making a distinction between official name and name may create confusion.</p> <p>We advise that we have no issue with the proposed amendment to delete "and" before "ending".</p> <p>We note the proposed changes to clause 15(3) and advise that we have no issues.</p>	Agreed.
	<p>New 5 – RBF may require change in name if the name</p> <p>a) falsely implies affiliation, sponsorship or endorsement without authorisation.</p> <p>c) suggest unauthorised or nonexistence financial products or services.</p> <p>(56) A person who contravenes this section commits an offence and is liable to a fine not</p>	<p>To provide clarity and consistency to the regulator as well as to the credit union. It removes any ambiguity about the criteria for naming a credit union, ensuring all registered entities follow the same standard.</p> <p>To provide clarity.</p>	<p>Section 15 (5)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 15 (6)</p> <p>Noted and agreed to the suggested changes.</p>	<p>We note the proposed changes to include a new clause 15(5) and (6) and advise that we have no issues.</p>	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	exceeding \$3,000 for each day during which that the contravention continues.				
	16. The Reserve Bank may conduct an investigation to verify compliance with all the legal requirements of law and may obtain any information or reports, from any person or organisation, including a law enforcement agency, that the Reserve Bank considers necessary in connection with its consideration of action on an application to licence or register a credit union.	To simplify the sentence.	Section 16 Noted and agreed to the suggested changes.	We note the proposed changes to clause 16 and propose the following additional adjustments as highlighted below: “...obtain any information or report”. We also refer to RBF/Ministry in relation to obtaining information from persons that RBF considers necessary in connection with its consideration of an application: <ul style="list-style-type: none"> - would the investigation be based only on an application; and - is the requirement to obtain information regardless of the content of investigation be limited to information on an application? 	Amendments and corrections agreed to.
	(5) The Reserve Bank may grant conditional approval of an application and must communicate the conditions notify the applicant in writing of any conditions attached to such approval to the applicant.	For clarity purposes so that members understand.	Section 17 (5) Noted and agreed to the suggested changes.	We note the proposed changes to clause 17(5) and propose the following additional adjustments as highlighted below: “...in writing of any condition attached to the approval”.	Amendments and corrections agreed to.
	18. A person aggrieved by a decision of the Reserve Bank on an application to license or register a credit union may appeal to the Credit Union Tribunal within a specified time as prescribed by the Regulation.	The time frame is important to guide the aggrieved applicant and to make it objective .	Section 18 Noted and agreed to the suggested changes.	We note the proposed changes to clause 18 and advise that we have no issues.	Agreed.
	21(4) The Reserve Bank may cancel the	To ensure formal communication.	Section 21 (4)	We note the proposed changes to include a new clause 21(4)	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	licence or registration by written notice if a credit union does not commence business within the prescribed time.	Specifying "by written notice" establishes a formal and verifiable method for communicating the cancellation of a licence or registration.	Noted and agreed to the suggested changes.	and advise that we have no issues.	
	22. All establishment costs and expenses in connection with related to establishing a credit union and preparation for to commence ing business may must be paid only solely from funds provided by the applicants or organisers or a sponsor. and Such costs may be reimbursed by the credit union only out of undivided earnings, after and only after provision has been made for required reserves.	To provide clarity and ease of understanding.	Section 22 Noted and agreed to the suggested changes.	We note the proposed changes and propose the following additional adjustments as highlighted below: 22. (1) All costs and expenses in connection with related to the establishment of a credit union and in preparation for to commence ing business may must be paid only solely from funds provided by the applicants, organisers or a sponsor. and (2) The costs incurred under subsection (1) may be reimbursed by the credit union only out of undivided earnings after and only after provision has been made for required reserves.	Amendments and corrections agreed to.
	24.— (1) An application for membership must be acted upon by the board of a credit union or by an officer appointed by the board within prescribed time.	To provide a clear timeframe for decision on membership.	Section 24 (1) Noted and agree to the suggested changes.	We note the proposed changes to clause 24 and propose the following additional adjustments as highlighted below: "...within the prescribed time"	Amendments and corrections agreed to.
	25.— (1) The members of a credit union must hold an annual general meeting no later than 4 months after each financial year end.	A typo error.	Section 25 (1) Noted and agreed to the suggested changes.	We note the proposed changes to clause 25 and agree with the correction to the typographical error i.e. " members ".	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>26 (1) The members of a credit union may amend the by-laws of the credit union by a two-thirds vote of the members present at a duly constituted annual or special meeting, provided that notice of such meeting specifying the proposed amendments is given to all members at least fourteen days before the date of the meeting.</p> <p>(5) Upon receipt of Reserve Bank's approval, an amendment takes effect on the date determined by the meeting of the credit union members of the credit union that endorsing the amendment.</p>	<p>To read better without changing the meaning, and to provide a clear timeframe for the notice to be served for the special meeting.</p> <p>For better reading</p>	<p>Section 26 (1)</p> <p>Noted and agree to the changes suggested</p>	<p>We note the proposed changes to clause 26(1) propose the following additional adjustments as highlighted below:</p> <p>26(1) The members of a credit union may amend the by-laws of the credit union by a two-thirds vote of the members present at a duly constituted annual or special meeting, provided that notice of the meeting specifying the proposed amendments is given to all members at least 14 days prior the date of the meeting.</p>	<p>Amendments and corrections agreed to.</p>
	<p>28 (10) If provided in Where permitted by the by-laws, a director may participate in a board meeting and exercise all rights in and act as a member at a meeting of the board by means of electronic communication through which provided that all persons participating in the meeting can communicate with each other.</p>	<p>To put it in simple English that reads well.</p>	<p>Section 28 (10)</p> <p>Noted and agree to the changes suggested.</p>	<p>We note the proposed changes to clause 28 and advise that we have no issues.</p>	<p>Agreed.</p>
	<p>29 (2)(b) purchase a blanket fidelity guarantee policy of insurance policy, in accordance with the regulations issued under this Act, to protect the credit union against losses resulting from events caused by occurrences covered therein such as fraud,</p>	<p>Simplification of the clause for better understanding</p>	<p>Noted and agree to the changes suggested.</p>	<p>We note the proposed changes to include a new clause 29(2)(b) and advise that we have no issues.</p>	<p>Agreed.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>dishonesty, forgery, embezzlement, misappropriation, misapplication, or unfaithful performance breach of duty by any director, officer, employee, member of a committee, or other agent</p> <p>(c) determine the interest rate charged on loans and deposits.</p>				
	<p>29 (2)(r) perform any other duties that is necessary and proper to carry out fulfill the purposes and exercise the powers of a credit union as prescribed by set out under this Act.</p>	To ensure members understand their	Noted and agree to the changes suggested.	<p>We note the proposed changes to clause 29(2)(r) and advice that "duty" remains as it is.</p> <p>We further advice and propose the following</p> <p>"perform any other duty and exercise any power of a credit union necessary to fulfil the objective of this Act".</p>	Amendments and corrections agreed to.
	<p>30.—(1) (a) he or she the member dies or resigns by giving notice to the board, and if a member belongs to a supervisory committee or credit committee, must giveing notice to the supervisory committee or the credit union, as applicable;</p> <p>(2) If the vacancy arises in the office of a member of the board, supervisory committee or credit committee becomes vacant, the members present at a meeting must, by majority vote, fill the vacant position.</p> <p>30 (3)(b) there is no quorum at a board meeting the board, the remaining members of the board may call a special meeting for the</p>	<p>To simplify the clause for better understanding.</p> <p>To simplify the clause to read better.</p>	<p>Section 30 (1) (a)</p> <p>Noted and agree to the changes suggested.</p> <p>Section 30 (2)</p> <p>Noted and agreed to the changes suggested</p> <p>Section 30 (3) (b)</p> <p>Noted and agree with the changes suggested</p>	<p>We note the proposed changes to clause 30 and we advise that in the chapeau, to delete "been" in "deemed to have been vacated".</p> <p>Alternatively, in the chapeau, include, "if the member" instead of "if he or she"</p> <p>We further advice in paragraph (a):</p> <p>"...he or she dies or resigns ..., and if he or she is a member of a supervisory committee or credit committee, by giving ..."</p>	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	purpose of electing a member to fill the vacant position.				
	32.— (1) The board may employ appoint a general manager of a credit union and to whom it delegates the authority and responsibility for to managing the credit union's day-to-day operations.	It reads better	Section 32 (1) Noted and agree to the changes suggested.	We note that proposed changes to clause 32 and advise that we have no issues.	Agreed.
	39.— (1) A credit union must maintain books and records of its assets and liabilities and all transactions the credit union undertakes for its own account board and for that of a members of the credit union.	To remove unnecessary words and to improve clarity	Wordings in the Bill is appropriate. Note that the CU and the Board are separate persons. CU needs to have its books maintained for the benefit of its members	Having discussed this with the Reserve Bank on 17 November 2025, recommend to revert back to original text. Note: The board deals with the governing of the credit union, however, books and records of the credit union must be maintained. Therefore, we advice to revert text to original.	Agreed.
	41.— (1) The supervisory committee of each credit union must obtain arrange for an annual audit of the financial statements of the credit union, conducted by the auditor appointed in accordance with subsection (6). (3) A copy of the audited financial statements must be submitted to the Reserve Bank within 90 days of after the end of the financial year. (5) The board or the supervisory committee of a credit union may obtain a request supplementary audits or examinations as deemed necessary by the credit union considers it or when	To simplify the clause for easy reading. This change will remain for clarity purposes. To simplify the clause for easy reading without changing the meaning. Removal of unnecessary words while maintaining the meaning.	Section 41 (1) Agree with the suggested wordings Section 41(3) Suggest wordings to be remain as the rationale for the provision is for the audited statements to be submitted to the RBF within 3 months after the financial year end. Section 41 (5) Agree with suggested wording Section 41(6) Agree with suggested wording	We note the proposed changes in clause 41(1) and we advise that we agree with the use of "arrange for". We further recommend the following: "... financial statements to be conducted by an auditor appointed". (3) We have no issues with suggested replacement "after". (5) We do not agree to the use of "deems necessary". We further suggest to use "if it considers necessary". Further, audit and examination should remain in the singular. We note the changes to clause 41(6) and advise that we have no issues.	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>required by the Reserve Bank.</p> <p>(6) The credit union may appoint an independent auditor at the annual general meeting of the credit union on the recommendation of the supervisory committee and the board, and the appointed auditor must be approved by the Reserve Bank to perform the audits required under this section.</p>				
	<p>41(10) A person may not serve as the independent auditor of a credit union if —</p> <p>(a) the person holds the position of director, committee member, general manager or employee of the credit union;</p> <p>(b) the person is a related member to any individual persons listed in paragraph (a); or</p> <p>(c) the Reserve Bank determines that any situation, condition, or relationship exists which would impair the auditor's ability to perform that, in the opinion of the Reserve Bank, prevents the person from performing the audit in an objective and independent manner.</p>	<p>Removal of unnecessary words while maintaining the meaning.</p>	<p>Section 41 (10) (a)</p> <p>Noted and agree to the changes suggested except a, include the word hold</p> <p>Section 41 (10) (b)</p> <p>Note and agree with the suggested wordings</p> <p>Section 41 (10) (c)</p> <p>Note and agree with the suggested wordings</p>	<p>We note the changes to clause 41(10)(a) and advise that the added words are redundant.</p> <p>We note the changes to clause 41(b) and (c) and advise that we have no issues.</p>	<p>Amendments and corrections agreed to.</p>
	<p>41(11) If the Reserve Bank finds determines that the board has not complied with this section, the Reserve Bank may appoint an independent auditor who meetsing the</p>	<p>Removal of unnecessary words while maintaining the meaning.</p>	<p>Section 41 (11)</p> <p>Noted and agree to the changes suggested.</p>	<p>We note the changes to clause 41(11) and advise that we advise to replace “such audit” with “the audit”.</p>	<p>Amendments and corrections agreed to.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	requirements of this section to perform conduct the audit and the credit union must pay the cost of the such audit.				
	42.— (1) Notwithstanding section 41, a credit union with assets less than below an amount prescribed by regulations may, with the prior approval of the Reserve Bank, obtain have an annual audit performed conducted by a committee at the end of its financial year of the credit union .	Removal of unnecessary words.	Section 42 (1) Noted and agree to the changes suggested.	We note the changes to clause 42 and advise that we have no issues.	Agreed.
	42 3(a) propose members of the committee meeting the required qualifications to the board for approval in accordance with subsection (2) to the board ; (b) inform notify the Reserve Bank of the names and qualifications of the proposed members for approval; or (c) prior to before replacing changing any member of the committee, provide written notice to inform the Reserve Bank in stating writing of the reasons for the change, along with and the name and qualification of the proposed replacement a new member .	Improving sentence structure for Better understanding. Improving sentence structure for Better understanding.	Section 42 (3) (a) Noted and agree to the changes suggested. Section 42 (3) (b) Noted and agree to the changes suggested. Section 42 (3) (c) Noted and agree to the changes suggested.		
	42(5) (a) present a written report of its annual audit to the board within 90 days before after the end of the financial year	It aligns with standard auditing and reporting practices, where audit reports are prepared and presented after the close of the financial period	Section 42 (5) (a) replace “before” with “of”	We note the changes to clause 42(5)(a) and advise that we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	of the credit union; and	once the financial statements are finalised.			
	<p>43.— (1) A credit union must maintain a regulatory reserve that comprises transfers of by allocating 20% from of its net income until the regular reserve equals 10% of the total assets.</p> <p>(3) In the event of a decrease in the reserves, the Reserve Bank may require additional transfers to the regular reserve above the amount required to restore the reserve as required by subsection (1). until the amount of the loss has been restored to the reserve and regained.</p> <p>(4) The board of a credit union may establish other reserves whenever it determines the reserve to be- as deemed necessary or appropriate.</p>	<p>Simplifying the sentence in plain English for members to understand.</p> <p>Removal of unnecessary words for clear understanding.</p> <p>Removal of unnecessary words for clear understanding.</p>	<p>Suggest maintaining wording for section 43 (1).</p> <p>Noted and agreed to the suggested changes for 43(3) and 43(4).</p>	<p>We note the changes to clause 43 and advise to replace “regular reserve” with “regulatory reserve”.</p> <p>“reserves” to include “regulatory reserve”.</p> <p>From discussions held on 17 November 2025, wording is ok. Amendment regular reserve to regulatory reserve where necessary.</p> <p>We further advise for “deemed necessary” to be amended to “if it considers necessary”.</p>	Amendments and corrections agreed to.
	<p>44.— (1) A credit union must maintain a capital ratio as determined by the Reserve Bank. may determine</p> <p>(4) Complex credit unions and credit unions or those with assets amount over \$100 million in assets may be required by the Reserve Bank to perform the calculation of the capital ratios using risk-weighted assets.</p> <p>(5) The Reserve Bank may issue prudential capital requirements</p>	<p>For better reading which is simple and it maintains the flow</p> <p>Removal of unnecessary words for better understanding.</p>	<p>Section 44 (1)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 44 (4)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 44 (5)</p> <p>Noted and agreed to the suggested changes.</p>	<p>We note the changes to clause 44 and advise that we have no issues.</p>	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	regarding capital, including but not limited to requirements specifying the characteristics of a complex credit union and the assignment of risk weights to categories of assets categories.				
	44(6) If the Reserve Bank determines that a credit union has insufficient capital necessary to shield against to cover the risks, both on and off the balance sheet, arising from the its business, -of that credit union, it the RBF must direct the credit union to increase its capital to the a level it considers determined by the Reserve Bank to be sufficient, consistent with the calculated capital ratio using risk-weighted assets.	Removal of unnecessary words that made it hard to understand the meaning of this clause.	Section 44 (6) Noted and agree to the changes suggested.	We note the changes to clause 44(6) and advise to use "Reserve Bank" instead of "RBF" since this is a defined term in the Bill.	Amendments and corrections agreed to.
	45.— (1) A credit union must maintain a minimum statutory liquidity deposit as the determined by the Reserve Bank to ensure sufficient liquidity to meet member withdrawal. may determine. (2) The board of a credit union may establish a higher statutory liquid deposit amount whenever it determines the liquidity needs to be as deemed necessary or appropriate. (3) The statutory liquidity deposit must be used to meet liquidity requirements in the	Simplifying the sentence in plain English for members to understand. Simplifying the sentence in plain English for members to understand.	Section 45 (1) Noted and agree to the changes suggested. Section 45 (2) Noted and agree to the changes suggested. Section 45 (3) Noted and agree to the changes suggested. Section 45 (4) Noted and agree to the changes suggested. Section 45 (5)	We note the changes to clause 45 and advise to delete "shall" in clause 45(2) and revert to its original text.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>event of demand for cash withdrawals demands.</p> <p>(4) The Reserve Bank may require additional liquidity to be maintained based on the types of deposits held by the members to safeguard against any liquidity risks.</p> <p>(5) The funds held in a statutory liquidity deposits must not have a maturity exceeding of greater than one year to ensure liquidity is maintained.</p> <p>(6) A credit union's may vest its statutory liquidity deposit with may be vested to a Credit Union League for investment subject to a written the agreement between the credit union and the Credit Union League.</p> <p>46 (2) A credit union must shall not engage in any business or activity except as those specifically authorised by this Act, unless the Reserve Bank approves a permissible businesses or activities consistent with the as permissible for a credit union's to accomplish the purposes for which it is established.</p>	<p>The clause is simplified by removing unnecessary words and the inclusion of the word "written" provides transparency to the members.</p>	<p>Noted and agree to the changes suggested.</p> <p>Section 45 (6)</p> <p>Noted and agree to the changes suggested.</p> <p>Section 46 (2)</p> <p>Noted and agree to the changes suggested.</p>		
	<p>48 (1) (c) acquire property in the process of collecting loans, such as collateral assets.</p> <p>(2) A credit union must not invest in a credit union premise,</p>	<p>Simplifying the sentence in plain English for members to understand and for better enforcement.</p>	<p>Section 48 (1)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 48 (2)</p>	<p>We note the changes to clause 48 and advice to delete the word "shall" and revert to its original text.</p>	<p>Amendments and corrections agreed to.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>directly or indirectly, in an amount that exceeds its capital, by obtaining- provided however that, with the prior approval of the Reserve Bank, and upon having demonstrating an essential need, to the Reserve Bank's may allow investment up satisfaction an essential need therefore, the limit may be increased to 150 % of the credit union's capital.</p> <p>(3) Any real property acquired by a credit union in the process of collecting loans must be disposed of as soon as possible but and in any event case within 53 years from the date on which the credit union acquired such interest of acquisition.</p> <p>49.— (1) A credit union may offer an unlimited amount number of membership shares at a par value established in the by-laws.</p> <p>(2) The by-laws of a credit union may fix the minimum number of membership shares to which a member must subscribe and may set a limit on the number of shares that may be owned by a member may own, however, any such limitation must be applied equally to all members.</p>	<p>Holding real property longer increases risks such as depreciation, maintenance costs, and potential liabilities. A shorter disposal period of 3 years will preserve credit union assets by reducing operational risk.</p> <p>Improving grammar</p> <p>Simplifying the sentence in plain English for members to understand.</p> <p>Simplifying the sentence in plain English for members to understand.</p>	<p>Noted and agreed to the suggested changes.</p> <p>Section 48 (3)</p> <p>Noted and agreed to the suggested changes</p> <p>Section 49 (1)</p> <p>Noted and agreed to the suggested changes</p> <p>Section 49 (2)</p> <p>Noted and agreed to the suggested changes</p> <p>Section 49 (3)</p> <p>Noted and agreed to the suggested changes</p> <p>Section 49 (4)</p> <p>Noted and agreed to the suggested changes</p> <p>Section 49 (5)</p> <p>Noted and agreed to the suggested changes</p>	<p>We note the changes to clause 49 and advise to delete the word "shall" and revert to its original text.</p>	

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>(3) The payment of membership shares are to shall be made in accordance with the procedures outlined in the manner as provided in the by-laws.</p> <p>(4) The membership shares may be issued in the form of certificates form or may be recorded held in an as accounts on the books of the credit union.</p> <p>(5) A joint share account may hold more than one multiple membership shares.</p>				
	50 (3) The terms, interest rates and conditions under which deposits are accepted to must be established by the board of the credit union and must be set documented forth in a formal an agreement between the credit union and its depositor.	Simplifying the sentence in plain English for members to understand.	50 (3) Agree to the changes.	We note the changes to clause 51 and advise we have no issues.	Agreed.
	<p>51.— (1) A credit union may—</p> <p>(a) declare and pay dividends on its membership shares;</p> <p>(b) pay interest on members deposits; and</p> <p>(c) pay patronage rebates to members.</p> <p>51 (2) A-De dividends, or an interest payments and patronage rebates must may be made at the rates and under the conditions authorised by the board.</p>	<p>Simplifying the sentence in plain English for members to understand.</p> <p>Simplifying the clause for better understanding.</p>	<p>51 (1) Agree to the changes.</p> <p>52 (2). Agree to the changes.</p> <p>52 (3). Agree to the changes. "Act"</p>	We note the changes to clause 51 and advise we have no issues other than to delete " of this act ".	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	51 (3) A-D dividends may be paid out only after a transfer to meeting the reserves transfer requirements under section 43 of this act. has been made				
	<p>51(5) A credit union must obtain the written approval from of the Reserve Bank prior to before paying dividends in any calendar year in which the credit union incurs suffers a net loss or in which the when the dividend amount would be in excess of the amount of the exceeds the credit union's net income for that year.</p> <p>52.— (2) The Reserve Bank may impose an requirements for advance withdrawal notice requirement following the issuance of an enforcement action taken pursuant to section 103.</p> <p>(3) The Reserve Bank must ensure that such advanced withdrawal any notice requirements imposed under subsection (2) applies equally to all members of the credit union.</p>	<p>Plain English is used for readability.</p> <p>Simplifying the sentence in plain English.</p> <p>The word “equally” will create fairness amongst members.</p>	<p>51(5) agree to the changes</p> <p>52 (2) Agree to the changes</p> <p>52 (3) Agree to the changes</p>	<p>We note the changes to clause 51 and advise we have no issues.</p> <p>We note the changes to clause 52 and advise we have no issues.</p>	Agreed.
	<p>53 (1) (a) receive money, including payments on membership shares or other money for deposit;</p> <p>(c) provide for the transfer or withdrawal of money from an account by the means and</p>	<p>The proposed changes improves clarity and reads better.</p> <p>Removal of unnecessary words.</p>	<p>53 (1) Agree to the changes</p> <p>(c) same was written before, only remove “the”</p>	We note the changes to clause 53 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	through the payment systems deemed most convenient by that the board determines best serve the convenience and needs of the members.				
	<p>(2) (a) receive money including transfers made on digital platforms for deposit from a bank, an insurance company, or any other intermediary holding money on behalf of the credit union or one of its members;</p> <p>(b) accept grants or donations of money from national or international development agencies or other donors;</p> <p>(d) sell to a member negotiable instruments to members such as, cheques, money orders, and other similar money transfer instruments or services; or and</p> <p>54 (2) The Reserve Bank may issue prudential requirements to regarding such borrowings to ensure the financial safety and soundness of the credit union.</p>	<p>To simplify the clause by removing unnecessary words</p> <p>To simplify the clause by removing unnecessary words.</p> <p>To protect the credit union's financial health and to protect members funds.</p>	<p>2 (a & b) agree to the changes</p> <p>(d) Need to discuss – Agree to change</p> <p>54(2) Agree to the changes.</p>	<p>We note the changes to clause 53(2) and advise we have no issues.</p> <p>We note the changes to clause 54(2) and advise we have no issues.</p>	Agreed.
	55. A credit union licensed or registered under this Act may be authorised to by the Reserve Bank to participate in share and deposit insurance protection plans, subject to requirements as meeting the	To improve readability and to make the clause formal.	Agree to the changes – sounds more formal.	We note the changes to clause 55 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	requirements established by the Reserve Bank. may provide				
	<p>56.—(1) If there has been no activity on a member's redeemable share or deposit account for 35 consecutive years, the board of directors may impose a maintenance fee as determined by the Reserve Bank may determine.</p> <p>(2) The credit union must give notice of this action dormant account to the member at the last known address, allowing at least 60 days for a reply.</p> <p>(5) Any outstanding balance after 2 consecutive years, from which an account is being charged a maintenance fee under subsection (3), is to be deposited to the credit union's special reserve account.</p>	<p>Accounts inactive for long periods increase administrative costs and regulatory risks. Reducing the inactivity threshold to 3 years helps to prevent these burdens earlier, thereby lowering operational costs associated with managing dormant accounts.</p>	56 (1) Agree to the changes	We note the changes to clause 56 and advise we have no issues.	Agreed.
	<p>Abandoned Property and Unclaimed Monies</p> <p>57(3) The credit union must send a notice of this action to the member entitled to the abandoned to whom the property is owed; at the last address shown recorded on in the credit union's records and allow the member 90 days for a to respond.</p> <p>(4) After 3 years in the special reserve account, the credit union shall consider</p>	<p>To remove unnecessary words for better reading</p> <p>It's members unclaimed monies that needs to be retained by RBF and if unclaimed it goes to consolidated funds.</p>	<p>57 (3) Agree to the changes.</p> <p>57 (4) Suggest that a process likened to the Unclaimed Monies process for Banks and Payment Service Providers be adopted for CUs. Monies to be paid to the RBF, until claimed.</p>	<p>We note the changes to clause 51(3) and advise we have no issues.</p> <p>For clause 57(4), we advise not to use the word "shall" and revert to original text.</p>	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>the property as unclaimed monies and may pay it to the Reserve Bank of Fiji, until claimed. donate the property to a recognised charity selected by the board of directors.</p> <p>New 57(5) Every Credit Union must, within 60 days after the financial year, publish in a daily newspaper or its website, or other electronic means, a statement showing all unclaimed monies.</p> <p>New 57(6) Statement under subsection (5) must state that the unclaimed monies holder or their legal personal representative, as the case may be, must submit a claim to the Credit Union within 3 months from the date of publication of the statement.</p> <p>New 57(7) The balance remaining in any unclaimed monies account for a period of 3 months after the publication must be paid to the Reserve Bank and remains the property of the account owner.</p>	To have regulatory compliance and clear process to deal with unclaimed monies. Also for transparency and accountability and to protect members funds.	RBF agreed to the new clauses.	We note the new clause 57(5) and (6) and advise we have no issues.	
	<p><i>Powers of account holders</i></p> <p>59.—(1) A party to a multiple-party account may make payments and withdrawals on a share or deposit account in accordance subject with to the account agreement and the terms and conditions set by the credit union.</p>	To improve the sentences for easy reading.	59(1) Agree to the changes – it should be in accordance “with”	We note the changes to clause 59 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	60. Unless otherwise provided by the account agreement, the each parties to a multiple-party account are presumed to have equal own the account in equal interests in the account.	Removal of unnecessary words and to provide clarity.	Section 60 Agree to the changes	We note the changes to clause 60 and advise we have no issues.	Agreed.
	<p>73. The board must give its prior approval before the credit union permits a director, committee member or senior management to act as guarantor of any loan to a member, regardless of the amount of the loan.</p> <p>74. A credit union may purchase assets or obtain services from, or sell assets to, its directors, committee members and senior management only on terms that are no less favourable to the credit union than the terms on which such assets or services could be obtained by the credit union in at arm's length transactions with other persons or organisations.</p> <p>76.— (1) A loan borrower may be prepaid all in whole or in part of a loan at any time, without penalty during regular working hours on any day on which the credit union is open for business, without incurring any penalty or additional fees.</p> <p>(2) The right of prepayment must be reflected explicitly stated in the written</p>	<p>To improve the sentences for readability</p> <p>Reads more smoothly and provides clarity</p>	<p>Section 73 Agree to the changes</p> <p>Section 74 Agree to the changes</p> <p>Section 76. Agree to the changes.</p> <p>Section 76 (2) Agree to the changes</p> <p>Section 77(1). Agree to the changes</p>	<p>We note the changes to clause 73 and advise we have no issues.</p> <p>We note the changes to clause 74 and advise we have no issues.</p> <p>We note the changes to clause 76 and advise we have no issues.</p> <p>We note the changes to clause 77 and advise we have no issues.</p>	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>instrument as required under section 81.</p> <p>77.— (1) A credit union, in accordance with its by-laws, may charge a member a penalty when a loan payment is past the due date.</p> <p>(2) A credit union may charge only one penalty on for each past due payment.</p> <p>(3) This section clause does not prevent the continuing accrual of interest on a past due payment-loan amount in accordance with the terms of the loan agreement.</p> <p>79 The illegality of a loan is not a defence in to any action brought by a credit union's action to recover the loan,. The credit union retains the right to enforce the loan agreement and collect the loan from any person liable including the borrower or any guarantor. and does not prevent enforcement of the loan agreement or collection of the loan from a person who is otherwise liable on the loan, including — (a) the borrower; or (b) a guarantor.</p>	To simplify for better understanding	<p>Section 77 (2) – Agree to the changes.</p> <p>Section 77 (3) – Agree to the changes.</p> <p>Section 79 Noted and agreed to the suggested changes.</p>	We note the changes to clause 79 and advise we have no issues.	
	<p>82.—(1) Subject to the limitations of this section, a credit union may make grant loans to-</p>		<p>Section 82 (1)</p> <p>Noted and agreed to the suggested changes.</p>	We note the changes to clause 82 and advise we have no issues.	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>(a) loans to the Credit Union League established under section 155; and</p> <p>(b) loans to another credit union, a central liquidity facility established under law, or an organisation established for lending directly individually or collectively to credit unions.</p>	Improve sentence construction			
	84 (c) membership shares of , or deposits in another credit union, a reserve liquidity facility established under law, or an organisation established for lending directly or collectively to credit unions; and	Redundant word	<p>Section 84 (c)</p> <p>Noted and agree with the changes suggested.</p>	We note the changes to clause 84 and advise we have no issues.	Agreed.
	<p>93.—(1) A credit union that holds assets or investments that are not eligible to be held by a credit union, including real estate that has been held for more than the 2 years period, or that engages in activities that are not authorised to be engaged in by a for credit unions, must divest itself of those such assets or investments, and terminate those activities no later than 2 years from the date of commencement date of this Act.</p> <p>93 (5) The trustee appointed under subsection (3 4) must pay to the credit union any proceeds from the divestiture or termination of</p>	<p>Simplifying the sentence by removing unnecessary words for smooth reading</p> <p>Incorrect reference was made to the subsection</p>	<p>93 (1) Noted and agree with the changes suggested</p> <p>93 (5) Noted and agree with the suggestions</p>	We note the changes to clause 93 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	activities, less any costs of sale or termination, and less any expenses of the trustee.				
	<p>93 (7) A divestiture is not considered to be have in compliance with the requirements of this section, if the transfer is financed by the credit union or is made to a company controlled by the credit union.</p> <p>93 (9) Notwithstanding subsections (1) to (6), the Reserve Bank is authorised, in at its discretion and in exceptional cases, and acting at upon the request of a credit union, to may permit the retention by the credit union of non-conforming assets or investments or the continuation of non-conforming activities, in exceptional cases.</p>	<p>For better reading</p> <p>Simplifying the sentence by removing unnecessary words for smooth reading</p>	<p>93 (7) Noted and agree with the changes suggested</p> <p>93 (9) Noted and agree with the changes suggested</p>	<p>We note the changes to clause 93 and advise we have no issues.</p>	<p>Agreed.</p>
	<p>96. The Reserve Bank may require any member of the board, member of a committee member, a general manager or an employees of a credit union to provide access to all books, records, accounts, cash in on hand, data, documents and other papers held, stored or transmitted by the credit union, whether in physical or electronic form. and Any information deemed necessary and requested by the Reserve Bank must be furnished in a timely manner during the course of the examination.</p>	<p>Simplifying the sentence to read better</p> <p>Simplifying the sentence by removing unnecessary words for smooth reading</p>	<p>Section 96</p> <p>Noted and agree with the changes suggested</p> <p>Section 100 (1) Noted and agree with the changes suggested</p>	<p>We note the changes to clause 96 and advise we have no issues.</p> <p>We note the changes to clause 100 and advise we have no issues.</p>	<p>Agreed.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>100.— (1) A credit union must submit to the Reserve Bank a quarterly report of on its financial condition, as well as any and such other reports as the Reserve Bank may require to monitor its compliance with other requirements of this Act and the regulations thereunder.</p> <p>(2) The Reserve Bank may require credit unions generally or any individual credit union, or if the Reserve Bank deems necessary for supervisory purposes, to submit reports the Reserve Bank determines this to be required for supervisory purposes, individual credit unions, to file reports under this section more frequently than quarterly if deemed necessary for supervisory purposes.</p> <p>(6) The fee payable to the Reserve Bank must be in an amount set determined by the Reserve Bank for each day after the due date that during which the report remains unfiled or for each day after any subsequent due date established by the Reserve Bank in a notice to the a credit union to correct an inaccurate or incomplete report.</p>	without changing the meaning.	<p>Section 100 (2) Noted and agree with the changes suggested</p> <p>Section 100 (6) Noted and agree with the changes suggested</p>		
	101. A credit union must provide the Reserve Bank a notice to relocate the Reserve Bank to	Unnecessary words removed that creates confusion.	Section 101. Noted and agree with the changes suggested	We note the changes to clause 101 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	relocate its principal place of business or to establish and maintain, at locations other than its principal place of business, additional offices or service facilities. that are reasonably necessary to provide services to the credit union's members.				
	102. The Reserve Bank may, in addition to any other course of action available under this Act or any other law, take any action under section 103 against a credit union or its directors, committee members or senior management where the Reserve Bank is of the opinion, either as a result of an examination carried out under section 95 or otherwise, that the credit union itself or its directors, committee members or senior management has —		Section 102 Noted and agree with the changes suggested	We note the changes to clause 102 and advise we have no issues.	Agreed.
	104.— (1) A credit union or any director, committee member or employee who is charged with an enforcement action under section 103 may have the right to appeal the decision of the Reserve Bank's decision within 10 days of receiving the directive in accordance with the procedures set out outlined in section 162. which such appeal must be initiated within 10 days following service of the directive. (2) if an appeal is not filed within the time period Enforcement actions with respect to which an appeal was not sought within the time period stated in	Unnecessary words removed that creates confusion. Simplifying the sentence for members to understand.	Section 104 (1) Suggest maintain wording in the Bill, as “shall have the right to appeal” is aggressive and too authoritative. Section 104 (2) Noted and agree with the changes suggested	We note the changes to clause 104 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>subsection (1) the enforcement action is final and cannot be incontestable-contested.</p> <p>(3) The filing of a request for the an appeal does not suspend or delay an enforcement actions.</p> <p>105 - The Reserve Bank may release the summary of enforcement actions to the public, unless the Reserve Bank, in its discretion, determines that such publication would be detrimental to the stability of the financial system or to other public interests.</p>		<p>Section 104 (3) Noted and agree with the changes suggested</p> <p>Section 105 Noted and agree with the changes suggested</p>	We note the changes to clause 105 and advise we have no issues.	
	<p>PART 6— CONFIDENTIALITY</p> <p><i>Confidentiality of information of the Reserve Bank</i></p> <p>106.— (1) The following information of held by the Reserve Bank is confidential and must not be disclosed by the Reserve Bank or it's agents of the Reserve Bank except as provided in this section—</p> <p>(a) information obtained directly or indirectly by the Reserve Bank in any manner, including by application or examination, concerning the financial condition or business affairs of a credit union, its related entities, and its members and other customers, including related and the files and records of the Reserve Bank relating</p>	<p>To improve clarity and readability without altering the original meaning</p> <p>To improve clarity and readability without altering the original meaning</p>	<p><u>Noted and agree with the changes suggested</u></p> <p>Section 106 (1) Noted and agree with the changes suggested</p> <p>Section 106 (1) (a) Noted and agree with the changes suggested</p> <p>Section 106 (1) (c) Noted and agree with the changes suggested</p>	We note the changes to clause 106 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>pertaining to that information, except for a statement information that is public or intended for publication;</p> <p>(c) a documents related to an enforcement actions taken pursuant to section 103 where by the Reserve Bank determines that publication would be contrary to the financial stability of the financial system or to other public interests; or</p> <p>(d) information obtained by the Reserve Bank from another supervisory agency that is designated as confidential by that agency.</p> <p>(2) Notwithstanding subsection (1), the Reserve Bank or its agents may disclose confidential information under subsection (1) may be disclosed by the Reserve Bank or agent of the Reserve Bank</p> <p>(a) to defend an legal action instituted by a credit union or its member against the Reserve Bank;</p> <p>(e) if the information is otherwise publicly available;</p>		<p>Section 106 (1) (d) <u>Noted and agree with the changes suggested</u></p> <p>Section 106 (2) (a) & (e) <u>Noted and agree with the changes suggested</u></p>		
	<p>106 (3) Discovery of When confidential information from the Reserve Bank is disclosed under a court order, subpoena or any other legal process, the Reserve Bank may—</p> <p>(a) restrict release of confidential information to the portion directly relevant</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>Section 106 (3) Noted and agree with the changes suggested</p>	<p>We note the changes to clause 106(3) and advise we have no issues.</p>	<p>Agreed.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	related to the legal dispute at issue ; and (b) require that a protective order, in a form and under circumstances specified by the rules, be issued by a court before the release of the confidential information.				
	107.—(1) A credit union must not disclose or produce to a third party or permit a third party to examine any record pertaining to the affairs of a credit union member unless the— (a) the request is made in connection with an audit of the credit union; (b) the member consents, to the disclosure or production of the record with the member's signature verified by the credit union or any other type of identification approved by the Reserve Bank, to the disclosure or production of the record ; (c) the information is required by the Reserve Bank; (d) the request is made in response to— (e) the disclosure is made on the approval of the Reserve Bank under subsection (2).	Removing unnecessary words to improve clarity and readability without altering the original meaning	<u>Section 107 (1) Noted and agree with the changes suggested</u>	We note the changes to clause 107 and advise we have no issues.	Agreed.
	(2) The Reserve Bank may permit the exchange of member information on—	Simplifying the sentence in plain English for members to understand.	Section 107 (2) Noted and agree with the changes suggested.	We note the changes to clause 107(2) and advise to remove "deemed necessary" and revert to " determines that disclosure is necessary in for "	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	(b) bad-stale and dishonoured cheques; or (c) any other transaction information deemed necessary by for which the Reserve Bank determines that disclosure is necessary in for the daily operation of the credit union's business.		Section 107 (2) (b) Suggest we add "stale and dishonoured cheques" Section 107 (2) (c) Noted and agree with the changes suggested		
	PART 7—MERGER AND CONSOLIDATION TRANSACTIONS 108 (a) the administering of merger or consolidation must comply transaction is in accordance with this Act and any relevant written laws developed by the Reserve Bank. for the purpose of administering a merger or consolidation; and	Removing unnecessary words to improve clarity and readability without altering the original meaning	Part 7 Noted and agree with the changes suggested Section 108 (a) Noted and agree with the changes suggested	We note the changes to clause 108(a) and advise we have no issues.	Agreed.
	(b) the merger or consolidation transaction takes place occurs under a plan of merger or consolidation that has been approved by a majority of the — (i) agreed to by a majority of the board of each credit union at a meeting called for that purpose. joining in the merger or consolidation; and (ii) approved by a majority of the members of each credit union voting at a meeting of its members called for that purpose.	Simplifying the sentence in plain English for members to understand.	Section 108 (b) & Section 108 (b) (i) and Section 108 (b) (ii) Noted and agree with the changes	We note the changes to clause 108(b) and advise we have no issues.	Agreed.
	109 (a) includes a copy of the board resolution or other documents approving action by which the board agreed to the merger or consolidation plan; and	Removing unnecessary words to improve clarity and readability without	Section 109 Noted and agree with the changes suggested as the meaning of the context is maintained.	We note the changes to clause 109 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	(b) states— (i) the time and place of the board meeting approving the at which the board agreed to the merger or consolidation plan; (iii) the time and place of the members meeting at which the members approving the merger or consolidation plan; (iv) the vote count of the membership's vote on the approving of the merger or consolidation plan; and	altering the original meaning			
	<p>109 (2) The merging or consolidating credit unions must submit the certificate of merger and a copy of the consolidation plan of merger or consolidation to the Reserve Bank.</p> <p>109 (3) The plan of merger or consolidation plan must include a list of all of the persons who will serve on the board of directors and as committee members of the resulting institution credit union, and financial statements consisting of—</p> <p>(c) the addresses of all offices that will be operated by the resulting credit union; and</p> <p>(d) any other information requested that by the Reserve Bank may request for the purpose of successfully executing the merger or consolidation.</p> <p>109 (4) Subject to subsection (5), on approving the merger or consolidation, the Reserve Bank may return a duplicate copy of the certificate of merger or consolidation</p>	<p>Simplifying the sentence by removing unnecessary words</p> <p>Simplifying the sentence by removing unnecessary words</p>	<p>Section 109 (2)</p> <p>Including 's' in credit union means that both CUs in the merger must submit the required merger.</p> <p>Maintain wording for 109(2).</p> <p>Noted and agree with the changes suggested as the meaning and context is maintained.</p>	<p>We note the changes to clause 109 and advise we have no issues, however, we request for clarifications on "maintaining wording for 109(2)".</p>	<p>Amendments and corrections agreed to.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	and plan of merger or consolidation plan for the resulting credit union.				
	<p>109 (5) The Reserve Bank may grant conditionally approval for a merger or consolidation, and-if the such approval is conditional, the Reserve Bank —</p> <p>(a) must state the conditions of for approving of the merger or consolidation transaction; and</p> <p>(b) may withhold filing the approved official copy of the certificate of merger or consolidation until the conditions have has been met.</p> <p>109 (6) The merger or consolidation is effective upon the approval of the Reserve Bank on the satisfaction of the requirements under sections 108 and 110.</p>	Removing unnecessary words to improve clarity and readability without altering the original meaning	<p>Section 109 (5)</p> <p>Noted and agree with the changes suggested as the meaning of the context is maintained.</p> <p>The use of 's' for conditions is acceptable as there maybe more than one conditions for approval of the merger.</p>	We note the changes to clause 109(5) and advise we have no issues.	Agreed.
	<p>110.— (1) In determining whether to approve or disapprove the merger or consolidation transaction, the Reserve Bank may consider—</p> <p>(a) consider the availability and adequacy of financial services in the local community.</p> <p>110 (2) The Reserve Bank must not approve a merger or consolidation transaction unless the resulting institution credit union will commits to complying with all prudential</p>	Removing unnecessary words to improve clarity and readability without altering the original meaning	<p>Section 110 (1)</p> <p>Noted and agree with the changes suggested as the meaning of the context is maintained and there is a flow throughout a to c.</p> <p>110(2) the initial provision corresponds to the Reserve Bank approving merger transactions are dependent upon meeting all prudential requirements.</p> <p>The removal of the term transactions would mean</p>	We note the changes to clause 110 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>requirements applicable to the operation of a credit union under this Act.</p> <p>111.— (1) After completion of a merger or consolidation is effected, the property of the merged or consolidated credit union vests in the resulting credit union without any instrument of transfer or endorsement. and The obligations and liabilities of the merged or consolidated credit union are assumed by the surviving credit union.</p>		that the provision would be of the application of a merger altogether.		
	<p>113.— (1) (a) (ii)</p> <p>113 (Aa) contravened this Act, a rule issued under this Act, or any other written law that applies to credit unions;</p> <p>(Bb) contravened or neglected to follow a directive of the Reserve Bank;</p> <p>(Cc) refused to submit to an examination under oath;</p> <p>(Dd) refused to allow permit the Reserve Bank or the Reserve Bank's representative to examine the credit union's records and affairs, including books, papers, and accounts;</p> <p>(Ee) conducted the credit union's business in an unsafe, unauthorised, or unlawful manner; or</p> <p>(Ff) failed or refused to authorise and direct another person to allow permit the Reserve Bank or the Reserve Bank's representative</p>	<p>To maintain consistency with lower case for listing</p> <p>To maintain consistency with lower case for listing</p>	<p>Noted and agree with the changes suggested as the meaning of the context is maintained. The use of lower case for listing is to maintain consistency. However, we suggest maintaining 'permit' to also maintain consistency in the formal tone of the document.</p>	<p>We note the changes to clause 51 and advise to leave numbering as is.</p>	<p>Agreed.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	to examine the credit union's records in the other person's custody or control, including books, papers, and accounts, following the Reserve Bank's request for the granting of that authority and direction; or (iii) the credit union is not considered economically viable in the long term, based on the basis of the Reserve Bank's assessment of the conditions listed in section 13; and				
	114. — (1) A controllership directive must be served personally, by electronic mail or by post to a the director or the general manager of the credit union by the Reserve Bank. (2) Service may be made by mail if a director or the general manager is not available for service on the date of issuance.	To include other means of communication. Not needed. Such details can be in the by-laws	Noted and agree with the changes suggested as the meaning of the context is maintained. By mail- suggest include electronic and post	We note the changes to clause 114 and advise we have no issues.	Agreed.
	115. — (2) No other person shall have standing to challenge the controllership directive. 118. — (1) A controller, under the control of the Reserve Bank, have has the authority to— 118 (2) Following service of the controllership directive, the credit union may conduct only those operations that the controller are authorised by the controller and those operations be conducted under <u>his or her</u> supervision.	To improve English for easy reading	Noted and agree with the changes suggested as the meaning of the context is maintained. 118(1) Noted and agree with the changes suggested. The use of 'has' is correct as it is referenced to 'a controller' which is singular. Suggest maintaining the provisions wording of 118(2). 119(1) Noted and agree with the change suggested as the meaning of the context is maintained.	We note the changes to clause 51 and advise not to use "shall" in clause 115(2). We note the changes to clause 118 and advise we have no issues. We note the changes to clause 119 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>119.— (1) The controller is vested with all-of the authority and powers of the members, directors, committees and senior management of the credit union and must be authorised to operate the credit union in its own name or to conserve its assets in the manner and to the extent authorised by the Reserve Bank.</p> <p>119 2 (b) & (c) – Spacing</p>		119(2) Noted and agree with the suggested change to maintain consistency.		
	<p><i>119 (d)</i> at the request of the controller, any litigation pending against the credit union must be stayed for a period of 60 days.</p> <p>120 (c) (i) whether rehabilitation of the credit union is feasible, or alternatively;</p> <p>120 (2) If the controller believes that rehabilitation is feasible, then the controller may provide a plan-of rehabilitation plan with his or her recommendation</p> <p>120 (3) The plan-of rehabilitation plan may include a proposal for reduction in liabilities of the credit union, as provided for in section 121.</p> <p>120 (4) At the request of the controller, the time for submission of the plan-of rehabilitation plan may be extended for 30 days.</p> <p>120 (5) If the Reserve Bank approves the plan-of rehabilitation plan, then the</p>		<p>119(2)(d) Noted and agree with the suggested change to maintain formal tone.</p> <p>120(c)(i) – (2) Noted and agree with the changes suggested as the meaning of the context is maintained.</p> <p>120(3) – 5 Noted and agree with the changes suggested as the meaning of the context is maintained.</p> <p>121(1) – (2) Noted and agree with the changes suggested as the meaning of the context is maintained.</p>	<p>We note the changes to clause 119 and advise we have no issues.</p> <p>We note the changes to clause 120, however, we advise not to use “shall” in clause 120(5) and revert to original text.</p> <p>We note the changes to clause 121 and advise we have no issues.</p>	<p>Agreed.</p> <p>Amendments and corrections agreed to.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>rehabilitation plan is to shall be implemented.</p> <p>121.—(1) If the controller determines that losses of the credit union resulting from depreciation in the value of its assets or otherwise exceed the value of its retained earnings and reserve fund so that the estimated value of its assets is less than the total of liabilities oweding to its members, then the controller may propose that the loss be equitably divided equitably among the members through a reduction in the liabilities oweding to each member.</p> <p>121 (2) If the controller makes such a proposal, and if the proposal is approved by a majority of the members at a meeting called to consider that matter, then the controller must include the proposal for a reduction in liabilities in the plan of rehabilitation plan to be submitted for consideration by the Reserve Bank.</p> <p>122. The controller may serve until the—</p> <p>(a) the credit union has been rehabilitated; or</p> <p>(b) the Reserve Bank has issued a liquidation directive regarding the credit union.</p>		<p>122 Noted and agree with the changes suggested as the meaning of the context is maintained and there is also a flow between a and b.</p>	<p>We have no issues to the proposed changes to clause 122.</p>	
	<p>126.—(1) The Reserve Bank may, by a liquidation directive, may</p>		<p>Noted and agree with the change suggested as the</p>	<p>We note the changes to clause 126 and advise for the original text to remain as is.</p>	<p>Agreed.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	appoint a liquidating agent and direct that the credit union be liquidated if—		meaning of the context is maintained.		
	<p>127. The Reserve Bank may serve a liquidation directive in the same manner provided for the service of a controllership directive.</p> <p>130.—(1) A credit union in liquidation continues to existence only for the purposes of discharging debts, collecting and distributing assets, and winding up the credit union's business.</p>		<p>127 Noted and agree with the change suggested.</p> <p>130(1) Noted and agree with the change suggested.</p>	<p>We note the changes to clause 127 and advise we have no issues.</p> <p>We note the changes to clause 130 and advise we have no issues.</p>	Agreed.
	<p>134 (d) an official record of the credit union continuously from the time of its execution.</p> <p>134 (2) (c) which were made by the credit union and its transferee with the knowledge that the transfer would likely have the effect of preferring the interests of the transferee and prejudicing the interests of other creditors.</p>		134 (d) - 134 (2)(c) Noted and agree with the changes suggested.	We note the changes to clause 134 and advise we have no issues.	Agreed.
	137 (2) A general notice must be published twice a week for 2 successive weeks in a local newspaper or electronic platforms of for general circulation and announced broadcasted in the general media in each area in which the credit union		<p>Maintain stance on "newspaper" to reduce publication costs for CUs.</p> <p>Agree on electronic platforms recommendation.</p>	<p>We note the changes to clause 137 and advise to amend as follows:</p> <p>"a local newspaper or on electronic platforms...".</p>	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	maintained an office or branch to transact business on the date the credit union ceased unrestricted operations.				
	141 (3) The removal directive takes effect immediately on service.		Noted and agreed.	We note the changes to clause 141 and advise we have no issues.	Agreed.
	<p>150.—(1) Notice of the special meeting to consider voluntary liquidation is to shall be published in at least 2 local newspapers or on electronic platforms, and the Reserve Bank must be notified no later than the 21st days before the date of the meeting.</p> <p>(3) The liquidation transaction may not proceed unless two-thirds of all members are present and vote in favor of to dissolving and liquidating the credit union.</p> <p>151.—(1) Immediately after issuing notice under section 150(1), the Reserve Bank may impose restrictions, exercise control or give directions with respect to the continued ongoing business of the credit union pending the consideration of voluntary liquidation by the members.</p> <p>(2) During that period, the Reserve Bank may, in its discretion direct that, during that period, no member may withdraw an aggregate amount in</p>	<p>Simplifying the sentence in plain English for better understanding.</p> <p>Changes were made to improve the clauses for clarity and smooth reading</p>	<p>150(1)- Noted and agreed.</p> <p>150(3)- Noted and agreed with recommendation.</p> <p>151(1)- Noted and agreed with recommendation</p> <p>151(2)- Noted and agreed with recommendation.</p> <p>151(3)- Noted and agreed.</p>	<p>We note the changes to clause 150 and advise not to use “shall” in clause 150(1) and revert to its original text.</p> <p>We note the changes to clause 151 and advise we have no issues.</p>	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>excess of an amount to be determined by the Reserve Bank.</p> <p>(3) No new loan or extensions of credit shall be funded during the period between the board of directors' adoption of the resolution recommending voluntary liquidation and the membership meeting called to consider voluntary liquidation, except for the issuance of loans fully secured by a pledged of deposits and the funding of outstanding loan commitments approved before adoption of the resolution.</p> <p>(4) If the vote to dissolve and liquidate the credit union is affirmative, the credit union must conduct only business only in relation incidental to liquidation.</p>		151 (4)- Noted and agreed.		
	<p>152.— (1) The board must notify the Reserve Bank of the affirmative vote of members to liquidate and request approval for its liquidation no later than the fifth 5 days after the special meeting of the members.</p> <p>(2) The notice must include the resolutions of the meeting and a list of all members present and voting at the meeting and the results of the affirmative vote with the notice.</p>		<p>152(1)- Noted and agreed with recommendation.</p> <p>152(2)- Noted and agreed with recommendation.</p> <p>153- Noted and agreed with recommendation.</p> <p>153(e)- Noted and agreed.</p>	<p>We note the changes to clause 152 and advise we have no issues.</p> <p>We note the changes to clause 153 and advise we have no issues.</p>	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>153. If the Reserve Bank approves the liquidation, within 10 days, the board must within 10 days, appoint a liquidating agent to—</p> <p>(e) take perform any other actions necessary and incidental to the liquidationing of the credit union.</p>				
	<p>154.—(1) The process of voluntary liquidation is subject to supervision by the Reserve Bank, who which may request such reports and conduct such inspections as it believes deems necessary.</p> <p>(3) The plan of liquidation plan must is to be approved by the Reserve Bank .</p> <p>(4) If the Reserve Bank determines, including in the course of such liquidation, that the credit union does is not ensureing an orderly liquidation or it fails to is not complying with this Act or with any regulations issued by the Reserve Bank, the credit union is to shall be liquidated pursuant to Part 9 of this Act.</p>	Removing unnecessary words to improve clarity and readability without altering the original meaning	<p>154(1)- Noted and agreed.</p> <p>154(3)- Noted and agreed with recommendation.</p> <p>154(4)- Noted and agreed.</p>	We note the changes to clause 154 and advise not to use “shall” in clause 154(4) and leave as is.	Agreed.
	155 (3) The Credit Union League is to coordinate, assist, and promote all credit unions to perform such functions as required in its constitution by its constituent members and	To improve clarity and readability without altering the original meaning	Noted and agreed with recommendation.	We note the changes to clause 155 and advise we have no issues.	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>approved by the Reserve Bank.</p> <p>PART 12— OFFENCES</p> <p>Defamation</p> <p>156. A person who knowingly makes, circulates, or transmits to another person a false statement that is derogatory to the financial condition of a credit union with the intent to defame that credit union or counsels, aids, abets, procures, or induces another person to make, circulate, or transmit a false statement that is derogatory to the financial condition of a credit union with the intent to defame that credit union commits an offence and is liable on conviction to a fine not exceeding \$100,000 or imprisonment for a term of up to 2 years or both.</p>		156- Agreed with amendments.	We note the changes to clause 156 and advise to include. “ not exceeding ” instead of “up to”.	
	<p><i>Consideration for a loan, investment or purchase</i></p> <p>159.—(1) A member of the board, committee, senior management, or an employee of a credit union that knowingly permits a loan to be made to a non-member commits an offence and is liable on conviction to a fine not exceeding \$20,000 or to imprisonment for a</p>	Removing unnecessary words to improve clarity and readability without altering the original meaning	<p>159(1)- Noted and agreed.</p> <p>160(b) - Noted and agreed.</p>	<p>We note the changes to clause 159 and advise to include. “not exceeding” instead of “up to”.</p> <p>We note the changes to clause 160 and advise to include. “not exceeding” instead of “up to”.</p>	Amendments and corrections agreed to.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>term of up to 5 years or both.</p> <p>160 (b) in connection with an examination or investigation of a credit union by the Reserve Bank, exhibits or presents a false document, paper, instrument, or security; or gives under oath, a false testimony under oath in response answer to a question directly related to the examination or investigation by the Reserve Bank's representative.</p> <p>160 (2) A person commits an offence if the person knowingly removes, destroys, or conceals any record of the credit union for the purpose of concealing a fact or information from the Reserve Bank's representative.</p> <p>161.—(1) If a credit union or other person designated in a issued directive under this Act does not comply with the directive, the Reserve Bank, after giving notice, may assess an administrative penalty against the credit union, the designated person, or both, in an amount of not ranging from not less than \$100 or and not more than \$10,000 each for each day of the violation of the directive.</p> <p>(2) The credit union may not reimburse or indemnify any person for any part of the</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>160(2)- Noted and agreed.</p> <p>161(1)- Noted and agreed.</p> <p>161(2) & (3)- Noted and agreed.</p>	<p>We note the changes to clause 161 and advise we have no issues.</p>	

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	administrative penalty. (3) The Reserve Bank may bring suit for an injunction or to collect the administrative penalty in a court.				
	<p>(4) A credit union or other person against whom administrative penalties have been assessed may obtain seek administrative review as provided in sections 162 and 163.</p> <p>162.—(1) This section establishes the Credit Union Tribunal, which consists of the following—</p> <p>(b) a representative of Fiji Law Society or its nominees; and</p> <p>(2) Any party aggrieved by a directive or decision of the Reserve Bank or a decision of a liquidating agent on a claim may file for administrative review with the Credit Union Tribunal, within 30 days of after the issuance of such directive or decision; obtain an administrative review by filing a request for appeal with the Credit Union Tribunal.</p> <p>(5) Any person aggrieved by a decision of the Credit Union Tribunal taken under subsection (3) may, within 30 days of the date of issuance of such a decision, may appeal the decision of the</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>Removing unnecessary words to improve clarity and readability without</p>	<p>161(4)- Noted and agreed.</p> <p>162(1)- Noted and agreed.</p> <p>162(b)- Noted and agreed.</p> <p>162(2)- Noted and agreed.</p> <p>162(5) (6)- Noted and agreed.</p>	<p>We note the changes to clause 161(4) and advise we have no issues.</p> <p>We note the changes to clause 162 and advise we have no issues.</p>	<p>Agreed.</p> <p>Agreed.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>Credit Union Tribunal to the court.</p> <p>(6) The court may review the decision of the Credit Union Tribunal and issue its own decision affirming, modifying, remanding, or setting aside such the Tribunal's decision.</p> <p>162 (8) (a) the record on which the review, is conducted to be developed during the administrative process before the Reserve Bank and the Credit Union Appeal Tribunal; and</p> <p>(b) the scope of review by the court of the decision of the Reserve Bank or of the Credit Union Tribunal is confined to whether the Reserve Bank or the Credit Union Tribunal's decision was adopted-made in accordance with lawful procedures, or was arbitrary or capricious, or otherwise, contrary to the law.</p> <p>(9) The court may permit the introduction into of evidence of factual matters not presented to the Reserve Bank or to the Credit Union Tribunal during the administrative review processes only in extraordinary cases when necessary to achieve the ends of justice.</p>	<p>altering the original meaning</p>	<p>162(8) (a) (b)- Noted and agreed.</p> <p>162(9)- Noted and agreed.</p>		
	<p>162 (10) The filing of a request for review does not affect a suspension of any decision taken or</p>	<p>Simplifying the sentence in plain English for members to understand.</p>	<p>162(10)- Noted and agreed.</p>		

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>its decision affirming, modifying, or declaring unjustified or invalidating the issuance of the controllership or liquidation directive no later than the 15th days after a hearing.</p> <p>(7) The court must set a date for a hearing date that is not earlier than the 11th day or and not later than the 30th day after receiving the date on which the Credit Union Tribunal's decision was received and the court must promptly provide notice fy to the parties of the time and place of the hearing.</p> <p>(8) The court must issue its decision affirming, modifying or declaring unjustified the issuance of the controllership or liquidation directive nNo later than the 15th days after the hearing, the court must issue its decision affirming, modifying or declaring unjustified the issuance of the controllership or liquidation directive</p> <p>(9) The filing of a request for review of a controllership or liquidation directive will does not suspend the effectiveness of the directive which is to remains in full force and effect.</p> <p>(10) In cases brought under this Part, the court is authorised, in appropriate cases, to award monetary damages to injured</p>		<p>163(8)- Noted and agreed.</p> <p>163(9)(10)(11) - Noted and agreed.</p>		

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>parties and not to enjoin, stay, suspend, or set aside the actions of taken by any controller, liquidating agent, the Reserve Bank or the Credit Union Tribunal taken under this Act.</p> <p>(11) Any monetary award of damages, unless based on actions found by the court to have been taken in bad faith by a controller, a liquidating agent, or the Reserve Bank, is directed against the Reserve Bank and in cases where bad faith is proven, against the wrongdoer as well.</p>				
	<p>PART 14— MISCELLANEOUS</p> <p><i>Income tax</i></p> <p>164. The income of a credit union is subject to income tax.</p> <p><i>Business days and legal public holidays</i></p> <p>166.— (1) A credit union is deemed to be closed on any day, or any part of a day, when it is not open to the public for carrying on substantially conducting all of its functions or transactions.</p> <p>(2) A credit union must be closed at least one day of the per week and on all legal public holidays. When a credit union is closed in accordance with under subsection (2), the credit union it is not under any no obligation or duty to conduct any of its</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>164- Noted and agreed. As agreed at last deliberation, income tax is not to be applied to CU's net income.</p> <p>166(1)- Noted and agreed.</p> <p>166(2)& (3) - Noted and agreed.</p>	<p>We note the changes to clause 166 and advise we have no issue to the proposed changes to clause 166. However, we note that amendment from “legal holiday” to “public holiday” and recommend for consequential to be made to clause 166 accordingly, given that “legal holiday” appears in a few places under clause 166.</p> <p>We also advise to amend the definition of “legal holiday” as follows:</p> <p>“public holiday” has the same meaning under section 4 of the Employment Relations Act 2007 or means a bank holiday declared under section 62 of the Reserve Bank of Fiji Act 1983;</p>	<p>Amendments and corrections agreed to.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>business or effect any transaction.</p> <p>(3) Any notice, item, or deposit of money received on any legal public holiday may be treated as being received at the opening of the next business day, and any transaction or other business which that would or should have occurred or been transacted on any such legal on such holiday may be treated as postponed by law to the next business day.</p> <p>(4) An institution A credit union may establish the regular hours of for each business day during which each of its branches or offices will be open.</p> <p>(5) In this section, unless the context otherwise requires—</p> <p>“business day” means that part of any day or part of a day on which a the credit union is open to the public for carrying on substantially conducting all of its functions or transactions;</p> <p>“legal public holiday” means any day which designated by law is designated or recognised as a legal, public holiday, as gazetted by the Government; or a bank holiday under section 62 of the Reserve Bank Act 1983;</p> <p>“transact” means to take action or non-action the result of</p>	<p>Simplifying the sentence in plain English for members to understand.</p> <p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>Simplifying the sentence in plain English for members to understand.</p>	<p><u>166(4)- Noted and agreed.</u></p> <p>166(5)- Noted and agreed.</p> <p>167(1)- Noted and agreed.</p>	<p>We note the changes to clause 167 and advise we have no issues.</p>	

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>which constitutes-is a transaction; and</p> <p>“transaction” means any one or more of the function and or element of the business of a credit union's business and; including but is not limited to, the receipt or giving of any notice; the receipt or acceptance of deposits; the transmission, acceptance, payment, or dishonour, and giving notice of dishonour of items; and its other related obligations and duties with respect to all thereof.</p> <p>167.— (1) The authorisations granted to credit unions include authority provided for an institution to close in case of an during emergencies means and including the authority not to opening on any business day and, if having or opened, to closing and suspending business operations if already open.</p> <p>(2) Where The Reserve Bank may, by proclamation, authorise credit unions located in the affected area or areas to close if it is of the opinion that an emergency exists or is imminent impending, it may, by proclamation, authorise credit unions located within the affected area or areas to close.</p>		167(2)- Noted and agreed.		

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>(3) The credit unions affected by any such proclamation may close and may remain closed until the Reserve Bank proclaims that the emergency has ended, or until such earlier time as the credit union officers of the institution determine that it is appropriate to the credit union should reopen.</p> <p>(4) Where the Senior management of a credit union may, are of the opinion that an emergency exists, or is impending, which affects, or may affect, the credit union, have the authority, in the reasonable exercise of their discretion, close the credit union in anticipation of or during an emergency on any business day or days during the continuation of such an emergency; even if the Reserve Bank has not issued and or does not issue a proclamation of emergency.</p> <p>(5) The credit union office that has been closed may remain closed until such time as the board or senior management determines that the emergency has ended and for such further reasonable time thereafter as may reasonably be required to reopen.</p> <p>(6) In No case, may a credit union may remain closed pursuant to this section for more than 48 consecutive hours,</p>		<p>167(3)- Noted and agreed.</p> <p>167(4), (5) & (6)- Noted and agreed.</p> <p>167(7), (8) & (9)- Noted and agreed.</p>	<p>We note the changes to clause 167(3) and advise we have no issues.</p>	Agreed.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>excluding other legal public holidays, without requesting the prior approval of the Reserve Bank.</p> <p>(7) A credit union that closes under subsection (3) may give notice of its action to must notify the Reserve Bank of its closure as promptly as conditions soon as reasonably possible permit and by any means reasonably available.</p> <p>(8) The board or senior management of a credit union may close the credit union on any day or days designated by proclamation of the Parliament as a day or days of for mourning, rejoicing, or other special observance.</p> <p>(9) "emergency" means any condition or occurrence, actual or threatened condition or occurrence, which that may interfere substantially with the conduct of normal business operations of a credit union or which poses an imminent or existing threat to the safety or security of persons or property, or both; and</p> <p>"office" means any place location authorised for at which a credit union is authorised to transact its business or conduct operations relating to its business.</p>		<p>168(1),(2), (3), (4),(5) & (6) - Noted and agreed.</p>	<p>We note the changes to clause 168 and advise not to use "shall" and revert back to its original text.</p>	

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>168.— (1) A credit union must notify the Reserve Bank of the occurrence of any of the events listed in subsection (2) by filing a disclosure in a form prescribed to be specified by the Reserve Bank.</p> <p>(2) The prescribed form shall include the number and caption description of all applicable events, along with accompanied by a summary of each event.</p> <p>(3) Completed disclosure forms are to must be certified for authenticity and accuracy by the credit union's general manager or equivalent officer of the credit union.</p> <p>(4) An Events for which disclosure forms must be filed within 10 days of the occurrence of the event must include the following—</p>				
	<p>(b) the acquisition or divestiture of any assets, or assets the value of which exceeds 20 per cent of capital value as of the date of the most recent quarter end;</p> <p>(d) any suspected criminal act perpetrated against a the credit union or its related entities.</p> <p>(5) No liability is shall be incurred by any credit union or related entities as a result of making for a good faith efforts to fulfil comply with</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>		<p>We note the changes to clause 168 and advise not to use "shall" and revert to its original text.</p>	<p>Agreed.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>this the disclosure requirement.</p> <p>(6) A financial institution credit union that fails to file a disclosure form within 10 days after the occurrence event shall be subject to a penalty fine as determined by the Reserve Bank.</p> <p>169.— (1) The following credit union records must be retained permanently in either in their original form or as a certified copies or reproduction that complies with subsection (5)—</p> <p>(e) audit reports and opinions, under section 41 or 42, and any including attachments, supporting work papers, and communications between the auditor and the credit union relating to the audit; and</p> <p>(2) The following credit union records, if used, must be retained for at least 7 years, in either their original form or as a certified copies or reproduction that complies with subsection (4), for a period of at least 7 years—</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>169- Noted and agreed.</p>	<p>We note the changes to clause 169 and advise we have no issues.</p>	
	<p>(4) No liability is shall accrue against any credit union for destroying any such records after the expiration of the period provided in subsection (2)., and in any cause or</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>169(4) & 5)- Noted and agreed.</p>	<p>We note the changes to clause 169(4) and advise not to use “shall” and revert to its original text.</p>	<p>Agreed.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>proceedings in which any requiring such records or files that are called into question or demanded of the credit union or an employee thereof, a showing that such records or files have been destroyed in accordance with the terms of this section shall constitute a sufficient excuse for the failure to produce them.</p> <p>(5)(d) film reproduction on film.</p> <p>170.—(1) A transition period of 12 months from the date of commencement date of this Act shall apply to transactions under subsections (3) to (9).</p> <p>(2) The transition period may be amended by the Minister may amend the transition period on the recommendation of the Reserve Bank, by a notice published in the Gazette.</p> <p>(5) All existing credit unions and co-operatives existing at the date of commencement of this Act shall continue and are deemed to be licensed or registered under this Act, as applicable, subject to the approval of the Reserve Bank.</p> <p>(6) The Reserve Bank must assess the information submitted by the</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>170 (1), (2), (5), (6),(7) & (8) - Noted and agreed.</p>	<p>We note the changes to clause 170 and advise not to use “shall” and revert to its original text.</p>	

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>Registrar of Credit Unions and the Registrar of Co-operatives against the requirements of this Act in order to make a determination on whether an existing credit union or co-operative is to shall be licensed or registered under this Act.</p> <p>(7) The Reserve Bank must provide a decision in writing to each credit union or co-operative as soon as practicable and the Reserve Bank may issue a licence or certificate of registration with or without conditions.</p>				
	<p>(8) The Reserve Bank may take any corrective or other actions authorised under this Act with in respect to of non-compliance of by a credit union.</p> <p>172. (2) (b) in the definition of “managed investment or managed investment scheme”, by deleting “Credit Union Acts 1954” and substituting “Credit Union Act 2025”.</p> <p>(3) The Personal Property Securities Act 2017 is amended in section 2, in the definition of “financial institution”, by deleting “Credit Unions Act 1954” and substituting “Credit Union Act 2025”;</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>For clarity & understanding purposes.</p>	<p>172(2) (b),(3), (5) &(6)- Noted and agreed.</p>	<p>We note the proposed change to clause 170(8) and advise that the provision remains as is.</p> <p>We note the proposed change to clause 172(2)(b) and advise that the provision remains as is, since the proposed change is redundant (“by” appears in the chapeau/introduction of the provision).</p> <p>We note the proposed change to clause 172(3), (4), (5) and (6), we agree with the proposed changes (insertion of the word “by”) and further advise to delete the comma before the word “by” in these subclauses.</p>	<p>Amendments and corrections agreed to.</p>

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments	Committee's Final Instructions
	<p>(5) The Companies (Wholesale Corporate Bonds) Regulations 2021 is amended in regulation 4(1)(b), by deleting "Credit Unions Act 1954" and substituting "Credit Union Act 2025".</p> <p>(6) The Land Transport (Public Service Vehicles) Regulations 2000 is amended in regulation 11A, by deleting "Credit Unions Act 1954" and substituting "Credit Union Act 2025".</p>				



ATTORNEY-GENERAL'S CHAMBERS
P O BOX 2213
GOVERNMENT BUILDINGS
SUVA, FIJI

URGENT

CONFIDENTIAL

24 November 2025

By Hand Delivery and e-mail: sakiusa.tubuna@pmoffice.gov.fj

Honourable Sakiusa Tubuna
Chairperson
Standing Committee on Economic Affairs
Parliament of the Republic of Fiji
Suva

Attention: Ms Awantika Raj

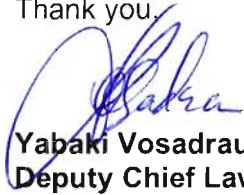
Dear Honourable Chairperson

Re: Response to the Standing Committee's recommendations on the Credit Union Bill 2025 (Bill No. 29 of 2025)

1. We refer to the email of 26 October 2025 and subsequent correspondence regarding the Standing Committee on Economic Affairs' ('**Standing Committee**') recommendations for amendments to the Credit Union Bill 2025 ('**Bill**').
2. We also refer to the meeting held on 13 October 2025 between the Standing Committee, the Reserve Bank of Fiji ('**RBF**'), and our office, during which the proposed amendments to the Bill were discussed.
3. Further, we refer to the meeting of 14 November 2025 between the Standing Committee and our office, during which we provided an update on our response. At that meeting, we also raised concerns that certain comments and agreed positions discussed during the 13 October 2025 meeting had not been incorporated.
4. Please note that our office met with RBF on 17 November 2025 to further discuss the proposed amendments to the Bill.
5. Following further discussions and deliberations, our office revised the matrix to incorporate our comments as well as the agreed positions arising from our discussions with RBF. Please find attached our updated response to the Standing Committee's recommended amendments to the Bill.

6. Should you require further clarification, please contact Ms Yabaki Vosadrau at yabaki.vosadrau@ag.gov.fj.

Thank you.



Yabaki Vosadrau (Ms)
Deputy Chief Law Drafter
for **THE SOLICITOR-GENERAL**

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments
Page 7	Clause 1 - (2) This Act comes into force on a the date or dates appointed by the Minister by through notice published in the Gazette.	The original wording allows only one fixed commencement date for the entire Act, whereas the revised wording (“on the date or dates”) allows the Minister to bring different parts of the Act into force at different times. times and to avoid repetition of the word “BY”.	Noted and agree to the changes suggested.	We advise that the provision remains as is given that it is a standard clause. The article “the” provides that there is a certain date however this is not the case.
Page 8	Common bond of membership means a common shared interest or connections among that forms the members, hip which is primarily based on occupation, association or residence that forms the basis for eligibility to join the Credit Union.	Changes make the definition clearer and more precise in expressing that the bond is what determines membership eligibility.	Noted and agree to the changes suggested.	We note the proposed changes and have no issues; we propose the following additional adjustments as highlighted below: Common bond of membership means a common shared interest or connections among that forms the members, hip which is primarily based on occupation, association or residence that forms the basis for eligibility to join the a credit union.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	“co-operative” means a co-operative registered under the Co-operatives Act 1996 and that carries out credit union business.	The revised wording flows naturally and avoids redundancy. The word “ that ” alone is sufficient to connect the qualifying clause.	Noted and agree to the changes suggested.	We note the proposed change and have no issues.
	“deposit” means a savings balance held by a credit union and owned by a member, which constitutes a liability owed by the credit union to that particular member.	Deleting an unnecessary word.	Noted and agree with the change suggested.	We note the proposed change and have no issues.
	“Field of membership” means, with respect to a credit union, means persons that who share the common bond of membership of that credit union	The revised version repositions “ means ” for better reading, and the use of “ who ” is grammatically correct.	Noted and agree with the changes suggested.	We note the proposed changes; we propose the following additional adjustments as highlighted below: “Field of membership” means, in relation to a credit union, means persons that who share the common bond of membership of that credit union.
	“immediate family” is the relation to means persons related to a member by the first degree of consanguinity and or affinity to a member of the family, that is,	The changes reflect typical family relationships relevant to members who have blended	Noted and agree with all changes suggested, except for removal of ‘s’ in ‘parents’. Propose to maintain ‘parents’	We note the proposed changes and have no issues; we propose the following additional adjustments as highlighted below:

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	including the spouse, <u>parents</u> , <u>siblings</u> or children of a member , whether related by blood, or adoption, of the member or previous marriage.	families, providing clearer guidance.		<p>“immediate family” is the relation to means persons related to a member by the first degree of consanguinity and or affinity to a member of the family, that is, including <u>the</u> spouse, <u>parents</u>, <u>siblings</u> or children <u>of a member</u>, whether related by blood, or adoption, of the member or previous marriage.</p> <p>The additional suggestion is to maintain use of subject matter in the singular form- this can be interpreted to mean one or more.</p>
	licensing” means to license a the <u>process of granting licence to</u> a credit union under this Act to conduct credit union business	It reads more smoothly.	<p>Agree, however we suggest changing ‘license’ to ‘a licence’. License – verb</p> <p>Licence - noun</p>	<p>We note the proposed changes and have no issues; we propose the following additional adjustments as highlighted below:</p> <p>licensing” means to license a the <u>process of granting a licence to</u> a credit union under this Act to conduct credit union business</p>
	“Membership share” means a share of a credit union subscribed to and paid for by a member of the	The revised definition improves clarity and	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	credit union and having subject to the terms and conditions as specified in the credit union’s standard by-laws and supplementary by-laws	readability without altering the original meaning.		
	“Net income” means the amount of money a remaining with a credit union has left over remaining after subtracting all of its expenses from its total revenue over a specific period	The revised definition improves clarity and reads better.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.
Page 9	“organisation” means a any legal entity including a corporation, partnership, association, or limited liability company, or any other legal entity	To improve readability without changing the meaning	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.
	“organiser” means any person who assists in organising at least 30 or so individuals to apply for a credit union licence under section 10 to carry on credit union business.	The phrase “ or so ” is imprecise and informal, which creates ambiguity in a legal or regulatory definition. Replacing it with “ at least ” provides a clear minimum threshold of 30 or more	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments
		individuals, removes ambiguity.		
	“qualifying share” means a non-refundable share, equivalent to a in value of to one fully paid membership share, which a person applying to be a member of a for credit union membership is required to pay and which is retained by the credit union in its capital-account for operational management purposes.	The revised definition improves clarity and reads better.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.
	“related member” means a member that bears any connected to another member by any of the following relationships: to each other (b) shared ownership, substantial investment, or other substantial significant financial interest in the same business enterprise; or	The revised definition improves clarity and reads better.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues; we propose the following additional adjustments as highlighted below: “related member” means a member that bears any connected to another member by any of the following relationships: to each other

Page	Clause/Section—	Committee’s Comments	RBF Comments	Drafters Comments
	(c) a business enterprise in which a member has a substantial interests or control as described above if that enterprise is itself is a member.			<p>(a) immediate family;</p> <p>(b) shared ownership, substantial investment, or other substantial significant financial interest in the same business enterprise; or</p> <p>(c) a business enterprise in which a member has a substantial interests or control as described above if that enterprise is itself is a member.</p>
Page 9	“supervisory agency” means an organisation, whether established in Fiji or any other jurisdiction, established by law with the responsibility for supervision of one or more types of financial service providers; and refers to Reserve Bank of Fiji.	The definition has been refined to clearly identify the “supervisory agency” as the Reserve Bank of Fiji, rather than providing a long explanation referring to other agencies with which it may collaborate with.		We advise that given the proposed changes to the definition of the term “supervisory agency”, there is no longer a need for the term to be defined, noting the proposed changes to clause 106, where the term is used. We advise that the definition be deleted to avoid confusion.
	“Unsafe or unsound practice” means any action or inaction in the operation of a credit union that is contrary to generally accepted standards of prudent operation, the	To simplify the sentence.	<p>We propose to maintain the current interpretation.</p> <p>We suggest maintaining ‘contrary’ it means in</p>	We note the proposed changes and have no issues.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	likely consequences of which, if continued, would pose be a material risk of loss or danger harm to the credit union’s, its members, or any organisation insuring or guaranteeing the credit union’s shares and deposits related guarantors.		opposition to or not aligned with a rule whilst violate means to break or breach a rule.	
	(3) The objective of this Act is to promote a sound financial system through the regulation, registration and supervision of credit unions in Fiji	Including “in Fiji” prevents any misinterpretation that the Act could extend to cross-border or international activities.	Noted and agree with the changes suggested.	We note the proposed changes and have no issues.
	4 (2) The Reserve Bank must discharge its functions in a way that is compatible with the objective of this Act and shall that the Reserve Bank considers the most appropriate action for the purpose of achieving those meeting the its objectives.	Simplifying and to remove repetitive words.	Noted and agree with the changes suggested.	We note the proposed changes; we propose the following additional adjustments as highlighted below: The Reserve Bank must discharge its functions in a way that is compatible with the objective of this Act and shall that the Reserve Bank considers the most appropriate action for the purpose of achieving the rose meeting the its objectives.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
Page 10	<p>4(3).The RBF will facilitate all disputes arising from the industry as per its powers under Section 94 of the Credit Union Bill.</p> <p>5. The Reserve Bank may, negotiate, contract or enter into an agreements for professional services, in accordance with applicable procurement requirements.</p>	<p>A new clause was added as there was a lack of clarity regarding who is responsible for resolving disputes between members and officials of credit unions, as well as disputes among members themselves.</p>	<p>Noted and agree with the changes suggested.</p> <p><i>Compared to the 2017 version, this provision has a missing leading paragraph that provides its proper context. Suggest that the leading paragraph is included</i></p>	<p>We note the proposed changes and refer to the Reserve Bank/Ministry.</p> <p>Would the Reserve Bank’s role be a facilitative one? Will the by-laws for a credit union provide for how disputes are to be dealt with?</p> <p>We advise not to use “shall” and leave as is.</p>
	<p>6 (2) In setting fees, the Reserve Bank must have regard to consider the anticipated costs of the Reserve Bank it expects to incur it in performing any other all functions assigned to it-under this Act.</p> <p>(3) The prescribed fees payable under this section must be paid upon the grant of the licence or registration, and thereafter on an annual basis.</p>	<p>To simplify the sentence for better reading and to remove repetitive words.</p> <p>This new provision was introduced to allow members the option of paying the</p>	<p>Noted and agree with the changes suggested.</p>	<p>We note the proposed changes to clause 6(2) and propose the following additional adjustments as highlighted below:</p> <p>The Reserve Bank must have regard to consider any anticipated cost of the Reserve Bank it associated with the performance of any function assigned to it-under this Act.</p> <p>We note the proposed change to clause 6(3) and have no issues. The clause is titled fees.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	(4) “Without limiting section 6(3), the Reserve Bank may vary the term of licences as it deems appropriate”.	licensing fee for a longer-term period rather than on an annual basis.		We note the proposed inclusion of clause 6(4) and advise that the inclusion is appropriate for operationalising the licensing of credit unions rather than in clause 6. We do not agree with the inclusion of the proposed subclause (4) in clause 6.
	<p>7(1) The Reserve Bank must prepare an annual report detailing its activities and outcome for the preceding year, including—</p> <p>(d) the outlook for the credit union sector and notable developments or innovations within the credit union industry; and</p> <p>New 7(2) The Annual Report must be submitted to the Minister within 3 months after the Reserve Bank's financial year.</p>	<p>To enhance the accountability of the Reserve Bank of Fiji in achieving specific outcomes during the reporting year, rather than with greater emphasis on its key activities.</p> <p>This change is intended to ensure the timely submission and presentation of Annual Reports to Parliament.</p>	<p>Section 7(1) - we agree to the changes and (d).</p> <p>We suggest that section 7(2) be changed to the following: “The Annual Report must be submitted to the Minister within 3 months after the Reserve Bank’s financial year”</p>	We note the proposed changes to clauses 7 and 8 and have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	8. The Reserve Bank must— (c) provide assistance and advice as necessary to assist officers and members of the Credit Union League in due observance of, and compliance with, this Act.	Remove unnecessary words.	[this will coincide with publication of the Bank's annual report and submissions cycle. The CU annual report can be a section in the Bank's publication] Section (8) – we agree to the changes	
	<i>Exclusion from liability</i> 9. Neither the Reserve Bank nor any director, officer or employee of the Reserve Bank, any person authorised to assist the Reserve Bank under section 5 nor any person acting as a director or employee of the Reserve Bank is liable in any manner whatsoever for anything done or omitted to be done in good faith in the discharge	The revision was necessary to improve grammatical accuracy and readability.	Section 9 Use of “Board Members” is redundant as “director” captures this already.	We note the proposed changes and propose the following additional adjustments as highlighted below: 9. Neither the Reserve Bank nor any director, officer or employee of the Reserve Bank, nor any person authorised to assist the Reserve Bank under section 5 nor any person acting as a director or employee of the Reserve Bank is liable in any manner whatsoever for anything done or

Page	Clause/Section	Committee's Comments	RBF Comments	Drafters Comments
	or purported discharge of the functions and duties of the Reserve Bank under this Act.			omitted to be done in good faith in the discharge or purported discharge of the functions and duties of the Reserve Bank under this Act.
Page 11	10 2(c) have subscribed for a qualifying share equivalent to of at least 10 membership shares; and (3) The applicants or organisers must file submit with to the Reserve Bank an completed application in a form approved by the Reserve Bank accompanied with a prescribed fee.	To simplify the sentence for better clarity.	Section 10 (2) (c) Noted and agree to the changes suggested. Section 10 (3) Noted and agree to the changes suggested	We note the proposed change to clause 10 and have no issues.
	10 (4)(d) a business plan covering 3 years must include financial projections and provide ing a detailed explanation of actions intended to accomplish the primary functions of the credit union; and 10 (4)(e) such other any additional information as the Reserve Bank	The change aims to make the business plan more meaningful and comprehensive by requiring the inclusion of financial projections. For better readability.	Section 10 (4) (d) Noted and agree to the changes suggested. Section 10 (4) (e)	We note the proposed change to clause 10 and have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	may prescribe, consistent with achieving the objective of this Act.		Noted and agree to the changes suggested.	
	11.—(1) Less More than 30 20 individuals with the intention to carry on credit union business must obtain registration from the Reserve Bank.	The provision is intended to prevent existing members from establishing a new credit union in response to grievances, as permitting fewer than 30 members could result in situations where only two individuals form a separate credit union out of discontent.	Section 11 (1) This is specifically for CUs that will be registered	We note the proposed changes to clause 11(1) and refer to the Reserve Bank/Ministry on the changes to policy.
Page 12	11 (2)(c) have subscribed for a qualifying share of equivalent to at least 10 membership shares; and	To simplify the sentence.	Section 11(2) (c) Noted and agree to the changes suggested	We note the proposed changes to clause 11(2)(c) and have no issues.
	11 (3) The applicants must file with submit a completed application in a form approved by the Reserve Bank an application in a form approved by the Reserve Bank accompanied by a prescribed fee.	To simplify the sentence and remove unnecessary words that made it awkward to read.	Noted and agree to the changes suggested.	We note the proposed changes to clause 11(3) and have no issues.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	11(4)(c) a business plan covering 3 years must include financial projections and provide a detailed explanation of actions intended to accomplish the primary functions of the credit union; and 11(4)(d) such any other information as the Reserve Bank may require, consistent with achieving the objective of this Act.	The change aims to make the business plan more meaningful and comprehensive by requiring the inclusion of financial projections.. For better readability	One is for Registration purposes the other is for Licensing . A Credit Union would either be registered or licensed, not both. Suggest using “any additional” as it has already been used in section 10 (4)	We note the proposed changes to clause 11(4)(c) and (d) and have no issues.
	11 (6) The Reserve Bank may determine that a registered credit union be licensed by giving due consideration to the size of its membership and deposits size .	Simplifying the sentence by rearranging words.	Noted and agree to the changes suggested	We note the proposed changes to clause 11(6) and have no issues.
	12.— (1) A co-operative which is registered under the Co-operatives Act 1996 with 30 or more members and carries out engages in credit union business must apply for a credit union licence under this Act.	Inclusion of an appropriate word for formal writing.	Section 12 (1) Noted and agree to the changes suggested.	We note the proposed changes to clause 12 and advise that the provision remains as is. Please see the definition of “co-operative”.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	(2) A co-operative with less than 30 members and carries out engages in credit union business must apply for registration as a credit union under this Act.			
	<p>13 (1). No credit union is to shall be licensed or registered under this Act unless it is considered if the RBF determines it is to be economically viable in the long-term by the Reserve Bank on the basis of based on the following assessment:</p> <p>(a) the level of demand anticipated for the proposed credit union services.</p> <p>(b) the projected asset base and financial strength of the credit union;</p> <p>(c) the size of the membership base size and potential for growth potential of the credit union; and</p>	<p>Removal of unnecessary words for better clarity and easy reading.</p> <p>For clarity purposes</p> <p>For better sentence construction and reader friendly.</p> <p>It ensures that applications are assessed based on verifiable information</p>	<p>Section 13 (1)</p> <p>Noted and agreed to the suggested changes.</p>	<p>We note the proposed changes and propose the following additional adjustments as highlighted below:</p> <p>13 (1). No credit union is to be licensed or registered under this Act unless it is considered if the Reserve Bank assesses it to be Reserve Bank assesses it to be economically viable in the long-term by the Reserve Bank on the basis of based on the following criteria:</p> <p>(a) the level of demand anticipated for the proposed credit union services.</p> <p>(b) the projected asset base and financial strength of the credit union;</p> <p>(c) the size of the membership base size and potential for growth potential of the credit union; and</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	13(2) Every applicant seeking a licence or registration as a credit union must submit, as part of the application, evidence to demonstrate compliance with the economic viability criteria specified under clause 13(1).	rather than assumptions or projections without supporting documentation..		13(2) An application for a license or registration must be accompanied with the relevant documentation as may be required by the Reserve Bank under subsection (1). We advise not to use “shall” and leave as is.
	(14) (3) A credit union may make by-laws to be known as supplementary by-laws by no less than two-thirds vote of the members present at an annual general meeting or at a special general meeting called for the purpose of making the supplementary by-laws. for the credit union. (4) The supplementary by-laws made under subsection (3) may amend or repeal the standard by-laws, on the subject to the prior written approval of the Reserve Bank.	To remove unnecessary words. Simplifying the sentence for better reading. To make the sentence formal	Section 14 (3) Noted and agreed to the suggested changes. Section 14 (4) Noted and agreed to the suggested changes. Section 14 (5)	We note the proposed change to clause 14(3) and advise that the provision remains as is. We note the proposed changes to clause 14(4) and (5) and have no issues.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	(5) A supplementary by-law may only be used enforced or applied by a credit union on the approval of the Reserve Bank.		Noted and agreed to the suggested changes.	
	<p>(15) (2) The official name of a credit union must include the words “Credit Union” or the abbreviation “CU” and an appropriate descriptive word or words, or an acronym made up of initials of the appropriate descriptive word or words and ending in “CU”.</p> <p>(3) Unless a credit union is formed by merger or consolidation, the Reserve Bank may not issue a licence to the credit union or approve the change of the name of the credit union if such name is identical or -would have the same name as another credit union or a name nearly resembling the name of another credit union in a manner likely-as to cause</p>	<p>It ensures the public can identify legitimate, registered credit unions easily through their official name rather than the marketing or unofficial name</p> <p>Removal of unnecessary words while maintaining the meaning.</p>	<p>Section 15 (2)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 15 (3)</p> <p>Noted and agree to the suggested changes.</p>	<p>We note the proposed change to clause 15(2) and advise that the provision remains as is. We advise that any name or description that is not the ‘name’ of a credit union as allowed for under the law, would therefore not be the name of the credit union. Making a distinction between official name and name may create confusion.</p> <p>We advise that we have no issue with the proposed amendment to delete “and” before “ending”.</p> <p>We note the proposed changes to clause 15(3) and advise that we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	confusion-or- be calculated to deceive.			
	<p>New 5 – RBF may require change in name if the name</p> <p>a) falsely implies affiliation, sponsorship or endorsement without authorisation.</p> <p>c) suggest unauthorised or nonexistence financial products or services.</p> <p>(56) A person who contravenes this section commits an offence and is liable to a fine not exceeding \$3,000 for each day during which that the contravention continues.</p>	<p>To provide clarity and consistency to the regulator as well as to the credit union. It removes any ambiguity about the criteria for naming a credit union, ensuring all registered entities follow the same standard.</p> <p>To provide clarity.</p>	<p>Section 15 (5)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 15 (6)</p> <p>Noted and agreed to the suggested changes.</p>	<p>We note the proposed changes to include a new clause 15(5) and (6) and advise that we have no issues.</p>
	16. The Reserve Bank may conduct an investigation to verify compliance with all the legal requirements of law and may obtain any information or reports, from any person or organisation,	To simplify the sentence.	<p>Section 16</p> <p>Noted and agreed to the suggested changes.</p>	<p>We note the proposed changes to clause 16 and propose the following additional adjustments as highlighted below:</p> <p>“...obtain any information or report?”.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	including a law enforcement agency, that the Reserve Bank considers necessary in connection with its consideration of action on an application to licence or register a credit union.			<p>We also refer to RBF/Ministry in relation to obtaining information from persons that RBF considers necessary in connection with its consideration of an application:</p> <ul style="list-style-type: none"> - would the investigation be based only on an application; and - is the requirement to obtain information regardless of the content of investigation be limited to information on an application?
	(5) The Reserve Bank may grant conditional approval of an application and must communicate the conditions notify the applicant in writing of any conditions attached to such approval to the applicant.	For clarity purposes so that members understand.	<p>Section 17 (5)</p> <p>Noted and agreed to the suggested changes.</p>	<p>We note the proposed changes to clause 17(5) and propose the following additional adjustments as highlighted below:</p> <p>“...in writing of any condition attached to the approval”.</p>
	18. A person aggrieved by a decision of the Reserve Bank on an application to license or register a credit union may appeal to the	The time frame is important to guide the	Section 18	We note the proposed changes to clause 18 and advise that we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	Credit Union Tribunal within a specified time as prescribed by the Regulation.	aggrieved applicant and to make it objective .	Noted and agreed to the suggested changes.	
	21(4) The Reserve Bank may cancel the licence or registration by written notice if a credit union does not commence business within the prescribed time.	To ensure formal communication. Specifying “by written notice” establishes a formal and verifiable method for communicating the cancellation of a licence or registration.	Section 21 (4) Noted and agreed to the suggested changes.	We note the proposed changes to include a new clause 21(4) and advise that we have no issues.
	22. All establishment costs and expenses in connection with related to establishing a credit union and preparation for to commencing business may must be paid only solely from funds provided by the applicants or organisers or a sponsor. and Such costs may be reimbursed by the credit union only out of undivided earnings, after and only after provision has been made for required reserves.	To provide clarity and ease of understanding.	Section 22 Noted and agreed to the suggested changes.	We note the proposed changes and propose the following additional adjustments as highlighted below: 22. (1) All costs and expenses in connection with related to the establishment of a credit union and in preparation for to commencing business may must be paid only solely from funds provided by the applicants, organisers or a sponsor. and

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
				(2) The costs incurred under subsection (1) may be reimbursed by the credit union only out of undivided earnings after and only after provision has been made for required reserves.
	24.— (1) An application for membership must be acted upon by the board of a credit union or by an officer appointed by the board within prescribed time.	To provide a clear timeframe for decision on membership.	Section 24 (1) Noted and agree to the suggested changes.	We note the proposed changes to clause 24 and propose the following additional adjustments as highlighted below: “...within the prescribed time”
	25.— (1) The members of a credit union must hold an annual general meeting no later than 4 months after each financial year end.	A typo error.	Section 25 (1) Noted and agreed to the suggested changes.	We note the proposed changes to clause 25 and agree with the correction to the typographical error i.e. “members”.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>26 (1) The members of a credit union may amend the by-laws of the credit union by a two-thirds vote of the members present at a duly constituted annual or special meeting, provided that notice of such meeting specifying the proposed amendments is given to all members at least fourteen days before the date of the meeting.</p> <p>(5) Upon receipt of Reserve Bank’s approval, an amendment takes effect on the date determined by the meeting of the credit union members of the credit union that endorsing the amendment.</p>	<p>To read better without changing the meaning, and to provide a clear timeframe for the notice to be served for the special meeting.</p> <p>For better reading</p>	<p>Section 26 (1)</p> <p>Noted and agree to the changes suggested</p>	<p>We note the proposed changes to clause 26(1) propose the following additional adjustments as highlighted below:</p> <p>26(1) The members of a credit union may amend the by-laws of the credit union by a two-thirds vote of the members present at a duly constituted annual or special meeting, provided that notice of the meeting specifying the proposed amendments is given to all members at least 14 days prior the date of the meeting.</p>
	<p>28 (10) If provided in Where permitted by the by-laws, a director may participate in a board meeting and exercise all rights in and act at as a member a meeting of the board by means of electronic communication through which provided that all persons</p>	<p>To put it in simple English that reads well.</p>	<p>Section 28 (10)</p> <p>Noted and agree to the changes suggested.</p>	<p>We note the proposed changes to clause 28 and advise that we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	participating in the meeting can communicate with each other.			
	<p>29 (2)(b) purchase a blanket fidelity guarantee policy of insurance policy, in accordance with the regulations issued under this Act, to protect the credit union against losses resulting from events caused by occurrences covered therein such as fraud, dishonesty, forgery, embezzlement, misappropriation, misapplication, or unfaithful performance breach of duty by any director, officer, employee, member of a committee, or other agent</p> <p>(c) determine the interest rate charged on loans and deposits.</p>	Simplification of the clause for better understanding	Noted and agree to the changes suggested.	We note the proposed changes to include a new clause 29(2)(b) and advise that we have no issues.
	<p>29 (2)(r) perform any other duties that is necessary and proper to carry out fulfill the purposes and exercise the powers of a credit</p>	To ensure members understand their	Noted and agree to the changes suggested.	We note the proposed changes to clause 29(2)(r) and advice that “duty” remains as it is.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	union as prescribed by set-out under this Act.			We further advice and propose the following “perform any other duty and exercise any power of a credit union necessary to fulfil the objective of this Act”.
	30.—(1) (a) he or she the member dies or resigns by giving notice to the board, and if a member belongs to a supervisory committee or credit committee, must give ing notice to the supervisory committee or the credit union, as applicable; (2) If the vacancy arises in the office of a member of the board, supervisory committee or credit committee becomes vacant , the members present at a meeting must, by majority vote, fill the vacant position. 30 (3)(b) there is no quorum at a board meeting the board , the remaining members of the board	To simplify the clause for better understanding. To simplify the clause to read better.	Section 30 (1) (a) Noted and agree to the changes suggested. Section 30 (2) Noted and agreed to the changes suggested Section 30 (3) (b) Noted and agree with the changes suggested	We note the proposed changes to clause 30 and we advise that in the chapeau, to delete “been” in “deemed to have been vacated”. Alternatively, in the chapeau, include, “if the member” instead of “if he or she” We further advice in paragraph (a): “...he or she dies or resigns ..., and if he or she is a member of a supervisory committee or credit committee, by giving ...”

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	may call a special meeting for the purpose of electing a member to fill the vacant position.			
	32.— (1) The board may employ appoint a general manager of a credit union and to whom it delegates the authority and responsibility for to manage ing the credit union's day-to-day operations.	It reads better	Section 32 (1) Noted and agree to the changes suggested.	We note that proposed changes to clause 32 and advise that we have no issues.
	39.— (1) A credit union must maintain books and records of its assets and liabilities and all transactions the credit union undertakes for its own account board and for that of a members of the credit union .	To remove unnecessary words and to improve clarity	Wordings in the Bill is appropriate. Note that the CU and the Board are separate persons. CU needs to have its books maintained for the benefit of its members	Having discussed this with the Reserve Bank on 17 November 2025, recommend to revert back to original text. Note: The board deals with the governing of the credit union, however, books and records of the credit union must be maintained. Therefore, we advice to revert text to original.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>41.— (1) The supervisory committee of each credit union must obtain arrange for an annual audit of the financial statements of the credit union, conducted by the auditor appointed in accordance with subsection (6).</p> <p>(3) A copy of the audited financial statements must be submitted to the Reserve Bank within 90 days of after the end of the financial year.</p> <p>(5) The board or the supervisory committee of a credit union may obtain a request supplementary audits or examinations as deemed necessary by the credit union considers it or when required by the Reserve Bank.</p> <p>(6) The credit union may appoint an independent auditor at the annual general meeting of the credit union on the recommendation of the supervisory committee and the board, and the</p>	<p>To simplify the clause for easy reading.</p> <p>This change will remain for clarity purposes.</p> <p>To simplify the clause for easy reading without changing the meaning.</p> <p>Removal of unnecessary words while maintaining the meaning.</p>	<p>Section 41 (1)</p> <p>Agree with the suggested wordings</p> <p>Section 41(3)</p> <p>Suggest wordings to be remain as the rationale for the provision is for the audited statements to be submitted to the RBF within 3 months after the financial year end.</p> <p>Section 41 (5)</p> <p>Agree with suggested wording</p> <p>Section 41(6)</p> <p>Agree with suggested wording</p>	<p>We note the proposed changes in clause 41(1) and we advise that we agree with the use of “arrange for”.</p> <p>We further recommend the following:</p> <p>“... financial statements to be conducted by an auditor appointed”.</p> <p>(3) We have no issues with suggested replacement “after”.</p> <p>(5) We do not agree to the use of “deems necessary”. We further suggest to use “if it considers necessary”. Further, audit and examination should remain in the singular.</p> <p>We note the changes to clause 41(6) and advise that we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	appointed auditor must be approved by the Reserve Bank to perform the audits required under this section.			
	<p>41(10) A person may not serve as the independent auditor of a credit union if —</p> <p>(a) the person holds the position of director, committee member, general manager or employee of the credit union;</p> <p>(b) the person is a related member to any individual persons listed in paragraph (a); or</p> <p>(c) the Reserve Bank determines that any-situation, condition, or relationship exists-which would impair the auditor's ability to perform that, in the opinion of the Reserve Bank, prevents the person from performing the audit-in an objective and independent manner.</p>	<p>Removal of unnecessary words while maintaining the meaning.</p>	<p>Section 41 (10) (a)</p> <p>Noted and agree to the changes suggested except a, include the word hold</p> <p>Section 41 (10) (b)</p> <p>Note and agree with the suggested wordings</p> <p>Section 41 (10) (c)</p> <p>Note and agree with the suggested wordings</p>	<p>We note the changes to clause 41(10)(a) and advise that the added words are redundant.</p> <p>We note the changes to clause 41(b) and (c) and advise that we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	41(11) If the Reserve Bank finds determines that the board has not complied with this section, the Reserve Bank may appoint an independent auditor who meets sing the requirements of this section to perform conduct the audit and the credit union must pay the cost of the such audit.	Removal of unnecessary words while maintaining the meaning.	Section 41 (11) Noted and agree to the changes suggested.	We note the changes to clause 41(11) and advise that we advise to replace “such audit” with “the audit”.
	42.— (1) Notwithstanding section 41, a credit union with assets less than below an amount prescribed by regulations may, with the prior approval of the Reserve Bank, obtain have an annual audit performed conducted by a committee at the end of its financial year of the credit union.	Removal of unnecessary words.	Section 42 (1) Noted and agree to the changes suggested.	We note the changes to clause 42 and advise that we have no issues.
	42 3(a) propose members of the committee meeting the required qualifications to the board for approval in accordance with subsection (2) to the board;		Section 42 (3) (a) Noted and agree to the changes suggested. Section 42 (3) (b)	

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>(b) inform notify the Reserve Bank of the names and qualifications of the proposed members for approval; or</p> <p>(c) prior to before replacing changing any member of the committee, provide written notice to inform the Reserve Bank in stating writing of the reasons for the change, along with and the name and qualification of the proposed replacement new member.</p>	<p>Improving sentence structure for Better understanding.</p> <p>Improving sentence structure for Better understanding.</p>	<p>Noted and agree to the changes suggested.</p> <p>Section 42 (3) (c)</p> <p>Noted and agree to the changes suggested.</p>	
	42(5) (a) present a written report of its annual audit to the board within 90 days before after the end of the financial year of the credit union; and	It aligns with standard auditing and reporting practices, where audit reports are prepared and presented after the close of the financial period once the financial statements are finalised.	Section 42 (5) (a) replace “before” with “of”	We note the changes to clause 42(5)(a) and advise that we have no issues.
	43.— (1) A credit union must maintain a regulatory reserve that comprises transfers of by allocating 20% from of its net	Simplifying the sentence in plain English for members to understand.	Suggest maintain wording for section 43 (1).	We note the changes to clause 43 and advise to replace “regular reserve” with “ regulatory reserve ”.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>income until the regular reserve equals 10% of the total assets.</p> <p>(3) In the event of a decrease in the reserves, the Reserve Bank may require additional transfers to the regular reserve above the amount required to restore the reserve as required by subsection (1). until the amount of the loss has been restored to the reserve and regained.</p> <p>(4) The board of a credit union may establish other reserves whenever it determines the reserve to be as deemed necessary or appropriate.</p>	<p>Removal of unnecessary words for clear understanding.</p> <p>Removal of unnecessary words for clear understanding.</p>	<p>Noted and agreed to the suggested changes for 43(3) and 43(4).</p>	<p>“reserves” to include “regulatory reserve”.</p> <p>From discussions held on 17 November 2025, wording is ok. Amendment regular reserve to regulatory reserve where necessary.</p> <p>We further advise for “deemed necessary” to be amended to “if it considers necessary”.</p>
	<p>44.— (1) A credit union must maintain a capital ratio as determined by the Reserve Bank. may determine</p> <p>(4) Complex credit unions and credit unions or those with assets amount over \$100 million in assets</p>	<p>For better reading which is simple and it maintains the flow</p>	<p>Section 44 (1)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 44 (4)</p>	<p>We note the changes to clause 44 and advise that we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>may be required by the Reserve Bank to perform the calculation of the capital ratios using risk - weighted assets.</p> <p>(5) The Reserve Bank may issue prudential capital requirements regarding capital, including but not limited to requirements specifying the characteristics of a complex credit union and the assigningment of risk weights to categories of assets categories.</p>	Removal of unnecessary words for better understanding.	<p>Noted and agreed to the suggested changes.</p> <p>Section 44 (5)</p> <p>Noted and agreed to the suggested changes.</p>	
	<p>44(6) If the Reserve Bank determines that a credit union has insufficient capital necessary to shield against to cover the risks, both on and off the balance sheet, arising from the its business, of that credit union, it the RBF must direct the credit union to increase its capital to the a level it considers determined by the Reserve Bank to be sufficient, consistent with the</p>	Removal of unnecessary words that made it hard to understand the meaning of this clause.	<p>Section 44 (6)</p> <p>Noted and agree to the changes suggested.</p>	<p>We note the changes to clause 44(6) and advise to use “Reserve Bank” instead of “RBF” since this is a defined term in the Bill.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>deposits held by the members to safeguard against any liquidity risks.</p> <p>(5) The funds held in a statutory liquidity deposits must not have a maturity exceeding of greater than one year to ensure liquidity is maintained.</p> <p>(6) A credit union²s may vest its statutory liquidity deposit with may be vested to a Credit Union League for investment subject to a written the agreement between the credit union and the Credit Union League.</p> <p>46 (2) A credit union must shall not engage in any business or activity except as those specifically authorised by this Act, unless the Reserve Bank approves a-permissible businesses or activities consistent with the as permissible for a credit union’s to</p>	<p>The clause is simplified by removing unnecessary words and the inclusion of the word “written” provides transparency to the members.</p>	<p>Noted and agree to the changes suggested.</p> <p>Section 45 (6)</p> <p>Noted and agree to the changes suggested.</p> <p>Section 46 (2)</p> <p>Noted and agree to the changes suggested.</p>	

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	accomplish the purposes for which it is established.			
	<p>48 (1) (c) acquire property in the process of collecting loans, such as collateral assets.</p> <p>(2) A credit union must not invest in a credit union premise, directly or indirectly, in an amount that exceeds its capital, by obtaining provided however that, with the prior approval of the Reserve Bank, and upon having demonstrating an essential need, to the Reserve Bank’s–may allow investment up-satisfaction an essential need therefore, the limit may be increased to 150 % of the credit union’s capital.</p> <p>(3) Any real property acquired by a credit union in the process of collecting loans must be disposed of as soon as possible but and in any event case within 53 years from the date on which the credit</p>	<p>Simplifying the sentence in plain English for members to understand and for better enforcement.</p> <p>Holding real property longer increases risks such as depreciation, maintenance costs, and potential liabilities. A shorter disposal period of 3 years will preserve credit</p>	<p>Section 48 (1)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 48 (2)</p> <p>Noted and agreed to the suggested changes.</p> <p>Section 48 (3)</p> <p>Noted and agreed to the suggested changes</p>	<p>We note the changes to clause 48 and advice to delete the word “shall” and revert to its original text.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>union acquired such interest of acquisition.</p> <p>49.— (1) A credit union may offer an unlimited amount number of membership shares at a par value established in the by-laws.</p> <p>(2) The by-laws of a credit union may fix the minimum number of membership shares to which a member must subscribe and may set a limit on the number of shares that may be owned by a member may own, however, any such limitation must be applied equally to all members.</p> <p>(3) The payment of membership shares are to shall be made in accordance with the procedures outlined in the manner as provided in the by-laws.</p>	<p>union assets by reducing operational risk.</p> <p>Improving grammar</p> <p>Simplifying the sentence in plain English for members to understand.</p> <p>Simplifying the sentence in plain English for members to understand.</p>	<p>Section 49 (1)</p> <p>Noted and agreed to the suggested changes</p> <p>Section 49 (2)</p> <p>Noted and agreed to the suggested changes</p> <p>Section 49 (3)</p> <p>Noted and agreed to the suggested changes</p> <p>Section 49 (4)</p> <p>Noted and agreed to the suggested changes</p>	<p>We note the changes to clause 49 and advise to delete the word “shall” and revert to its original text.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>(4) The membership shares may be issued in the form of certificates form or may be recorded held in an as accounts on the books of the credit union.</p> <p>(5) A joint share account may hold more than one multiple membership shares.</p>		<p>Section 49 (5)</p> <p>Noted and agreed to the suggested changes</p>	
	<p>50 (3) The terms, interest rates and conditions under which deposits are accepted to must be established by the board of the credit union and must be set documented forth in a formal an agreement between the credit union and its depositor.</p>	<p>Simplifying the sentence in plain English for members to understand.</p>	<p>50 (3) Agree to the changes.</p>	<p>We note the changes to clause 51 and advise we have no issues.</p>
	<p>51.— (1) A credit union may—</p> <p>(a) declare and pay dividends on its membership shares;</p> <p>(b) pay interest on members deposits; and</p>	<p>Simplifying the sentence in plain English for members to understand.</p>	<p>51 (1) Agree to the changes.</p> <p>52 (2). Agree to the changes.</p> <p>52 (3). Agree to the changes. “Act”</p>	<p>We note the changes to clause 51 and advise we have no issues other than to delete “of this act”.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>(c) pay patronage rebates to members.</p> <p>51 (2) A-D dividends, or an interest payments and patronage rebates must may be made at the rates and under the conditions authorised by the board.</p> <p>51 (3) A-D dividends may be paid out only after a transfer to meeting the reserves transfer requirements under section 43 of this act. has been made</p>	<p>Simplifying the clause for better understanding.</p>		
	<p>51(5) A credit union must obtain the written approval from of the Reserve Bank prior to before paying dividends in any calendar year in which the credit union incurs suffers a net loss or in which the when the dividend amount would be in excess of the amount of the exceeds the credit union's net income for that year.</p>	<p>Plain English is used for readability.</p> <p>Simplifying the sentence in plain English.</p>	<p>51(5) agree to the changes</p> <p>52 (2) Agree to the changes</p>	<p>We note the changes to clause 51 and advise we have no issues.</p> <p>We note the changes to clause 52 and advise we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>52.— (2) The Reserve Bank may impose an requirements for advance withdrawal notice requirement following the issuance of an enforcement action taken pursuant to section 103.</p> <p>(3) The Reserve Bank must ensure that such advanced withdrawal any notice requirements imposed under subsection (2) applies equally to all members of the credit union.</p>	<p>The word “equally” will create fairness amongst members.</p>	<p>52 (3) Agree to the changes</p>	
	<p>53 (1) (a) receive money, including payments on membership shares or other money for deposit;</p> <p>(c) provide for the transfer or withdrawal of money from an account by the means and through the payment systems deemed most convenient by that the board determines best serve the</p>	<p>The proposed changes improves clarity and reads better.</p> <p>Removal of unnecessary words.</p>	<p>53 (1) Agree to the changes</p> <p>(c) same was written before, only remove “the”</p>	<p>We note the changes to clause 53 and advise we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	convenience and needs of the members.			
	<p>(2) (a) receive money including transfers made on digital platforms for deposit from a bank, an insurance company, or any other intermediary holding money on behalf of the credit union or one of its members;</p> <p>(b) accept grants or donations of money from national or international development agencies or other donors;</p> <p>(d) sell to a member negotiable instruments to members such as, cheques, money orders, and other similar money transfer instruments or services; or and</p>	<p>To simplify the clause by removing unnecessary words</p> <p>To simplify the clause by removing unnecessary words.</p>	<p>2 (a & b) agree to the changes</p> <p>(d) Need to discuss – Agree to change</p>	<p>We note the changes to clause 53(2) and advise we have no issues.</p>
	54 (2) The Reserve Bank may issue prudential requirements to regarding such borrowings to		54(2) Agree to the changes.	We note the changes to clause 54(2) and advise we have no issues.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	ensure the financial safety and soundness of the credit union.	To protect the credit union’s financial health and to protect members funds.		
	55. A credit union licensed or registered under this Act may be authorised to by the Reserve Bank to participate in share and deposit insurance protection plans, subject to requirements as meeting the requirements established by the Reserve Bank. may provide	To improve readability and to make the clause formal.	Agree to the changes – sounds more formal.	We note the changes to clause 55 and advise we have no issues.
	56.—(1) If there has been no activity on a member’s redeemable share or deposit account for 35 consecutive years, the board of directors may impose a maintenance fee as determined by the Reserve Bank may determine . (2) The credit union must give notice of this action dormant account to the member at the last	Accounts inactive for long periods increase administrative costs and regulatory risks. Reducing the inactivity threshold to 3 years helps to prevent these burdens earlier, thereby lowering operational costs associated with managing dormant accounts.	56 (1) Agree to the changes	We note the changes to clause 56 and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>to the Reserve Bank of Fiji, until claimed. donate the property to a recognised charity selected by the board of directors.</p> <p>New 57(5) Every Credit Union must, within 60 days after the financial year, publish in a daily newspaper or its website, or other electronic means, a statement showing all unclaimed monies.</p> <p>New 57(6) Statement under subsection (5) must state that the unclaimed monies holder or their legal personal representative, as the case may be, must submit a claim to the Credit Union within 3 months from the date of publication of the statement.</p> <p>New 57(7) The balance remaining in any unclaimed monies account for a period of 3 months after the publication must be paid to the</p>	<p>unclaimed it goes to consolidated funds.</p> <p>To have regulatory compliance and clear process to deal with unclaimed monies. Also for transparency and accountability and to protect members funds.</p>	<p>adopted for CUs. Monies to be paid to the RBF, until claimed.</p> <p>RBF agreed to the new clauses.</p>	<p>We note the new clause 57(5) and (6) and advise we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	Reserve Bank and remains the property of the account owner.			
	<i>Powers of account holders</i> 59.—(1) A party to a multiple-party account may make payments and withdrawals on a share or deposit account in accordance subject with to the account agreement and the terms and conditions set by the credit union.	To improve the sentences for easy reading.	59(1) Agree to the changes – it should be in accordance “with”	We note the changes to clause 59 and advise we have no issues.
	60. Unless otherwise provided by the account agreement, the each parties to a multiple-party account are presumed to have equal own the account in equal interests in the account .	Removal of unnecessary words and to provide clarity.	Section 60 Agree to the changes	We note the changes to clause 60 and advise we have no issues.
	73. The board must give its prior approval before the credit union permits a director, committee member or senior management to act as guarantor of any loan to a	To improve the sentences for readability	Section 73 Agree to the changes	We note the changes to clause 73 and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>member, regardless of the amount of the loan.</p> <p>74. A credit union may purchase assets or obtain services from, or sell assets to, its directors, committee members and senior management only on terms that are no less favourable to the credit union than the terms on which such assets or services could be obtained by the credit union in at arm's length transactions with other persons or organisations.</p> <p>76.— (1) A loan borrower may be prepaid all in whole or in part of a loan at any time, without penalty during regular working hours on any day on which the credit union is open for business,</p>		<p>Section 74 Agree to the changes</p> <p>Section 76..Agree to the changes.</p>	<p>We note the changes to clause 74 and advise we have no issues.</p> <p>We note the changes to clause 76 and advise we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>without incurring any penalty or additional fees.</p> <p>(2) The right of prepayment must be reflected explicitly stated in the written instrument as required under section 81.</p> <p>77.— (1) A credit union, in accordance with its by-laws, may charge a member a penalty when a loan payment is past the due date.</p> <p>(2) A credit union may charge only one penalty on for each past due payment.</p> <p>(3) This section-clause does not prevent the continuing accrual of interest on a past due payment loan amount in accordance with the terms of the loan agreement.</p>	<p>To simplify for better understanding</p>	<p>Section 76 (2) Agree to the changes</p> <p>Section 77(1).Agree to the changes</p> <p>Section 77 (2) – Agree to the changes.</p> <p>Section 77 (3) – Agree to the changes.</p>	<p>We note the changes to clause 77 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	79 The illegality of a loan is not a defence in to any action brought by a credit union's action to recover the loan,. The credit union retains the right to enforce the loan agreement and collect the loan from any person liable including the borrower or any guarantor. and does not prevent enforcement of the loan agreement or collection of the loan from a person who is otherwise liable on the loan, including— (a) the borrower; or (b) a guarantor.		Section 79 Noted and agreed to the suggested changes.	We note the changes to clause 79 and advise we have no issues.
	82.—(1) Subject to the limitations of this section, a credit union may make grant loans to- (a) loans to the Credit Union League established under section 155: and		Section 82 (1) Noted and agreed to the suggested changes.	We note the changes to clause 82 and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	(b) loans to another credit union , a central liquidity facility established under law, or an organisation established for lending directly individually or collectively to credit unions.	Improve sentence construction		
	84 (c) membership shares of , or deposits in another credit union, a reserve liquidity facility established under law, or an organisation established for lending directly or collectively to credit unions; and	Redundant word	Section 84 (c) Noted and agree with the changes suggested.	We note the changes to clause 84 and advise we have no issues.
	93.—(1) A credit union that holds assets or investments that are not eligible to be held by a credit union, including real estate that has been held for more than the 2 years period , or that engages in activities that are not authorised to be engaged in by a for credit unions, must divest itself of those such assets or	Simplifying the sentence by removing unnecessary words for smooth reading	93 (1) Noted and agree with the changes suggested	We note the changes to clause 93 and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>investments, and terminate those activities no later than 2 years from the date of commencement date of this Act.</p> <p>93 (5) The trustee appointed under subsection (3 4) must pay to the credit union any proceeds from the divestiture or termination of activities, less any costs of sale or termination, and less any expenses of the trustee.</p>	<p>Incorrect reference was made to the subsection</p>	<p>93 (5) Noted and agree with the suggestions</p>	
	<p>93 (7) A divestiture is not considered to be have in compliance with the requirements of this section, if the transfer is financed by the credit union or is made to a company controlled by the credit union.</p> <p>93 (9) Notwithstanding subsections (1) to (6), the Reserve Bank is authorised, in at its discretion and in exceptional</p>	<p>For better reading</p> <p>Simplifying the sentence by removing unnecessary words for smooth reading</p>	<p>93 (7) Noted and agree with the changes suggested</p> <p>93 (9) Noted and agree with the changes suggested</p>	<p>We note the changes to clause 93 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>100.— (1) A credit union must submit to the Reserve Bank a quarterly report of on its financial condition, as well as any and such other reports as the Reserve Bank may require to monitor its compliance with other requirements of this Act and the regulations thereunder.</p> <p>(2) The Reserve Bank may require credit unions generally or any individual credit union, or if the Reserve Bank deems necessary for supervisory purposes, to submit reports the Reserve Bank determines this to be required for supervisory purposes, individual credit unions, to file reports under this section more frequently than quarterly if deemed necessary for supervisory purposes.</p>	<p>Simplifying the sentence by removing unnecessary words for smooth reading without changing the meaning.</p>	<p>Section 100 (2) Noted and agree with the changes suggested</p> <p>Section 100 (6) Noted and agree with the changes suggested</p>	

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	(6) The fee payable to the Reserve Bank must be in an amount set determined by the Reserve Bank for each day after the due date that during which the report remains unfiled or for each day after any subsequent due date established by the Reserve Bank in a notice to the a credit union to correct an inaccurate or incomplete report.			
	101. A credit union must provide the Reserve Bank a notice to relocate the Reserve Bank to relocate its principal place of business or to establish and maintain, at locations other than its principal place of business, additional offices or service facilities. that are reasonably necessary to provide services to the credit union’s members.	Unnecessary words removed that creates confusion.	Section 101. Noted and agree with the changes suggested	We note the changes to clause 101 and advise we have no issues.
	102. The Reserve Bank may, in addition to any other course of action available under this Act or		Section 102 Noted and agree with the changes suggested	We note the changes to clause 102 and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	any other law, take any action under section 103 against a credit union or its directors, committee members or senior management where the Reserve Bank is of the opinion, either as a result of an examination carried out under section 95 or otherwise, that the credit union itself or its directors, committee members or senior management has —			
	104.— (1) A credit union or any director, committee member or employee who is charged with an enforcement action under section 103 may have the right to appeal the decision of the Reserve Bank's decision within 10 days of receiving the directive in accordance with the procedures set out outlined in section 162. which such appeal must be initiated within 10 days following service of the directive.	Unnecessary words removed that creates confusion. Simplifying the sentence for members to understand.	Section 104 (1) Suggest maintain wording in the Bill, as “shall have the right to appeal” is aggressive and too authoritative.	We note the changes to clause 104 and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>(2) if an appeal is not filed within the time period Enforcement actions with respect to which an appeal was not sought within the time period stated in subsection (1) the enforcement action is final and cannot be incontestable contested.</p> <p>(3) The filing of a request for the an appeal does not suspend or delay-an enforcement actions.</p> <p>105 - The Reserve Bank may release the summary of enforcement actions to the public, unless the Reserve Bank, in its discretion, determines that such publication would be detrimental to the stability of the financial system or to other public interests.</p>		<p>Section 104 (2) Noted and agree with the changes suggested</p> <p>Section 104 (3) Noted and agree with the changes suggested</p> <p>Section 105 Noted and agree with the changes suggested</p>	<p>We note the changes to clause 105 and advise we have no issues.</p>
	PART 6—CONFIDENTIALITY		<p><u>Noted and agree with the changes suggested</u></p>	<p>We note the changes to clause 106 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p><i>Confidentiality of information of the Reserve Bank</i></p> <p>106.— (1) The following information of held by the Reserve Bank is confidential and must not be disclosed by the Reserve Bank or it's agents of the Reserve Bank except as provided in this section—</p> <p>(a) information obtained directly or indirectly by the Reserve Bank in any manner, including by application or examination, concerning the financial condition or business affairs of a credit union, its related entities, and its members and other customers, including related and the files and records of the Reserve Bank relating pertaining to that information, except for a statement information that is</p>	<p>To improve clarity and readability without altering the original meaning</p>	<p>Section 106 (1) Noted and agree with the changes suggested</p> <p>Section 106 (1) (a) Noted and agree with the changes suggested</p> <p>Section 106 (1) (c) Noted and agree with the changes suggested</p>	

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>public or intended for publication;</p> <p>(c) a documents related to an enforcement actions taken pursuant to section 103 where by the Reserve Bank determines that publication would be contrary to the financial stability of the financial system or to other public interests; or</p> <p>(d) information obtained by the Reserve Bank from another supervisory agency that is designated as confidential by that agency.</p> <p>(2) Notwithstanding subsection (1), the Reserve Bank or its agents may disclose confidential information under subsection (1) may be disclosed by the Reserve Bank or agent of the Reserve Bank—</p>	<p>To improve clarity and readability without altering the original meaning</p>	<p>Section 106 (1) (d) <u>Noted and agree with the changes suggested</u></p> <p>Section 106 (2) (a) & (e) <u>Noted and agree with the changes suggested</u></p>	

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>(a) to defend an legal action instituted by a credit union or its member against the Reserve Bank;</p> <p>(e) if the information is otherwise publicly available;</p>			
	<p>106 (3) Discovery of When confidential information from the Reserve Bank is disclosed under a court order, subpoena or any other legal process, the Reserve Bank may—</p> <p>(a) restrict release of confidential information to the portion directly relevant related to the legal dispute at issue; and</p> <p>(b) require that a protective order, in a form and under circumstances specified by the rules, be issued by a court before the release of the confidential information.</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>Section 106 (3) Noted and agree with the changes suggested</p>	<p>We note the changes to clause 106(3) and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>107.—(1) A credit union must not disclose or produce to a third party or permit a third party to examine any record pertaining to the affairs of a credit union member unless the—</p> <p>(a) the request is made in connection with an audit of the credit union;</p> <p>(b) the member consents, to the disclosure or production of the record with the member's signature verified by the credit union or any other type of identification approved by the Reserve Bank, to the disclosure or production of the record;</p> <p>(c) the information is required by the Reserve Bank;</p> <p>(d) the request is made in response to—</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>Section 107 (1) Noted and <u>agree with the changes suggested</u></p>	<p>We note the changes to clause 107 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	(e) the disclosure is made on the approval of the Reserve Bank under subsection (2).			
	<p>(2) The Reserve Bank may permit the exchange of member information on—</p> <p>(b) bad stale and dishonoured cheques; or</p> <p>(c) any other transaction information deemed necessary by for which the Reserve Bank determines that disclosure is necessary in for the daily operation of the credit union's business.</p>	Simplifying the sentence in plain English for members to understand.	<p><u>Section 107 (2) Noted and agree with the changes suggested.</u></p> <p>Section 107 (2) (b) Suggest we add “stale and dishonoured cheques”</p> <p><u>Section 107 (2) (c) Noted and agree with the changes suggested</u></p>	We note the changes to clause 107(2) and advise to remove “deemed necessary” and revert to “ determines that disclosure is necessary in for ”
	<p>PART 7—MERGER AND CONSOLIDATION TRANSACTIONS</p> <p>108 (a) the administering of merger or consolidation must comply transaction is in</p>		<p><u>Part 7 Noted and agree with the changes suggested</u></p> <p><u>Section 108 (a) Noted and agree with the changes suggested</u></p>	We note the changes to clause 108(a) and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	accordance with this Act and any relevant written laws developed by the Reserve Bank. for the purpose of administering a merger or consolidation; and	Removing unnecessary words to improve clarity and readability without altering the original meaning		
	(b) the merger or consolidation transaction takes place occurs under a plan of merger or consolidation that has been approved by a majority of the — (i) agreed to by a majority of the board of each credit union at a meeting called for that purpose. joining in the merger or consolidation; and (ii) approved by a majority of the members of each credit union voting at a meeting of its members called for that purpose.	Simplifying the sentence in plain English for members to understand.	Section 108 (b) & Section 108 (b) (i) and Section 108 (b) (ii) Noted and agree with the changes	We note the changes to clause 108(b) and advise we have no issues.
	109 (a) includes a copy of the board resolution or other documents approving action by	Removing unnecessary words to improve clarity and	Section 109 Noted and agree with the changes suggested as the	We note the changes to clause 109 and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>which the board agreed to the merger or consolidation plan; and</p> <p>(b) states—</p> <p>(i) the time and place of the board meeting approving the at which the board agreed to the merger or consolidation plan;</p> <p>(iii) the time and place of the members meeting at which the members approving the merger or consolidation plan;</p> <p>(iv) the vote count of the membership's vote on the approving of the merger or consolidation plan; and</p>	<p>readability without altering the original meaning</p>	<p>meaning of the context is maintained.</p>	
	<p>109 (2) The merging or consolidating credit unions must submit the certificate of merger and a copy of the consolidation plan of merger or consolidation to the Reserve Bank.</p> <p>109 (3) The plan of merger or consolidation plan must include a list of all of the persons who will serve on the board of directors</p>	<p>Simplifying the sentence by removing unnecessary words</p>	<p>Section 109 (2)</p> <p>Including 's' in credit union means that both CUs in the merger must submit the required merger.</p> <p>Maintain wording for 109(2).</p>	<p>We note the changes to clause 109 and advise we have no issues, however, we request for clarifications on “maintaining wording for 109(2)”.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>and as committee members of the resulting institution credit union, and financial statements consisting of—</p> <p>(c) the addresses of all offices that will be operated by the resulting credit union; and</p> <p>(d) any other information requested that by the Reserve Bank may request for the purpose of successfully executing the merger or consolidation.</p> <p>109 (4) Subject to subsection (5), on approving the merger or consolidation, the Reserve Bank may return a duplicate copy of the certificate of merger or consolidation and plan of merger or consolidation plan for to the resulting credit union.</p>	Simplifying the sentence by removing unnecessary words	Noted and agree with the changes suggested as the meaning and context is maintained.	
	<p>109 (5) The Reserve Bank may grant conditionally approval for a- merger or consolidation, and-if</p>	Removing unnecessary words to improve clarity and	Section 109 (5)	We note the changes to clause 109(5) and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>the such approval is conditional, the Reserve Bank —</p> <p>(a) must state the conditions of for approv aling of the merger or consolidation transaction; and</p> <p>(b) may withhold filing the approved official copy of the certificate of merger or consolidation until the conditions have has been met.</p> <p>109 (6) The merger or consolidation is effective upon the approval of the Reserve Bank on the satisfaction of the requirements under sections 108 and 110.</p>	<p>readability without altering the original meaning</p>	<p>Noted and agree with the changes suggested as the meaning of the context is maintained.</p> <p>The use of 's' for conditions is acceptable as there maybe more than one conditions for approval of the merger.</p>	
	<p>110.— (1) In determining whether to approve or disapprove the merger or consolidation transaction, the Reserve Bank may consider—</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>Section 110 (1)</p> <p>Noted and agree with the changes suggested as the meaning of the context is maintained and there is a flow throughout a to c.</p>	<p>We note the changes to clause 110 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>(a) consider the availability and adequacy of financial services in the local community.</p> <p>110 (2) The Reserve Bank must not approve a merger or consolidation transaction unless the resulting institution-credit union-will commits to complying with all prudential requirements applicable to the operation of a credit union under this Act.</p> <p>111.— (1) After completion of a merger or consolidation is effected, the property of the merged or consolidated credit union vests in the resulting credit union without any instrument of transfer or endorsement. and-tThe obligations and liabilities of the merged or consolidated credit union are assumed by the surviving credit union.</p>		<p>110(2) the initial provision corresponds to the Reserve Bank approving merger transactions are dependent upon meeting all prudential requirements.</p> <p>The removal of the term transactions would mean that the provision would be of the application of a merger altogether.</p>	

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>allow permit the Reserve Bank or the Reserve Bank's representative to examine the credit union's records in the other person's custody or control, including books, papers, and accounts, following the Reserve Bank's request for the granting of that authority and direction; or</p> <p>(iii) the credit union is not considered economically viable in the long term, based on the basis of the Reserve Bank's assessment of the conditions listed in section 13; and</p>			
	<p>114.— (1) A controllership directive must be served personally, by electronic mail or by post to a the director or the general manager of the credit union by the Reserve Bank.</p> <p>(2) Service may be made by mail if a director or the general</p>	<p>To include other means of communication.</p> <p>Not needed. Such details can be in the by-laws</p>	<p>Noted and agree with the changes suggested as the meaning of the context is maintained.</p> <p>By mail- suggest include electronic and post</p>	<p>We note the changes to clause 114 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	manager is not available for service on the date of issuance.			
	<p>115.— (2) No other person shall have standing to challenge the controllership directive.</p> <p>118.— (1) A controller, under the control of the Reserve Bank, havehas the authority to—</p> <p>118 (2) Following service of the controllership directive, the credit union may conduct only those operations that the controller are authorised d by the controller and those operations be conducted under <u>his or her</u> supervision.</p> <p>119.— (1) The controller is vested with all of the authority and powers of the members, directors, committees and senior management of the credit union and must be authorised to operate</p>	To improve English for easy reading	<p>Noted and agree with the changes suggested as the meaning of the context is maintained.</p> <p>118(1) Noted and agree with the changes suggested. The use of 'has' is correct as it is referenced to 'a controller' which is singular.</p> <p>Suggest maintaining the provisions wording of 118(2).</p> <p>119(1) Noted and agree with the change suggested as the meaning of the context is maintained.</p>	<p>We note the changes to clause 51 and advise not to use "shall" in clause 115(2).</p> <p>We note the changes to clause 118 and advise we have no issues.</p> <p>We note the changes to clause 119 and advise we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	the credit union in its own name or to conserve its assets in the manner and to the extent authorised by the Reserve Bank. 119 2 (b) & (c) – Spacing		119(2) Noted and agree with the suggested change to maintain consistency.	
	119 (d) at the request of the controller, any litigation pending against the credit union must be stayed for a period of 60 days. 120 (c) (i) whether rehabilitation of the credit union is feasible, or alternatively; 120 (2) If the controller believes that rehabilitation is feasible, then the controller may provide a plan of rehabilitation plan with his or her recommendation 120 (3) The plan of rehabilitation plan may include a proposal for reduction in liabilities of the credit union, as provided for in section 121.		119(2)(d) Noted and agree with the suggested change to maintain formal tone. 120(c)(i) – (2) Noted and agree with the changes suggested as the meaning of the context is maintained. 120(3) – 5 Noted and agree with the changes suggested as the meaning of the context is maintained.	We note the changes to clause 119 and advise we have no issues. We note the changes to clause 120, however, we advise not to use “shall” in clause 120(5) and revert to original text.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>120 (4) At the request of the controller, the time for submission of the plan of rehabilitation plan may be extended for 30 days.</p> <p>120 (5) If the Reserve Bank approves the plan of rehabilitation plan, then the rehabilitation plan is to shall be implemented.</p> <p>121.—(1) If the controller determines that losses of the credit union resulting from depreciation in the value of its assets or otherwise exceed the value of its retained earnings and reserve fund so that the estimated value of its assets is less than the total of liabilities oweding to its members, then the controller may propose that the loss be equitably divided equitably among the members through a reduction in the liabilities oweding to each member.</p>		<p>121(1) – (2) Noted and agree with the changes suggested as the meaning of the context is maintained.</p>	<p>We note the changes to clause 121 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>121 (2) If the controller makes such a proposal, and if the proposal is approved by a majority of the members at a meeting called to consider that matter, then the controller must include the proposal for a reduction in liabilities in the plan of rehabilitation plan to be submitted for consideration by the Reserve Bank.</p> <p>122. The controller may serve until the—</p> <p>(a) the credit union has been rehabilitated; or</p> <p>(b) the Reserve Bank has issued a liquidation directive regarding the credit union.</p>		<p>122 Noted and agree with the changes suggested as the meaning of the context is maintained and there is also a flow between a and b.</p>	<p>We have no issues to the proposed changes to clause 122.</p>
	<p>126.—(1) The Reserve Bank may, by a liquidation directive, may appoint a liquidating agent and</p>		<p>Noted and agree with the change suggested as the meaning of the context is maintained.</p>	<p>We note the changes to clause 126 and advise for the original text to remain as is.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	direct that the credit union be liquidated if—			
	<p>127. The Reserve Bank may serve a liquidation directive in the same manner provided for the service of a controllership directive.</p> <p>130.—(1) A credit union in liquidation continues to existence only for the purposes of discharging debts, collecting and distributing assets, and winding up the credit union's business.</p>		<p>127 Noted and agree with the change suggested.</p> <p>130(1) Noted and agree with the change suggested.</p>	<p>We note the changes to clause 127 and advise we have no issues.</p> <p>We note the changes to clause 130 and advise we have no issues.</p>
	<p>134 (d) an official record of the credit union continuously from the time of its execution.</p> <p>134 (2) (c) which were made by the credit union and its transferee with the knowledge that the transfer would likely have the effect of preferring the interests of</p>		<p>134 (d) - 134 (2)(c) Noted and agree with the changes suggested.</p>	<p>We note the changes to clause 134 and advise we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	the transferee and prejudicing the interests of other creditors.			
	137 (2) A general notice must be published twice a week for 2 successive weeks in a local newspaper or electronic platforms of for general circulation and announced broadcasted in the general media in each area in which the credit union maintained an office or branch to transact business on the date the credit union ceased unrestricted operations.		Maintain stance on “newspaper” to reduce publication costs for CUs. Agree on electronic platforms recommendation.	We note the changes to clause 137 and advise to amend as follows: “ a local newspaper or on electronic platforms... ”.
	141 (3) The removal directive takes effect immediately on service .		Noted and agreed.	We note the changes to clause 141 and advise we have no issues.
	150.—(1) Notice of the special meeting to consider voluntary liquidation is to shall be published in at least 2 local newspapers or on electronic platforms , and the Reserve Bank must be notified no	Simplifying the sentence in plain English for better understanding.	150(1)- Noted and agreed.	We note the changes to clause 150 and advise not to use “shall” in clause 150(1) and revert to its original text.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>later than the 21st days before the date of the meeting.</p> <p>(3) The liquidation transaction may not proceed unless two-thirds of all members are present and vote in favor of to dissolveing and liquidateing the credit union.</p> <p>151.—(1) Immediately after issuing notice under section 150(1), the Reserve Bank may impose restrictions, exercise control or give directions with respect to the continued ongoing business of the credit union pending the consideration of voluntary liquidation by the members.</p> <p>(2) During that period, the Reserve Bank may, in its discretion direct that, during that period, no member may withdraw an aggregate amount in excess of an</p>	<p>Changes were made to improve the clauses for clarity and smooth reading</p>	<p>150(3)- Noted and agreed with recommendation.</p> <p>151(1)- Noted and agreed with recommendation</p> <p>151(2)- Noted and agreed with recommendation.</p> <p>151(3)- Noted and agreed.</p>	<p>We note the changes to clause 151 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>amount to be determined by the Reserve Bank.</p> <p>(3) No new loan or extensions of credit shall be funded during the period between the board of directors' adoption of the resolution recommending voluntary liquidation and the membership meeting called to consider voluntary liquidation, except for the issuance of loans fully secured by a pledged of deposits and the funding of outstanding loan commitments approved before adoption of the resolution.</p> <p>(4) If the vote to dissolve and liquidate the credit union is affirmative, the credit union must conduct only business only in relation incidental to liquidation.</p>		151 (4)- Noted and agreed.	
	<p>152.— (1) The board must notify the Reserve Bank of the affirmative vote of members to</p>		152(1)- Noted and agreed with recommendation.	We note the changes to clause 152 and advise we have no issues.

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>liquidate and request approval for its liquidation no later than the fifth 5 days after the special meeting of the members.</p> <p>(2) The notice must include the resolutions of the meeting and a list of all members present and voting at the meeting and the results of the affirmative vote with the notice.</p> <p>153. If the Reserve Bank approves the liquidation, within 10 days, the board must within 10 days, appoint a liquidating agent to—</p> <p>(e) take perform any other actions necessary and incidental to the liquidation of the credit union.</p>		<p>152(2)- Noted and agreed with recommendation.</p> <p>153- Noted and agreed with recommendation.</p> <p>153(e)- Noted and agreed.</p>	<p>We note the changes to clause 153 and advise we have no issues.</p>
	<p>154.—(1) The process of voluntary liquidation is subject to supervision by the Reserve Bank, who which may request such</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>154(1)- Noted and agreed.</p>	<p>We note the changes to clause 154 and advise not to use “shall” in clause 154(4) and leave as is.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>reports and conduct such inspections as it believes deems necessary.</p> <p>(3) The plan-of liquidation plan must is-to be approved by the Reserve Bank .</p> <p>(4) If the Reserve Bank determines, including in the course of-such liquidation, that the credit union does is not ensureing an orderly liquidation or it fails-to is not complying with this Act or with any regulations issued by the Reserve Bank, the credit union is to shall be liquidated pursuant to Part 9 of this Act.</p>		<p>154(3)- Noted and agreed with recommendation.</p> <p>154(4)- Noted and agreed.</p>	
	<p>155 (3) The Credit Union League is to coordinate, assist, and promote all credit unions to perform such functions as required in its constitution by its constituent members and approved by the Reserve Bank.</p>	<p>To improve clarity and readability without altering the original meaning</p>	<p>Noted and agreed with recommendation.</p>	<p>We note the changes to clause 155 and advise we have no issues.</p>

Page	Clause/Section—	Committee’s Comments	RBF Comments	Drafters Comments
	<p>PART 12—OFFENCES</p> <p>Defamation</p> <p>156. A person who knowingly makes, circulates, or transmits to another person a false statement that is derogatory to the financial condition of a credit union with the intent to defame that credit union or counsels, aids, abets, procures, or induces another person to make, circulate, or transmit a false statement that is derogatory to the financial condition of a credit union with the intent to defame that credit union commits an offence and is liable on conviction to a fine not exceeding \$100,000 or imprisonment for a term of up to 2 years or both.</p>		<p>156- Agreed with amendments.</p>	<p>We note the changes to clause 156 and advise to include. “not exceeding” instead of “up to”.</p>

Page	Clause/Section—	Committee’s Comments	RBF Comments	Drafters Comments
	<p><i>Consideration for a loan, investment or purchase</i></p> <p>159.—(1) A member of the board, committee, senior management, or an employee of a credit union that knowingly permits a loan to be made to a non-member commits an offence and is liable on conviction to a fine not exceeding \$20,000 or to imprisonment for a term of up to 5 years or both.</p> <p>160 (b) in connection with an examination or investigation of a credit union by the Reserve Bank, exhibits or presents a false document, paper, instrument, or security; or gives under oath, a false testimony under oath in response answer to a question directly related to the examination or investigation by the Reserve Bank’s representative.</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>159(1)- Noted and agreed.</p> <p>160(b) - Noted and agreed.</p> <p>160(2)- Noted and agreed.</p>	<p>We note the changes to clause 159 and advise to include. “not exceeding” instead of “up to”.</p> <p>We note the changes to clause 160 and advise to include. “not exceeding” instead of “up to”.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>160 (2) A person commits an offence if the person knowingly removes, destroys, or conceals any record of the credit union for the purpose of concealing a fact or information from the Reserve Bank's representative.</p> <p>161.—(1) If a credit union or other person designated in a issued directive under this Act does not comply with the directive, the Reserve Bank, after giving notice, may assess an administrative penalty against the credit union, the designated person, or both, in an amount of not ranging from not less than \$100 or and not more than \$10,000 each for each day of the violation of the directive.</p> <p>(2) The credit union may not reimburse or indemnify any person for any part of the administrative penalty.</p>		<p>161(1)- Noted and agreed.</p> <p>161(2) & (3)- Noted and agreed.</p>	<p>We note the changes to clause 161 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	(3) The Reserve Bank may bring suit for an injunction or to collect the administrative penalty in a court.			
	<p>(4) A credit union or other person against whom administrative penalties have been assessed may obtain seek administrative review as provided in sections 162 and 163.</p> <p>162.—(1) This section establishes the Credit Union Tribunal, which consists of the following—</p> <p>(b) a representative of Fiji Law Society or its nominees; and</p> <p>(2) Any party aggrieved by a directive or decision of the Reserve Bank or a decision of a liquidating agent on a claim may file for administrative review with</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>Removing unnecessary words to improve clarity and</p>	<p>161(4)- Noted and agreed.</p> <p>162(1)- Noted and agreed.</p> <p>162(b)- Noted and agreed.</p> <p>162(2)- Noted and agreed.</p>	<p>We note the changes to clause 161(4) and advise we have no issues.</p> <p>We note the changes to clause 162 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>Reserve Bank and the Credit Union Appeal Tribunal; and</p> <p>(b) the scope of review by the court of the decision of the Reserve Bank-or of</p> <p>the Credit Union Tribunal is confined to whether the Reserve Bank or the Credit Union Tribunal's decision was adopted made in accordance with lawful procedures, or was arbitrary or capricious, or otherwise, contrary to the law.</p> <p>(9) The court may permit the introduction into of evidence of factual matters not presented to the Reserve Bank or to the Credit Union Tribunal during the administrative review processes only in extraordinary cases when necessary to achieve the ends of justice.</p>		162(9)- Noted and agreed.	

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>162 (10) The filing of a request for review does not affect a suspension of any decision taken or measure imposed by the Reserve Bank.</p> <p>163.— (1) The board of a credit union may obtain seek administrative review of controllership and liquidation directives as stated in section 162, subject to except that the specific time periods and procedures provided for filing and acting upon such matters as provided in this section.</p> <p>163 (2) Any request for administrative review of such directives is to must be accompanied by a certified copy of a board resolution authorising the initiation of the review process such procedures.</p>	<p>Simplifying the sentence in plain English for members to understand.</p> <p>Simplifying the sentence in plain English for members to understand.</p>	<p>162(10)- Noted and agreed.</p> <p>163(1)- Noted and agreed.</p> <p>163(2)- Noted and agreed.</p> <p>163(3)- Noted and agreed.</p>	<p>We note the changes to clause 163 and advise we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>(3) If the board of a credit union files a request for administrative review of a controllership or a liquidation directive, the Credit Union Tribunal may must promptly set a date for a hearing on such review that is not earlier than the 11th day nor later than the 30th day after the date on which the request is received by the Credit Union Tribunal.</p> <p>(4) The Credit Union Tribunal must promptly give notify the credit union notice of the date, time and place of the hearing.</p> <p>(5) The Credit Union Tribunal must issue its decision affirming, modifying, or invalidating the issuance of the controllership or liquidation directive no later than the 15th days after a hearing.</p> <p>(7) The court must set a date for a hearing date that is not earlier than</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>Simplifying the sentence in plain English for members to understand.</p>	<p>163(4)- Noted and agreed.</p> <p>163(5)- Suggest to keep both “declaring unjustified” and “invalidating”.</p> <p>163(7)- Noted and agreed.</p>	

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>the 11th day or and not later than the 30th day after receiving the date on which the Credit Union Tribunal’s decision was received and the court must promptly provide notice efy to the parties of the time and place of the hearing.</p> <p>(8) The court must issue its decision affirming, modifying or declaring unjustified the issuance of the controllership or liquidation directive nNo later than the 15th days after the hearing. the court must issue its decision affirming, modifying or declaring unjustified the issuance of the controllership or liquidation directive</p> <p>(9) The filing of a request for review of a controllership or liquidation directive will does not suspend the effectiveness of the directive which is to remains in full force and effect.</p>	<p>Simplifying the sentence in plain English for members to understand.</p>	<p>163(8)- Noted and agreed.</p> <p>163(9)(10)(11) - Noted and agreed.</p>	

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>(10) In cases brought under this Part, the court is authorised, in appropriate cases, to award monetary damages to injured parties and not to enjoin, stay, suspend, or set aside the actions of taken by any controller, liquidating agent, the Reserve Bank or the Credit Union Tribunal taken under this Act.</p> <p>(11) Any monetary award of damages, unless based on actions found by the court to have been taken in bad faith by a controller, a liquidating agent, or the Reserve Bank, is directed against the Reserve Bank and in cases where bad faith is proven, against the wrongdoer as well.</p>			
	<p>PART 14—MISCELLANEOUS</p> <p><i>Income tax</i></p>		<p>164- Noted and agreed. As agreed at last deliberation,</p>	

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>164. The income of a credit union is subject to income tax.</p> <p><i>Business days and legal public holidays</i></p> <p>166.— (1) A credit union is deemed to be closed on any day, or any part of a day, when it is not open to the public for carrying on substantially conducting all of its functions or transactions.</p> <p>(2) A credit union must be closed at least one day of the per week and on all legal public holidays. When a credit union is closed in accordance with under subsection (2), the credit union it is not under any no obligation or duty to conduct any of its business or effect any transaction.</p> <p>(3) Any notice, item, or deposit of money received on any legal public holiday may be treated as being received at the opening of</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>income tax is not to be applied to CU’s net income.</p> <p><u>166(1)- Noted and agreed.</u></p> <p><u>166(2)& (3) - Noted and agreed.</u></p>	<p>We note the changes to clause 166 and advise we have no issue to the proposed changes to clause 166. However, we note that amendment from “legal holiday” to “public holiday” and recommend for consequential to be made to clause 166 accordingly, given that “legal holiday” appears in a few places under clause 166.</p> <p>We also advise to amend the definition of “legal holiday” as follows:</p> <p>“public holiday” has the same meaning under section 4 of the Employment Relations Act 2007 or means a bank holiday declared under section 62 of the Reserve Bank of Fiji Act 1983;</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>legal, public holiday, as gazetted by the Government; or a bank holiday under section 62 of the Reserve Bank Act 1983;</p> <p>“transact” means to take action or non-action the result of which constitutes is a transaction; and</p> <p>“transaction” means any one or more of the function and or element of the business of a credit union’s business and, including but is not limited to, the receipt or giving of any notice; the receipt or acceptance of deposits; the transmission, acceptance, payment, or dishonour, and giving notice of dishonour of items; and its other related obligations and duties with respect to all thereof.</p> <p>167.— (1) The authorisations granted to credit unions include authority provided for an</p>	<p>Simplifying the sentence in plain English for members to understand.</p>	<p>167(1)- Noted and agreed.</p> <p>167(2)- Noted and agreed.</p>	<p>We note the changes to clause 167 and advise we have no issues.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>institution to close in case of an emergency means and during emergencies means and including the authority not to opening on any business day and, if having or opened, to closing and suspending business operations if already open.</p> <p>(2) Where The Reserve Bank may, by proclamation, authorise credit unions located in the affected area or areas to close if it is of the opinion that an emergency exists or is imminent impending, it may, by proclamation, authorise credit unions located within the affected area or areas to close.</p>			
	<p>(3) The credit unions affected by any such proclamation may close and may remain closed until the Reserve Bank proclaims that the emergency has ended, or until such earlier time as the credit union officers of the institution</p>		167(3)- Noted and agreed.	We note the changes to clause 167(3) and advise we have no issues.

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>determine that it is appropriate to the credit union should reopen.</p> <p>(4) Where the Ssenior management of a credit union may, are of the opinion that an emergency exists, or is impending, which affects, or may affect, the credit union, have the authority, in the reasonable exercise of their discretion, close the credit union in anticipation of or during an emergency on any business day or days during the continuation of such an emergency; even if the Reserve Bank has not issued and or does not issue a proclamation of emergency.</p> <p>(5) The credit union office that has been closed may remain closed until such time as the board or senior management determines that the emergency has ended and for such further reasonable time</p>		<p>167(4), (5) & (6)- Noted and agreed.</p>	

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>thereafter as may reasonably be required to reopen.</p> <p>(6) In No case, may a credit union may remain closed pursuant to this section for more than 48 consecutive hours, excluding other legal public holidays, without requesting the prior approval of the Reserve Bank.</p> <p>(7) A credit union that closes under subsection (3) may give notice of its action to must notify the Reserve Bank of its closure as promptly as conditions soon as reasonably possible permit and by any means reasonably available.</p> <p>(8) The board or senior management of a credit union may close the credit union on any day or days designated by proclamation of the Parliament as a day or days of for mourning,</p>		<p>167(7), (8) & (9)- Noted and agreed.</p>	

Page	Clause/Section—	Committee’s Comments	RBF Comments	Drafters Comments
	<p>rejoicing, or other special observance.</p> <p>(9) “emergency” means any condition or occurrence, actual or threatened condition or occurrence, which that may interfere substantially with the conduct of normal business operations of a credit union or which poses an imminent or existing threat to the safety or security of persons or property, or both; and</p> <p>“office” means any place location authorised for at which a credit union is authorised to transact its business or conduct operations relating to its business.</p> <p>168.— (1) A credit union must notify the Reserve Bank of the occurrence of any of the events listed in subsection (2) by filing a</p>		<p>168(1),(2), (3), (4),(5) & (6) - Noted and agreed.</p>	<p>We note the changes to clause 168 and advise not to use “shall” and revert back to its original text.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>disclosure in a form prescribed to be specified by the Reserve Bank.</p> <p>(2) The prescribed form shall includes the number and eaption description of all applicable events, along with accompanied by a summary of each event.</p> <p>(3) Completed disclosure forms are to must be certified for authenticity and accuracy by the credit union's general manager or equivalent officer of the credit union.</p> <p>(4) An Eevents for which disclosure forms must be filed within 10 days of the occurrence of the event must include the following—</p>			
	<p>(b) the acquisition or divestiture of any assets, or assets the value of which exceeds 20 per cent of</p>			<p>We note the changes to clause 168 and advise not to use “shall” and revert back to its original text.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>capital value as of the date of the most recent quarter end;</p> <p>(d) any suspected criminal act perpetrated against a the credit union or its related entities.</p> <p>(5) No liability is shall be incurred by any credit union or related entities as a result of making for a good faith efforts to fulfil comply with this the disclosure requirement.</p> <p>(6) A financial institution credit union that fails to file a disclosure form within 10 days after the occurrence event shall be subject to a penalty fine as determined by the Reserve Bank.</p> <p>169.— (1) The following credit union records must be retained permanently in either in their original form or as a certified</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>169- Noted and agreed.</p>	<p>We note the changes to clause 169 and advise we have no issues.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>copies or reproduction that complies with subsection (5)—</p> <p>(e) audit reports and opinions, under section 41 or 42, and any including attachments, supporting work papers, and communications between the auditor and the credit union relating to the audit; and</p> <p>(2) The following credit union records, if used, must be retained for at least 7 years, in either their original form or as a certified copies or reproduction that complies with subsection (4), for a period of at least 7 years—</p>			
	<p>(4) No liability is shall accrue against any credit union for destroying any such records after the expiration of the period provided in subsection (2)., and i In any cause or proceedings in which any requiring such records or files that are called into question or demanded of the credit union or an</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>	<p>169(4) & 5)- Noted and agreed.</p>	<p>We note the changes to clause 169(4) and advise not to use “shall” and revert back to its original text.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>employee thereof, a showing that such records or files have been were destroyed in accordance with the terms of this section shall constitutes a sufficient excuse for the failure to produce them.</p> <p>(5)(d) film reproduction on film.</p> <p>170.—(1) A transition period of 12 months from the date of commencement date of this Act shall applyies to transactions under subsections (3) to (9).</p> <p>(2) The transition period may be amended by the Minister may amend the transition period on the recommendation of the Reserve Bank, by a notice published in the Gazette.</p> <p>(5) All existing credit unions and co-operatives existing at the date of commencement of this Act shall continue and are deemed to be</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p> <p>Removing unnecessary words to improve clarity and</p>	<p>170 (1), (2),(5), (6),(7) & (8) - Noted and agreed.</p>	<p>We note the changes to clause 170 and advise not to use “shall” and revert back to its original text.</p>

Page	Clause/Section–	Committee’s Comments	RBF Comments	Drafters Comments
	<p>licensed or registered under this Act, as applicable, subject to the approval of the Reserve Bank.</p> <p>(6) The Reserve Bank must assess the information submitted by the Registrar of Credit Unions and the Registrar of Co-operatives against the requirements of this Act in order to make a determination on whether an existing credit union or co-operative is to shall be licensed or registered under this Act.</p> <p>(7) The Reserve Bank must provide a decision in writing to each credit union or co-operative as soon as practicable and the Reserve Bank may issue a licence or certificate of registration with or without conditions.</p>	<p>readability without altering the original meaning</p>		
	<p>(8) The Reserve Bank may take any corrective or other actions authorised under this Act with in</p>	<p>Removing unnecessary words to improve clarity and readability without altering the original meaning</p>		<p>We note the proposed change to clause 170(8) and advise that the provision remains as is.</p>

Page	Clause/Section—	Committee's Comments	RBF Comments	Drafters Comments
	<p>respect to of non-compliance of by a credit union.</p> <p>172. (2) (b) in the definition of “managed investment or managed investment scheme”, by deleting “Credit Union Acts 1954” and substituting “Credit Union Act 2025”.</p> <p>(3) The Personal Property Securities Act 2017 is amended in section 2, in the definition of “financial institution”, by deleting “Credit Unions Act 1954” and substituting “Credit Union Act 2025”;</p> <p>(5) The Companies (Wholesale Corporate Bonds) Regulations 2021 is amended in regulation 4(1)(b), by deleting “Credit</p>	<p>For clarity & understanding purposes.</p>	<p>172(2) (b),(3), (5) &(6)- Noted and agreed.</p>	<p>We note the proposed change to clause 172(2)(b) and advise that the provision remains as is, since the proposed change is redundant (“by” appears in the chapeau/introduction of the provision).</p> <p>We note the proposed change to clause 172(3), (4), (5) and (6), we agree with the proposed changes (insertion of the word “by”) and further advise to delete the comma before the word “by” in these subclauses.</p>

Page	Clause/ Section	Committee's Comments	RBF Comments	Drafters Comments
	<p>Unions Act 1954” and substituting “Credit Union Act 2025”.</p> <p>(6) The Land Transport (Public Service Vehicles) Regulations 2000 is amended in regulation 11A, by deleting “Credit Unions Act 1954” and substituting “Credit Union Act 2025”.</p>			

ANNEX 2

WRITTEN SUBMISSIONS & POWERPOINT PRESENTATIONS



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

SUBMISSION TO THE STANDING COMMITTEE ON ECONOMIC AFFAIRS ON THE PUBLIC CONSULTATION CONDUCTED ON THE CREDIT UNION BILL 2025 2:30pm, 25 September 2025

A. INTRODUCTION

1. We thank the Honourable Chair and Honourable Members, for the invitation to again appear before the Standing Committee on Economic Affairs, as part of the public consultation process on the Credit Union Bill 2025 ('Bill').
2. Just a month ago, the Reserve Bank had provided its submission on the Bill, supporting it fully, noting that the Bill will further strengthen not only the credit union sector but the stability of Fiji's financial system.
3. Since then, the Bank have noted the submissions to the Committee, from various credit unions and financial cooperatives, and the public at large. We observe that, though there is general support for the Bill, there are issues and reservations raised on different aspects of the Bill, which we would like to address in this submission.

B. GOVERNANCE/ RBF OVERSIGHT/ OPERATIONAL AUTONOMY

4. Honourable Chair, we note that submissions received indicated the need for clarification on the extent to which Credit Union Boards and Annual General Meetings can resolve issues within the credit unions without the interference of the Reserve Bank.
5. The Bill (Sections 28 to 34) outlines key responsibilities of the board as it is ultimately accountable for the overall oversight functions. Furthermore, the by-laws of the credit union provide the basis on how matters of this nature are to be handled. The Reserve Bank in its role as a regulator will provide prudential supervision policies that will guide and monitor credit unions throughout their operational lifetime.
6. For certain submissions, we note that the issue of the Reserve Bank micro-managing credit union operations under the Bill was raised. While this is noted, we infer this could be because, compared to the 2017 consultation, the Bill was not circulated with the Draft Regulations and Standard by-laws in this round of consultations.
7. By design, the Standard by-laws, would be provided as a template under the Bill, which can be adopted by prospective credit unions. The by-laws will incorporate detailed operational governance principles and processes for the effective functioning of a Credit Union and covers issues such as: (1) Common Bond Membership (2) Membership (3) Meetings of Members (4) Elections (5) Investment of Funds and (6) Disputes, to highlight a few.
8. When considering the Bill with the by-laws and Regulations, it would underscore that the operation of a typical credit union would be administered by the members themselves, with minimum interruption from the regulator, save for prudential matters and non-compliance to the law.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

9. In this regard submissions, mainly from credit unions requested for the provision of the updated Standard by-laws and Regulations as these were both circulated with the 2016/17 version of the Bill, which enabled credit unions to review and revert with a more detailed submission for consideration. In this regard, we advise that both supplementary documents have been drafted and will be ready by October 2025 for circulation.

C. INVESTMENT HOLDINGS AND RETURNS FOR MEMBERS

10. Honourable Chair, a related matter of some concern from the submissions was the need for RBF approval for licensed credit unions to undertake investments. As far as a typical credit union is currently governed, board approval is all that is needed without the need for another layer of approval, which undermines their ability to secure fair returns for their members.
11. While we note the sentiment, we reiterate that the intention of the Bill is the protection of member interests. Furthermore, the activity recognised under the Bill for a licensed and supervised credit union is credit union business, which is defined as *“the business of accepting deposits from members and employing such funds either in whole or in part for the purpose of granting extensions of credit and other financial services to members”*.
12. In therefore acknowledging this definition, it can be inferred that the use of member funds for investment does not form part of the core function of a credit union. In this regard the approach under the Bill would be that, if there is a need to use member funds for investment purposes, then this would need a review from the regulator to ensure that, risk to member funds is adequately identified and effectively managed.
13. Essentially, if investments are to be made, by design, these investments need to be separate and distinct from the credit union, in its setup, funding, governance and so on. This is to ensure that member funds are ring-fenced from the risks that can eventuate from such investments, for example, losses from investments reducing credit union profits and ultimately, member dividends paid at the financial year end. Given this, the expectation is that credit union would need to raise fund specifically for its investments, rather than directly pulling from member funds, which we understand is the current practice in most credit unions in Fiji. Hence bookkeeping and governance practices within the credit union would need to be set up, to cater for this.
14. Honourable Chair, to bolster returns to members, under the Bill, part of the core function of a credit union is to accept deposits from members. Licensed credit unions can then pay interest on these member deposits, guided by their own by-laws. As is, based on our interactions with operating credit unions, we note that they do not/or have little, member deposits held in their books.
15. Consequently, rather than being categorised as a liability, all member proceeds are recorded as capital or shares, which are then either loaned to members or invested (in banks or equity stakes in other entities). This obviously places members' monies at risk, particularly if the credit union collapses, as shareholders would be the last to be compensated, under liquidation proceedings compared to liability holders (creditors).



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

16. Moving forward, for operating credit unions with investment holdings as part of their current portfolio, there would need to be discussions with the Reserve Bank on how the credit union could comply with the new requirements. For this, the Bill provides provisions on the divestment of non-conforming investments, to ensure that this can be undertaken in an orderly fashion, to minimise detriment to member interests.

D. AUDIT REQUIREMENTS

17. Honourable Chair, we note that submissions raised concerns over Section 41 of the Bill, where the appointed external auditor for supervised credit unions needs to be approved by the Reserve Bank to perform the audit. This provision emphasises the importance that, an appointed auditor needs to meet minimum professional standards, before undertaking such a service for supervised credit unions. For information, this practice is similar to the process adopted for all other regulated entities in the financial sector.
18. In terms of proportionality, Section 42 of the Bill provides the option for the audit of registered credit unions to be carried out by a Committee and the Bill provides a threshold, detailed through Regulation, on the size of credit union, that this option would apply.

E. APPLICATION OF INCOME TAX ON CREDIT UNION INCOME

19. Honourable Chair, we note that submissions emphasised that under the Bill, credit union income would be liable for income tax. However, compared to the 2017 version of the Bill and the current Credit Union Act, income tax is not applied on credit union income. This is noting the not-for-profit and cooperative nature of the sector, as shareholders are members who receive financial services from the credit union. For this matter, we advise that we would need to consult with the Ministry of Finance and the Fiji Revenue and Customs Services before we finalise a stance on this provision.

F. CREDIT UNION LEAGUE (CUL/LEAGUE)

20. Reservations on the capability of the CUL have been raised as part of the submissions. This is understandable, noting the history of the relationship between the League and the credit union sector in general. While the hesitancy is noted, it is essential for supervised credit unions to be part of the League, as its services may include, areas such as education and training, management consultation, accounting and auditing services, standardised systems, brokering of investments, supplies and forms, marketing and procurement, risk management, payment and settlement systems, insurance, liquidity management and advocacy of credit unions before the Government and the general public.
21. In other words, the League provides the opportunity for supervised credit unions to pool their resources, ensuring that, as a sector they can procure contracts and services that are competitive, given their economies of scale as a group, relative to respective Credit Unions going on their own to do the same. This could be in terms of securing contracts for; core banking systems, information technology support, insurance, audit services, placement of term deposits in commercial banks and scheme card integration to name a few. All in all, the League provides a collective platform from which supervised credit unions can better serve their members.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

22. Noting the current state of the League and its intended role under the Bill, there are deliberate provisions in the Bill for the Reserve Bank to assist the League in fulfilling this function. For clarity, as far as prudential purposes are concerned, the League would be treated just as any other supervised credit union.

G. WAY FORWARD & CONCLUSION

23. Honourable Chair and Honourable Members, the Reserve Bank has engaged the Technical Assistance of the IMF PFTAC for the intended rollout and transition phase of the Bill. As you may be aware, the expert who had assisted in the drafting of the Bill is no stranger to this credit union reform, as he was the main resource person for the early review and consultation on the Bill.
24. The Credit Union Bill 2025 is a step in the right direction to strengthen the credit union and the overall financial sector. Once fully functional, as seen elsewhere, credit unions would have the ability to provide retail financial services to ordinary mums and dads that is difficult to deliver under a for-profit business model.
25. The Bill provides for a 12-month transition period from the commencement date of the Act. This period will be important in onboarding the credit unions under the Reserve Bank's regulatory ambit which is risk based and proportionate. The standard by-laws and regulations have been drafted and will be finalised upon the approval of the Bill.
26. It is expected that the first few years would be difficult, as new ways of doing credit union business are introduced through the enactment of the Bill and the Reserve Bank stands ready to work with the credit union sector in embedding relevant prudential requirements.
27. However, in the long-term, the Bank believes that these are necessary lessons and adjustments, to ensure that the credit union sector's resilience is strengthened and credit unions in Fiji effectively serve the purpose that they were initially intended, to serve the financial needs of their members by providing financial services at favourable rates and terms, and returning any surplus income to members, supporting the financial well-being and growth of our communities.

We have circulated our responses to the specific comments raised by submission we have noted, and we will be happy to answer your questions.

Reserve Bank of Fiji

24 September 2025



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

SUBMISSION TO THE CLOSED DELIBERATION OF THE STANDING COMMITTEE ON ECONOMIC AFFAIRS ON THE CREDIT UNION BILL BY THE RESERVE BANK OF FIJI

9.00am, 22 August 2025

A. INTRODUCTION

1. We thank the Honourable Chair and Honourable Members, for the invitation to make a submission to the Standing Committee on Economic Affairs, at this closed deliberation session on the Credit Union Bill 2025 ('Bill').
2. You may be wondering why the Reserve Bank of Fiji is interested in the credit union industry, and the Bill that is under deliberation. Credit unions provide an important financial intermediation role, particularly for middle-and lower-income groups and other segments of the population that find it difficult to access credit through the commercial banking system.
3. Honourable Chair, providing a financial intermediation role places credit unions at the core of the financial stability mandate of the Reserve Bank as the regulator of the Fijian financial system. Furthermore, the focus of credit unions on lower-income groups and our vulnerable population who do not have easy access to financial services aligns to the Reserve Bank's role of developing the financial system through financial inclusion. This is the underlying reason why the Reserve Bank is proposing for the introduction of the Bill.
4. Honourable Members, our submission this morning will cover a number of key areas:
 - (i) We will provide a brief explanation of the distinction between credit unions and commercial banks;
 - (ii) We will provide a background on the credit union movement globally as well as in Fiji;
 - (iii) We will seek to make the case of why the Bill is needed;
 - (iv) We will briefly update on the process that has led to the drafting of the Bill; and
 - (v) We will make our conclusion and submit our recommendation.

B. CREDIT UNIONS vs. COMMERCIAL BANKS

5. Honourable Chair, the objectives of credit unions differ somewhat from those of banks. Profit maximization is the main premise for banks, whereas credit unions serve their members with a greater focus on thrift and less on risk taking. Credit unions must therefore make the trade-off between offering the best financial services and products to their members and making a reasonable return.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

6. Credit unions accept deposits and provide services similar to those of banks and are therefore subject to the same macroeconomic shocks and stresses. Moreover, the size of some of the larger credit unions approaches that of some of the smaller banks in Fiji. Consequently, strengthening the sector through more timely data disclosure and improved regulation and supervision is a pressing need to prevent the heavy costs associated with the potential failure of a credit union.

C. THE CREDIT UNION MOVEMENT

7. Credit unions are member-owned financial cooperatives, democratically controlled by its members, and operating for the purpose of promoting thrift, providing credit at competitive rates, and providing other financial services to its members. A credit union differs from a bank or other financial institutions in that members of the credit unions are also the owners of the credit union and elect their own board of directors.
8. Honourable Chair, the credit union story is of an idea, a simple idea that people could pool their money and make loans to each other. This credit union idea evolved from the cooperative activities of early 19th century in Europe. The first of these cooperatives was an 1844 marketing cooperative organized by a group of workers in Rochdale, England. That same year in Germany, Victor Aime Huber began developing and publicizing some of the early European cooperative theories.
9. Moved by the crop failure and famine that had devastated Germany in 1846–1847, Hermann Schulze-Delitzsch and Friedrich Wilhelm Raiffeisen pioneered the first credit unions in the mid-19th century. After organizing a cooperatively owned mill and bakery, Schulze-Delitzsch founded the first "people's bank" in 1852 to provide credit to entrepreneurs in the city. The credit societies in Germany, and similar institutions founded in Italy, were the forerunners of the large cooperative "banks" which operate in Europe today. Bred Bank Fiji's parent company, Bred Bank Populaire is one of such large cooperative banks in France.
10. ***The Global Credit Union Movement***
Honourable Chair, credit unions have always been part of a large international movement. The latest statistics posted by the World Council of Credit Unions reported that there are more than 86,000 credit unions in 118 countries around the world, enabling 291 million members to access affordable financial services.

The Credit Union Movement in Fiji

11. The Credit Union Movement in Fiji began in the mid-20th century around the same time that the movements in Australia and New Zealand were taking off. The movement progressed quickly with the help of representatives from the New South Wales Credit Union League (NSWCUL) and a tireless credit union advocate named Father Marion Ganey. The first registered credit union in Fiji was the *Batiri* Credit Union, established on 20 December 1955, and by 1969, there were 288 credit unions operating in Fiji.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

12. Since then, a total of 448 credit unions have been registered with the Registrar of Credit Union. However, while Fiji has long had an established credit union movement, the number of credit unions has declined from around 180 in the early 1990s to approximately 17 credit unions currently.
13. A research on credit unions by the Pacific Financial Inclusion Programme (PFIP) under the United Nations Development Programme (UNDP) in 2011 highlighted at that time that nearly half of Fiji's population lacked access to banks or other financial institutions. With such a gap in the provision of financial services, credit unions served as a means to access financial services for the unbanked, hence enabling the intermediation process and in turn assisting in money creation. Experiences of other countries have also confirmed that credit unions have played a vital role in providing cheaper financial services to its members, allowing them to save and invest.
14. Despite the benefits of credit unions, a declining trend has been noted in Fiji's membership since 1993, mainly due to mistrust within the credit unions. This mistrust has been attributed to reasons reported as failed management, poor manual record-keeping, weak supervision and oversight, and low member administrative capacity.
15. ***The Fiji Savings and Credit Union League (FSCUL)***
Honourable Members, the FSCUL is an association of credit unions in Fiji, which was registered in 1957 under the Credit Union Act. The League was set up to advance the interests of the credit union movement in Fiji. In a presentation to the RBF in 2013 when the supervision of credit unions in Fiji was first proposed, the FSCUL stated that its functions were being re-assessed with the objectives of reviewing its constitution and reasons for its existence, reassessing members operations and identifying areas of capacity building, piloting micro-insurance projects for its members, identifying ways and means to assist in management and provide financial literacy training.
16. However, the FSCUL had also admitted that it has not been successful in achieving these objectives due to various shortcomings. In its letter to the Attorney General on 09 May 2013, the FSCUL has identified itself as a "toothless tiger", which can only advise, but its recommendations are left unheeded. Presently, the largest known credit union in Fiji is the Fiji Public Service Credit Union, with slightly over one thousand members and total assets of \$18.9 million and disbursed loans of \$4.6 million at year ended 2021. (\$9.8million in 2010). On the other hand, the largest Cooperative undertaking credit union business is the Fiji Teachers Cooperative Thrift and Credit Union Limited with over four thousand members, and \$105.7 million in assets according to their 2024 Annual Report.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

D. THE CASE FOR THE CREDIT UNION BILL 2025

17. Honourable Chair, given the brief history that we have just shared, it would therefore be appropriate at this juncture that we highlight the need for the Bill under deliberation. We however, wish to first emphasise some key aspects of the current Act.
18. ***The Credit Union Act 1978***
The Credit Union Act was first enacted in 1954 following the introduction of the credit union movement in Fiji. The Act has since been revised to the current Credit Union Act 1978 and is the governing legislation of all credit unions in Fiji, together with its supplementary by-laws.
19. The Act defines a credit union to be “*an association whose objects are to promote thrift amongst members, receive savings and make loans to members exclusively for provident and productive purposes*”. It provides for the powers of the Registrar of Credit Unions and the establishment of the FSCUL. In addition, the Act provides guidance on the operations of credit unions, including capitalization, dividends, and restrictions.
20. In providing for the appointment of a Registrar of Credit Unions, the Act states the responsibilities of the Registrar to include amongst other functions, the maintenance of a register of all credit unions, assessing applications for registration, and preparing by-laws for the approval of the Minister when needed. The Registrar of Companies under the Ministry of Justice also plays the role of Registrar of Credit Unions.
21. The Act also empowers the Registrar to request information from credit unions, and if required determine an amount above which the borrower is to provide security for a loan. However, the Registrar has not been able to play an active role in the supervision of credit unions, due to lack of resources, in terms of competent staff and budget constraints.
22. Honourable Chair, we can therefore state that while the Credit Union Act has served as the cornerstone legislation for credit unions in Fiji for decades, it has failed to address the changes coming through the evolving landscape and business environment that credit unions operate in over the years, with recent data indicating a significant decline in the number of active credit unions operational in Fiji.
23. The decline in the number of credit unions therefore presents a notable gap in the structure of Fiji’s financial system where a relevant and desired level of financial service appropriate for a developing country like Fiji has not progressed effectively to meet its potential of being an important financial intermediation function for the middle-and lower-income members of society.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

24. The structural gap was further emphasised by the Fiji Financial System Assessment Program (FSAP) conducted by the IMF in 2006 which concluded that:
“Fiji has long had an established credit union movement although the number of credit unions has declined from approximately 180 in the early 1990s to approximately 45 credit unions currently. The legal and regulatory framework for credit unions is outdated and the oversight by the Registrar of Credit Unions is weak due to lack of staff and appropriate skills. There is lack of information since no regular statistics are maintained but data collected in 2002 reveal a sector consisting of approximately 15,000 members and \$25 million in assets”.

25. In therefore reviewing the Act, reference was made to the ‘Model Law for Credit Unions’ developed by the international standard setting body for Credit Unions – ‘the World Council of Credit Unions’.

The Credit Union Bill 2025

26. Honourable Chair and Honourable Members, the Credit Union Bill 2025 represents a landmark reform in Fiji’s financial sector, aimed at modernising the regulatory framework governing credit unions in Fiji.
27. The Bill has the overarching objective to promote a sound and resilient financial system by regulating, licensing, and supervising credit unions. It seeks to build public confidence in credit union operations through enhanced governance, transparency, and accountability.
28. The Bill is divided into 14 Parts and 172 clauses, covering:
- Licensing and registration requirements for credit unions and co-operatives;
 - Governance structures including boards, committees, and management roles;
 - Prudential standards for capital, liquidity, reserves, and audits;
 - Permitted financial activities including lending, deposit-taking, and electronic banking;
 - Supervisory powers of the RBF include examinations, enforcement actions, and controllership;
 - Provisions for mergers, liquidation, and voluntary dissolution;
 - Establishment of the Credit Union League and the Credit Union Tribunal; and
 - Offences and penalties to safeguard integrity and compliance.
29. Honourable Chair, please allow me to highlight some key requirements proposed under the Bill:

- (i) ***Administration of the Bill:*** A major change in the Bill is the transition of the registration and oversight functions of credit unions and financial cooperatives in Fiji from the Registrar of Credit Unions to the RBF. This includes licensing, development of supervisory standards, supervision and enforcement of actions. The transfer of oversight authority to the RBF aligns to the existing role of the RBF as Fiji’s financial system regulator.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

- (ii) ***Establishment of Credit Unions:*** The minimum number of members eligible to apply for a credit union licence has been reviewed up from 15 to 30 to address the increased composition requirements on board and committee membership. Nominated board and committee members must satisfy the fit and proper requirements prior to being appointed and carry out their prescribed duties whilst upholding and maintaining the values and integrity essential of a 'decision maker'.
- (iii) ***Credit Union Activities:*** The Bill permits credit unions to issue membership shares, mobilise deposits, offer loans and make investments, within the parameters set by the Bill and subsequent Regulations. Other activities that are permitted under the Bill include the purchase of group insurance for its members or act as insurance agent in connection with the sale of individual insurance policies to members, to engage in electronic transfers and electronic banking subject to the prior approval of the RBF and to maintain and rent safe deposit boxes to its members.

These additional permissible activities are aimed at enabling the growth of the credit union industry and provide its members access to financial services that they may not particularly have with conventional financial institutions, subject to rules and prudential policies that the Reserve Bank of Fiji may prescribe.

- (iv) ***Prudential Requirements:*** Credit unions will now be required to maintain a prescribed level of capital and liquidity ratios to ensure their financial viability. This will be reported to and monitored by the RBF on a quarterly and an annual basis, as part of its supervisory oversight.

The Bill also proposes limiting borrowings of credit unions and prescribes additional requirements and limits for transactions with directors, management and committee members.

- (v) ***Credit Union League:*** The Bill intends to mandate the establishment of a Credit Union League (League), of which all licensed credit unions must be a member. The League and its members will be governed by its constitution, to be developed and agreed to by the membership. The RBF will also provide oversight of the League.
- (vi) ***Credit Unions under Administration:*** The Bill provides alternatives for credit unions that may encounter financial and operational challenges. This may be on a voluntary basis by the institution or administered by the RBF depending on the severity of each situation and the agreement between the relevant parties. Administration as defined in the Bill includes the process of mergers and acquisitions, voluntary or non-voluntary liquidation, and controllership.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

- (vii) **Credit Union Appeal Tribunal:** As part of the transparent and democratic process that is unique to the credit union industry, the Bill provides an appeals process for the review of decisions of the RBF on matters under the Bill by a 3-member Credit Union Tribunal. This will be formed by a nominated member from the Fiji Law Society, the credit union industry and the Reserve Bank. Any further appeal to the decision made by the Tribunal will be reviewed by a relevant court in Fiji.
- (viii) **The Registrar of Credit Unions:** The Registrar of credit unions will no longer stipulate requirements for credit unions, as its responsibilities are intended to be assumed by the RBF. As the administrator of the Bill, the RBF will perform all the functions assigned to it by and under the Bill.
- (ix) **Inclusion of Financial Co-operatives:** Financial co-operatives or co-operatives undertaking credit union business, are intended to be supervised and regulated by the RBF as proposed under the Bill given their activities are similar to that of a credit union. In this regard, the revision of the Co-operatives Act 1996 to exclude financial co-operatives is key, as this Bill will comprehensively regulate all credit unions and financial co-operatives in Fiji.
30. Honourable Chair, the Bill under deliberation is therefore a product of a long and extensive consultative process between the RBF, relevant Government ministries, technical experts, and industry stakeholders. I therefore wish to highlight some key actions taken in the consultation process that have led to the preparation of an appropriate Bill which is now before you, that we believe will re-active the credit union industry in Fiji and enabled its growth and viability to fulfil its potential within the economy.
- E. DRAFTING AND INITIAL CONSULTATION**
31. Arising from the IMF's Financial Sector Assessment Programme's (FSAP) conclusion in 2006, and in line with the RBF's effective progress on its financial inclusion initiatives supported by the various calls to take up the regulation and supervision of credit unions in Fiji, a review was planned with the objective of establishing an appropriate regulatory and supervisory framework for Fiji's credit union industry.
31. In March 2014, upon obtaining Ministerial approval, the RBF requested and acquired specific operational and financial information from 24 active credit unions at the time, through a survey. In terms of significance, the value of total assets of these surveyed credit unions in 2014 totalled \$125.1 million, representing 0.8 percent of total financial system assets. Although the industry is small, it is considered fundamentally important due to its extensive membership numbers, which totalled 15,709 members and made up approximately 5 percent of the total labour force in 2014. These numbers would now have dwindled given the decline in the number of active credit unions over the last 10 years.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

32. The key risk areas noted from the survey and discussions with the Registrar of Credit Unions and the Fiji Savings and Credit Union League were in the areas of: (1) governance; (2) internal audit; (3) loan classification and provisioning; (4) market & liquidity risk; and (5) risks arising from other financial activities offered by Credit Unions.
33. The findings were discussed with the surveyed credit unions, and in July 2014 the proposal to establish an appropriate regulatory and supervisory framework for the credit union industry in Fiji, was approved and subsequently included in the Supplement to the 2015 National Budget Address.
34. The RBF then engaged the IMF Pacific Financial Technical Assistance Centre (PFTAC) to provide technical assistance for the Credit Union Regulatory and Supervisory Review. This included the review of the Act to assist in addressing the existing risks highlighted, which was then expected to set the platform to introduce an appropriate legal and regulatory framework.
35. Subsequently, a workshop comprising of representatives from the Office of the Solicitor-General, the Registrar of Credit Unions and the RBF was held to discuss possible revisions to the Act, by aligning to international best practice, whilst ensuring that they maintained relevance to the Fiji environment.
36. An initial proposed draft legislation was circulated to the credit union industry for written submissions in May 2016, followed by two consultation sessions conducted in the Western and Central Divisions in June 2016. Comments from the industry noted broad support for the proposed reform of the legislative framework however with also objections by some credit unions which were formed as a related entity to its trade unions for some sectors. A third round of consultation of the revised draft legislation was conducted in 2017.
37. Consultations were then held on the revised draft together with proposed transitional arrangements with the Ministry of Trade, Co-operatives, Small and Medium Enterprises and the Ministry of Justice, as they currently provide oversight of co-operatives undertaking credit union business and credit unions, respectively.
38. Honourable Chair, since 2017, the RBF has been working closely with the Solicitor-General's Office to develop and propose a modern legislative framework for credit unions. This long-term collaboration involved extensive legal reviews and stakeholder consultations. After several years of drafting, refinement, and technical input, the Credit Union Bill 2025 has now been finalized and formally tabled in Parliament.



RESERVE BANK OF FIJI

Progressive and Resilient Central Bank, Trusted by Our People

F. CONCLUSION & RECOMMENDATION

39. Honourable Chair and Honourable Members, the progress of the credit union industry has been considerably slow, largely due to a legal framework that has not kept pace with the development of the credit union movement globally and in Fiji. This has prompted the need to reform the credit union industry, to safeguard its viability and growth.
40. Recent data obtained from the Registrar of Credit Unions indicate a concerning decline in industry activity. While there is a total of 400 registered credit unions, only 17 remain operational. Similarly for financial co-operatives, while a total of 29 thrift and credit cooperatives have been registered, only 5 are currently active.
41. The Credit Union Bill 2025 will significantly enhance the role of credit unions in Fiji's financial landscape. By introducing clear licensing pathways, robust governance requirements, and prudential oversight, the Bill creates an enabling environment for credit unions to expand their reach, improve service delivery, and contribute to economic development.
42. The Bill introduces mechanisms for risk management, member protection, and institutional sustainability ensuring that credit unions can operate safely and competitively within the broader financial system. In this regard, it addresses long-standing structural and operational gaps that have hindered the growth of credit unions in Fiji.
43. Equally important is that the Bill supports financial inclusion by allowing underserved communities greater access to savings and credit services and encourages innovation through provisions for electronic banking and diversified financial products.
44. Honourable Chair and Members of the Committee, the Credit Union Bill 2025 is a timely and transformative piece of legislation which lays the foundation for a modern, inclusive, and resilient credit union sector that can contribute meaningfully to Fiji's financial sector development.
45. The RBF commends the Bill for due consultation by the Standing Committee.

Reserve Bank of Fiji

22 August 2025

FIJI SAVINGS & CREDIT UNION LEAGUE

SUBMISSION ON
CREDIT UNION BILL 2025
(BILL NO. 29 OF 2025)

SUBMITTED SEPTEMBER 22, 2025 TO THE PARLIAMENTARY
STANDING COMMITTEE ON ECONOMIC AFFAIRS

Fiji Savings & Credit Union League
P.O. Box GPO 1070, Suva, Fiji
53 Pender Street, Suva
Tel: 3316034 **Mob:** 9917043/9009017/9723361
Email: mar_dickson@yahoo.com

22 September, 2025

The Chairperson,
Parliamentary Standing Committee on Economic Affairs.
Government Buildings Suva.
Suva

Dear Sir

SUBMISSION OF CREDIT UNION BILL 2025 (Bill No. 29 of 2025)

I am pleased to attach herewith our comments and recommendations of the Fiji Savings and Credit League (FSCUL) Credit Union Bill 2025 (Bill No, 29 of 2025). This is a collective submission of the credit unions that are affiliated to the FSCL and are namely:

- Air Terminal Services Credit Union (ATSCU)
- Fiji Nurses 'and Associates Credit Union (FNACU)
- Fiji Post and Telecom Employees Association Credit (FPTEACU)
- Fintel Cable & Wireless Employees Credit Union (FCWECU)

Our comments and recommendations cover basically clauses in nine (9) Parts in the Bill with the exception of:

1. Part 6
2. Part 9
3. Part 10
4. Part 12
5. Part 13

Our major recommendations include the following:

1. To differentiate between the normal operations of credit unions from those in the business of actively managing investments and those which can operate as small banks, etc. We feel that the banking services should only be operated by those credit unions which can afford to perform this service for their members and are able to meet the cost of providing these services.
2. Review the requirements of paying dividends to savings account as our credit union would like to remain as a credit union body carrying out its role providing savings and loans for our members.
3. That all references to deposit accounts, payment of deposits, whether ordinary or term deposit are to be applicable only to those credit unions that are carrying out business operations and are capable of operating as banks.

4. That the Regulations and supplementary by Laws be released and consultations carried out before the legislations are finalised and tabled for approval, as we need to ensure that these documents are consistent with each other,
5. That the role of the Fiji Credit Union League re revisited bearing in mind their current status. If it is necessary, a total reform be carried out to match the final approved role of the League.
6. That all Credit Union Board members, Credit and Supervisory Committees and officials are given adequate training to enlighten them of the provisions of all the draft legislations.
7. That the Credit Union movement should have its own new Act that will take into account new technology and availability of monthly financial statements and members statements on individual mobile phones for the sake of transparency and accountability to members who are the shareholders and owners of the credit union. Any new co – operative which does not deal with the movement and mobilizing of savings, but other products, should be registered under the new Co –operative and Thrift Act 2025.

Our work could have been better facilitated with the provision of the Standard by – Laws and the Regulations, it is hoped that these documents can be released for our comments before this Bill is passed in Parliament.

We await your views on our comments and recommendations and would like to reaffirm our continuing interest to work with the Reserve Bank in fine tuning this legislation which will take into account the Credit Unions' views in the legislations which will impact greatly in the manner and form of our operations basically for the paramount interest of our members.

Yours sincerely

.....
Dickson Mar (Mr.)

PRESIDENT- FIJI SAVINGS & CREDIT UNION LEAGUE.

and on behalf of

The President, Air Terminal Services Credit Union – Mr. Anei Naciqa

The President, Fiji Nurses 'and Associates Credit Union – Mr Raymond St John

The President, Fintel Cable & Wireless Employees Credit Union – Ms. Litia Tikoisuva

The President, Fiji Post and Telecom Employees Association Credit – Mr. Mark Albert.

Table of Contents

#.	Title	Page Nos.
	Cover Page	1
	Correspondence	2- 3
	Table of Contents	4 - 5
1.0	Introduction	6
2.0	The Credit Union Bill 2025 (Bill 29 of 2025)	7
2.1	General Comment	7
2.2	Interpretation Clause Recommendation 1	7
2.3	Definition of Credit Union Recommendation 2	7
2.4	Definition of Immediate Family Recommendation 3	8
2.5	Definition of Licensed Financial Institution Recommendation 4	8
2.6	Definition of Membership Share Recommendation 5	9
2.7	Definition of Net Income Recommendation 6	9
2.8	Definition of Qualifying Shares Recommendation 7	10
2.9	Authority to Contract for Professional Shares Recommendation 8	10
2.10	Division 1 – Reserve Bank Recommendation 9	11
2.11	Division 2 – General Provision Recommendation 10	11 – 12
2.12	Annual Report Recommendation 11	12 – 13
2.13	Other Responsibilities Recommendation 12	13
2.14	Standard by – Laws Recommendation 13	13 – 14
2.15	Members Recommendation 14	14 – 15
2.16	Meeting Recommendation 15	15
2.17	Vacancies and Removal Recommendation 16	15 - 16
2.18	Capital Requirement Recommendation 17	16

2.19	Additional requirements for Loans to Directors, Committee Members and Senior Management Recommendation 18	16 – 17
2.20	Payment Privilege Recommendation 19	17
2.21	Divestiture of Non – Conforming Investment Recommendation 20	17 – 18
2.22	Issuance of Regulation and Prudential Requirements Application to merge or consolidate Recommendation 21	18
2.23	Application to merge or consolidate Recommendation 22	18 – 19
2.24	Administrative Review of Controllershship Directive Application to merge or consolidate Recommendation 23	19 – 20
2.25	Credit Union League Recommendation 24	20 - 21
2.26	Income Tax Application to merge or consolidate Recommendation 25	21 - 22
3.0	Conclusion	22
	Appendix 1	23 - 25
	Appendix 2	26
	Appendix 3	27

1.0 INTRODUCTION

The Fiji Savings & Credit Union League (FSCUL) makes this added submission on the Credit Union Bill No 29 of 2025, and we convey our appreciation and gratitude in your granting this extended period of 20 working days to make this supplement to our previous face to face submission on 27/8/2025.

1.1 The Fiji Savings & Credit Union League

The Fiji Credit Union League, (FCUL) was established in 1956 From humble beginnings in 1956, the FSCUL had expanded greatly from its humble beginnings to a point that in 1984, a report published by Mr Carlos M Matos, from Volunteers in Overseas Cooperative Assistance (VOCA) titled "In Pursuit of Self Reliance -A Credit Union Programme for Fiji", it was noted, among other things that the number of credit unions in Fiji was 114 and the actual number of members was 23,475 and its total assets \$12,949,748. Out of the 114, most of the credit unions were in

- Nadroga - {30} members - 2,817,
- Suva- {26} members 14,608,
- Tailevu {19} members 1,214,
- Cakaudrove {16} members 1,085.
- The rest cover other provinces.
- in 2006, it was reregistered as the Fiji Savings and Credit Union League (FSCUL).

In 2006, the FSCUL was reregistered as the Fiji Savings and Credit Union League (FSCUL).

and for the present, 2025, after a span of thirty-eight years, the number of existing and operational credit unions has significantly decreased. Currently, it is estimated that there are less than 20 credit unions remaining. Out of this limited number, only four credit unions are members of the Fiji Credit Union League, namely:

- i. Air Terminal Services Credit Union (ATSCU)
- ii. Fiji Nurses 'and Associates Credit Union (FNACU)
- iii. Fiji Post and Telecom Employees Association Credit (FPTEACU)
- iv. Fintel Cable & Wireless Employees Credit Union (FCWECU)

A detailed write up on the FSCUL and the historical overview of the Credit Union Movement in Fiji, is attached as an annex in this submission

2.0 The Credit Union Bill. 2025 (Bill No. 29 of 2025)

2.1 General Comment

At the outset, the FSCUL expresses concern that this Bill 29 of 2025, has been circulated for our comments without the 2 documents that should be used concurrently with this legislation, and this being the Credit Union Standard by Laws and the Regulation.

Nonetheless, we make our comments on the Bill without the documents mentioned above, for what they are worth, and in loyalty to our members' interests.

2.2 PART 1 – PRELIMINARY

Interpretation

Ref: Pg. 8

A definition to be included: “co-operative entity” means an association of persons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organisation, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in which the members actively participate;

Recommendation 1

The Standing Committee is requested that the “Co – operative entity” definition be included in the interpretation list

2.3 PART 1 – PRELIMINARY

Interpretation

Ref: Pg. 8: **Definition of “Credit union”**

Currently reads: The definition of credit union reads “credit union means a voluntary or non-profit institution, or co-operative engaged in credit union business.

Recommendation 2

The Standing Committee is requested to change the definition to now read “credit union” means a voluntary, financial co-operative entity, non-profit institution engaged in credit union business;

2.4 PART 1 – PRELIMINARY

Interpretation

Ref: Pg. 8: **Definition of “immediate family”**

Currently reads: The definition of “immediate family” is the relation to the first degree of consanguinity and affinity to the member, that is, spouse, a parent or children by blood or adoption, of the member.

Recommendation 3

The Standing Committee is requested to change the definition to now read: “immediate family” is the relation to the first degree of consanguinity and affinity to the member, that is, spouse, parents of the member and the spouse, children by blood and/or adoption;

2.5 PART 1 – PRELIMINARY

Interpretation

Ref: Pg. 8: **definition of “licensed financial institution:**

Currently reads: “licensed financial institutions” means any institution that is licensed by the Reserve Bank under the Banking Act 1995 to undertake activities as specified in its license;

Comments: Credit unions are not banks and they must not be under the Banking Act of 1995

Recommendation 4

The Standing Committee is requested to change the definition to now read: “licensed financial institutions” means any institution that is licensed by the Reserve Bank to undertake activities as specified in its license;

2.6

PART 1 – PRELIMINARY

Interpretation

Ref: Pg. 8: **definition of “membership shares”**

Definition currently reads: “membership share” means a share of a credit union subscribed and paid for by a member of the credit union and having the terms and conditions as specified in the credit union’s standard and supplementary by-laws;

Comments: the credit union’s standard and supplementary by-laws; was not circulated with Bill No 29 of 2025

Recommendation 5

The Standing Committee is requested to ensure that the credit union’s standard and supplementary by-laws; be circulated so credit unions are in a better position to understand what this means for them,

2.7 PART 1 – PRELIMINARY

Interpretation

Ref: Pg. 8: **definition of “net income”**

Currently reads: “net income” means the amount of money a credit union has left over after subtracting all of its expenses from its total revenue over a specific period.

Recommendation 6

The Standing Committee is requested to change the definition to be replaced with:

“net income” means the net income or surplus of a credit union determined in accordance with meeting requirements under section 40(1);

2.8 PART 1 – PRELIMINARY

Interpretation

Ref: Pg. 9: **definition of “qualifying share”**

Currently reads: “qualifying share” means a non-refundable share equivalent to a value of one fully paid membership share, which a person applying to be a member of a credit union is required to pay and which is retained by the credit union in its capital account for operational management purposes;

Recommendation 7

The Standing Committee is requested to change the definition to be replaced with:

“qualifying share” is equivalent to a value of one fully paid membership share and is required to be purchased by an individual applying to be a member of a credit union. The qualifying share is non-refundable and is retained by the credit union in its capital account for the purposes of managing the credit union operations;

2.9 PART 2 – SUPERVISORY AUTHORITY

Authority to contract for professional services

Ref: Pg. 10, Part 2 Supervisory Authority Division 1 no. 5

5. The Reserve Bank may, negotiate, contract or enter into an agreement for professional services, in accordance with applicable procurement requirements.

Comments: our understanding of this clause is that the RBF can contract a third party to audit credit union accounts. If the cost will be borne by the RBF, the fact remains that the credit union will still have to be in compliance with additional regulatory requirements and this will be overwhelming for credit unions as they already have to ensure their Financial reports are audited by registered audit firms as per required in other stipulations within Bill 29 of 2025.

Recommendation 8

The Standing Committee is requested that this clause be deleted.

2.10 PART 2 – SUPERVISORY AUTHORITY

Ref: Pg. 9. – 4. (1) ;(2): **Division 1 – Reserve Bank**

Administration

4.— (1) The Reserve Bank must administer this Act and perform all the functions assigned to it by and under this Act.

(2) The Reserve Bank must discharge its functions in a way that is compatible with the objective of this Act and that the Reserve Bank considers most appropriate for the purpose of meeting the objective.

Comments: The interchanging in subsection 1 the use of the word “shall” and ‘must’ on several occasions alters the tone of the sentence on some occasions. This will depend on the interpretations of the person reading it. This may not mean much but from the legal perspective it will be a different story.

Recommendation 9

The standing Committee is requested to consider changing this clause 4 (1) to now read:

4. (1) The Reserve Bank shall administer this Act and must perform all the functions assigned to it by and under this Act.

2.11 PART 2 – SUPERVISORY AUTHORITY

Ref: Pg. 10. – 6. (1) ;(2) ;(3): **Division 2 – General Provisions**

Fees

6.— (1) The Minister may, in consultation with the Reserve Bank, prescribe fees to cover expenses associated with the licensing, registration and supervision of credit unions.

(2) The Reserve Bank must have regard to the anticipated costs of the Reserve Bank in performing any other function assigned to it under this Act.

(3) The fees payable under this section must be paid upon the grant of the license or registration, and thereafter on an annual basis.

Comments: We feel that with the current 6.(1), the Minister should not be involved with the levy of any fees and the Reserve Bank must be solely responsible for this as they have the mechanisms and expertise in place within the institution for this. Furthermore, under this section a schedule of fees is not defined or tendered. This does not allow CU's to comment on it. It is important that a schedule of fees is tabled for the affected sections because the operational cost of CU's will be impacted. Smaller credit unions may not be able to absorb the additional expenses. More importantly, the fees must be described in the regulations that is issued under this Act.

Recommendation 10

The standing Committee is requested to consider changing this clause to now read:

6.—(1) The Reserve Bank may establish and collect fees from credit unions in order to cover its expenses associated with the licensing and examination of credit unions.

(2) The fees established by the Reserve Bank shall be related to the cost incurred in order to discharge its functions in regulating and supervising credit unions under this Act.

(3) The fees may be prescribed in regulations issued under this Act.

The standing Committee is also requested to circulate the regulations to all credit unions as soon as possible, with the positions of the credit unions clearly outlined.

2.12 PART 2 – SUPERVISORY AUTHORITY

Annual Report

Ref: Pg. 10. – 7.

Annual report

7. The Reserve Bank must prepare an annual report detailing its activities for the preceding year, including—

- (a) the number of examinations performed;
- (b) its performance in achieving the objective of this Act;
- (c) financial information on the credit union sector during the preceding year;
- (d) the outlook for the credit union sector; and
- (e) any other pertinent matters necessary to achieving the objective of this Act.

Comments: The provision on supervisory plans and regulatory issues that surface from audits carried out should form part of the annual report of the RBF and disseminated to credit unions. This will help improve CU compliance to the regulations. Noncompliance penalties will over time become a non-issue.

Recommendation 11

The Standing Committee is requested to consider changing part (d) to now read

(d) its supervisory plan for examinations of credit unions and other significant supervisory and regulatory issues;

2.13 PART 2 – SUPERVISORY AUTHORITY

Other responsibilities

Ref: Pg. 10. – 8.

Other responsibilities

8. The Reserve Bank must—

(a) maintain accurate and updated records on credit unions;

(b) act as liaison with all credit unions and with the Credit Union League; and

(c) provide assistance and advice as necessary to assist officers and members of the Credit

Union League in due observance of, and compliance with, this Act.

Comments: With reference to subsection (a) on updated records and subsection (c) on compliance, the subject of information sharing is important for good working relationship with the regulating authority. This working environment should be fostered.

Recommendation 12

The Standing Committee is requested to have an additional subsection be added to the section to bring about the realization of the subject, in terms of the role of the credit union league with regard to the Training and Monitoring and evaluation of Credit Unions, especially so the smaller credit unions and credit unions who operate solely with savings and loans.

2.14 PART 2 – SUPERVISORY AUTHORITY

Standard By - Laws

Ref: Pg. 13. – 14. (1)

14.— (1) The Reserve Bank may provide standard by-laws to facilitate the establishment of a credit union and the governance of its operations.

Comments: This section provides the issuance of the Standard by-laws. However, this was not provided and this document is of great importance as it serves as the guide to credit unions in forming their supplementary by-laws. Without it, new credit unions would be in a very difficult position to carry out that exercise.

Recommendation 13

The Standing Committee is requested to consider the immediate preparation and dissemination of the Standard by-laws in accordance to the provisions of the bill.

2.15 PART 3 – ESTABLISHMENT AND OPERATION OF A CREDIT UNION

Members

Ref: Pg. 16. – 23. (3) (4)

(3) A co-operative, association, or partnership may apply to be a member of a credit union on the grounds of sharing the common bond of membership of the credit union only if it is composed of individuals eligible for membership under subsection (1).

(4) A company may share the common bond of membership if members of the credit union own at least 80% of the voting shares of the company and no non-member controls the company.

Comments: Section 23 subsections 3 and 4 provides for the inclusion of co-operatives and companies to apply for membership in a credit union. This is highly irregular as the credit unions were designed specifically for individuals. “They are created, owned and operated by the members themselves which are not-for-profit enterprises.” They only offer limited products with maximum benefits towards members. Important takeaways for credit unions are –

- ✓ They offer fewer products for members
- ✓ They offer better returns on members’ savings
- ✓ Not publically traded
- ✓ They only need to make enough profits to maintain the credit union operations.
- ✓ Income generated is used to fund products that best serve the interests of members.

Recommendation 14

The Standing Committee is requested to consider the removal of subsections 3 and 4 of Section 23 from Bill 29 as the entities mentioned are registered under different Acts. Allowing their inclusion into the Bill will defeat the functions of the credit union.

2.16 PART 3 – ESTABLISHMENT AND OPERATION OF A CREDIT UNION

Meetings

Ref: Pg. 17. – 25

25.— (1) The embers of a credit union must hold an annual general meeting no later than 4 months after each financial year end.

Comments: We note that in sub section 1, there is a typographical error. Currently it reads “ The embers of the credit union” whereas it should read “The members of the credit union”

Recommendation 15

The Standing Committee is requested to correct the typographical error on sub section 1.

2.17 PART 3 – ESTABLISHMENT AND OPERATION OF A CREDIT UNION

Vacancies and removal

Ref: Pg. 20. – 4

(4) Where there are no members of the board, 25 members of the credit union or one-fifth of the members of the credit union, whichever is less, may appoint in writing at least 5 persons as interim members of the board for the purpose of calling a special meeting to elect members of the board.

Comments: Subsection 4 states that 25 or one fifth of the members to appoint in writing at least 5 interim members of the board for the purpose of calling a SGM to elect new members of the board. This poses a problem of manipulation of the system. Once a precedent is set, it could be used in other situations which cause a breach of the by-laws.

Recommendation 16

The Standing Committee is requested to consider the recommendation, that in order to protect the credit union, a two thirds of the membership requirement would be the best fit for this.

2.18 PART 3 – ESTABLISHMENT AND OPERATION OF A CREDIT UNION

Capital Requirements

Ref: Pg. 27. – 44.

44.— (1) A credit union must maintain a capital ratio as the Reserve Bank may determine.

Comments: Subsection 1 states the requirement of a capital ratio is to be maintained. The subsection however does not provide a percentage figure as a guide. With no defined direction on the subject, CU's will be caught by surprise when the regulating authority comes up with an unworkable figure.

Recommendation 17

The Standing Committee is requested to consider the recommendation, that to be on the safe margin 10% could be a starter and reviewed after consultation with other stakeholders.

2.19 PART 4 – ACTIVITIES OF CREDIT UNION

Additional Requirements for loans to directors, committee members and senior management

Ref: Pg. 34. – 1(b)

72.— (1) A loan to a director, committee member, senior management and their related members—

(b) for the loan applicant, or the director, committee member or senior management related to the loan applicant, must not be present nor participate in the consideration of the credit application and the requirements of section 143 must be met;

Comments: Sub section 1(b) refers to section 143 under "Conflict of Interest" as a requirement to be met. This section deals with the integrity of and officer, employee, etc. with regards to the issue of transparency.

Recommendation 18

The Standing Committee is requested to look into the item and initiate stringent wording to ensure the declaration of interest in any action to be undertaken thereby eliminating insider trading for personal benefit. This will strengthen the section.

2.20 PART 4 – ACTIVITIES OF CREDIT UNION

Prepayment Privilege

Ref: Pg. 34. – 76 (2)

(2) The right of prepayment must be reflected in the written instrument required under section 81.

Comments: Sub section 2 refers to section 81 as a requirement to be met in respect to prepayment privilege. However, section 81 deals with “allowance for loan losses. “which does not make any sense. The more appropriate section that would meet this requirement is section 69 subsection 2.

Recommendation 19

The Standing Committee is requested to look into the item and initiate stringent wording to ensure the declaration of interest in any action to be undertaken thereby eliminating insider trading for personal benefit. This will strengthen the section.

2.21 PART 4 – ACTIVITIES OF CREDIT UNION

Divestiture of non – conforming investments

Ref: Pg. 38. – 93(5)

The trustee appointed under subsection (3) must pay to the credit union any proceeds from the divestiture or termination of activities, less any costs of sale or termination, and less any expenses of the trustee.

Comments: Sub section 5 has wrongly quoted sub section 3 as reference for the action to be carried out. Sub section 3 has been separated into two sub sections. Sub section 5 should therefore now refer to sub section 4 as the qualifying sub section.

Recommendation 20

The Standing Committee is requested to look into correcting the typographical error.

2.22 PART 5 – SUPERVISION AND REGULATION

Issuance of Regulations and prudential requirements

Ref: Pg. 39. – 94(1)

94.— (1) The Minister may, in consultations with the Reserve Bank, prescribe regulations to implement this Act and carry out its objectives.

Comments: Sub section 1 attests to the involvement of the line Minister in initiating consultations with the Reserve Bank with regards to regulatory issues. This is highly irregular and is of great concern to credit unions. Our concerns are –

- ✓ The line Minister may invoke this sub section at will
- ✓ It allows for the minister to consult the Reserve Bank on regulatory changes
- ✓ The regulating authority loses its independence and becomes compromised
- ✓ The government of the day through its line Minister may institute regulatory changes thus creating an avenue for the act being politicized

Recommendation 21

The Standing Committee is requested to consider removing the direct involvement of the line Minister from the document to ensure independence of the regulating authority. The action by the line minister should be upon the initiation for consultation and recommendation on issues from the regulating authority, in this case, the Reserve Bank of Fiji as reflected in Section 170 subsection 2.

2.23 PART 7 – MERGER AND CONSOLIDATION TRANSACTIONS

Application merge or consolidate

Ref: Pg. 45. – 109 (1) (b) (ii) & 109 (1) (b) (iv)

109. — (1) After the agreement by the board and approval by the majority of the members, as applicable, the chairperson and secretary of each credit union may execute a certificate of merger or consolidation that—

(b) states—

(ii) the board's vote on the adoption of the consolidation plan;

(iv) the membership's vote on the approval of the consolidation plan;

Comments: Sub section 1 (b) ii and sub section 1(b) iv both deal with issue of votes. We feel that they are vague and do not clearly present the results of the vote. We are of the opinion that the results be clearly expressed as a matter of transparency.

Recommendation 22

The Standing Committee is requested to consider inserting the words "for and against" in the identified portions. They should now read –

Sub section 1 (b) ii "the board's vote for and against on the adoption of the consolidation plan be displayed"

Sub section 1 (b) iv "the membership's vote for and against on the approval of the consolidation plan be displayed"

The Standing Committee is request to consider our recommendation to insert of the words "for and against". This will give more clarity to the actual results of the voting.

2.24 PART 8 – CONTROLLERSHIP

Administrative review of controllership directive

Ref: Pg. 48. – 116

116. The board may obtain administrative review of the controllership directive as provided in sections 162 and 163.

Comments: The section deals with the administrative review of the controllership directive and refers to the provisions in sections 162 and 163. We note that there is a provision in the sections mentioned for redress through the judicial system. This is not mentioned in the heading for the section.

Recommendation 23

The Standing committee is requested to consider inserting the words “and judicial” in the section heading to read –

“Administrative and Judicial review of a controllership directive”

2.25 PART 11 – CREDI UNION LEAGUE

Establishment of Credit Union League

Ref: Pg. 56. – 155 – (1) – (6)

155.— (1) This section establishes the Credit Union League, whose membership may include the credit unions licensed under this Act.

(2) The Credit Union League must, for the purpose of this Act, be a credit union.

(3) The Credit Union League is to coordinate, assist and promote all credit unions and perform such functions as may be determined in its constitution by its constituent members and approved by the Reserve Bank.

(4) The Credit Union League may—

(a) pay market rates of return on money under its administration;

(b) invest in cash, government securities, government guaranteed investments or other investments as approved by the Reserve Bank; and

(c) establish an investment committee.

(5) An investment committee established pursuant to subsection (4)(c) comprises of individuals who have a sound understanding of investment risks and liquidity management and may be appointed for a maximum of 2 terms of 3 years each.

(6) The committee is to establish the Credit Union League’s investment policies and coordinate and oversee its investment portfolio.

Comments: 1. Subsection 1 changed to now voluntary membership which aligns with section 49

subsection 5 of Cap 251 but a shift from draft 2017 which states all should become members. What position do we take?

2. Subsection 2 states that the league must be a credit union. This is a shift from the original intent of the league’s formation. If it is forced to become one, it will diffuse the objects of the league – training, mentoring, provide oversight, the link to the regulating authority, etc. provisions under subsection 3 cannot be fulfilled due to the recognitive authority not supported by the act.

3. Subsections 4, 5 & 6 allow the league to invest and draw income from it. This will bring the league into the taxation issue on income under section 164.

Recommendation 24

The Standing committee is requested to consider having the role of the Fiji Credit Union League re visited bearing in mind their current status. If it is necessary, a total reform be carried out to match the final approved role of the League.

Some recommendations is to have the services offered by the League then be reintroduced and the reserve bank is to monitor and evaluate the progress of the League in as a training and supervisory body for credit unions especially the smaller credit unions.

2.26 PART 14 – MISCELLANEOUS

Income Tax

Ref: Pg. 60. – 164

164. The income of a credit union is subject to income tax.

Comments: This section deals with the issue of taxation. This is a complete turnaround from the current Act as stated in Section 71 of Cap 251 of 1978. the credit union fraternity view this with great concern. Credit unions are non-profit entities and so must remain that way for the benefit of its members.

Our objections to the shift in taxation provisions is based on –

- ✓ Credit unions pour back the bulk of profits to their members by way of dividends, benefits like medical and medication assistance, insurance cover for shares and loans to name a few.
- ✓ Derived income for smaller credit unions will over time disappear resulting in their viability being impacted which may lead to their collapse
- ✓ The inclusion of fees in Bill 29 to be levied on credit unions is a burden that we have to contend with making the income level of credit unions thinner.
- ✓ For those that have investment arms, their income is taxed at source. Dividends received on investments may be viewed as income and be taxed. The issue of double dipping by government through this section is a very real possibility.

We are also mindful that some of our fellow credit unions have moved into business investments. As far as we concerned that is a business entity registered under a different Act that has nothing to do with the credit union core values.

Recommendation 25

The Standing Committee is requested to consider the rescinding the taxation of income by credit unions in view of the thoughts and concerns submitted on the subject.

3.0 Conclusion

The FSCUL is grateful for this opportunity to make this submission on and urge the prompt release of the standard by laws and regulations so that meaningful and holistic review is possible on the new legal mechanism. Once again, Thank You for the extension of the time to make this supplementary submission.

Appendices

Appendix 1. Key Events

Year	Events
1953	<ul style="list-style-type: none">• Reverend Father Marion Ganey SJ, who had successfully implemented the credit union system in British Honduras, was invited to Fiji.• Due to the personal interest of Ratu Sir Lala Sukuna, who served as the Secretary of Fijian Affairs at the time, the Department of Finance granted £5,000 for the establishment of the Credit Union system.
1954	<ul style="list-style-type: none">• The credit union movement was introduced to Fiji by Sir Ronald Garvey, the then Governor of Fiji. with the assistance of Ratu Sir Lala Sukuna, who held considerable influence as a chief during that period.• The first credit union was established• July 15th the Legislative Council unanimously passed "The Credit Union System Ordinance 1959".
1956	<ul style="list-style-type: none">• The Fiji Credit Union League (FCUL) was first registered. The training center was established with the primary purpose of educating credit union members on fundamental credit union principles, basic accounting practices, financial statement preparation, financial statement analysis specific to credit unions, and associated risks.
1964	<ul style="list-style-type: none">• Insurance underwriting for the Pacific Credit Union, through the CUNA Mutual Group.• Development of the Bergengren Training Centre and the
	formation of the formation of the South Pacific Credit Union League.

1978	<ul style="list-style-type: none"> • following Fiji's independence in 1970, this ordinance was amended and transformed into the Credit Union Act of 1978 {Cap 251}, which remains the governing legislation to this day. Since then, there has been no comprehensive legal review or amendment.
1983	<ul style="list-style-type: none"> • the Fiji Credit Union League requested the assistance from VOCA, (Volunteers in Overseas Cooperative Assistance).
1984	<ul style="list-style-type: none"> • Mr. Carlos M Matos from VOCA came and work with the League Planning Committee comprising of Fr Marion Ganey SJ {Founder}, Jone Naisara (co Foudner) Agapito Nasese (MD), Daniele Buresse {DMD) and Joseva Manaseitava (Director -Training). In his Report "In Pursuit of Self Reliance -A Credit Union Programme for Fiji", it was noted, among other things that the number of credit unions in Fiji was 114 and the actual number of members was 23,475 and its total assets \$12,949,748. Out of the 114, most of the credit unions were in: <ul style="list-style-type: none"> ✚ Nadroga - {30} members - 2,817, ✚ Suva- {26} ; members 14,608, ✚ Tailevu {19} members; 1,214, ✚ Cakaudrove {16} members: 1,085. ✚ The rest cover other provinces.
2006	<ul style="list-style-type: none"> • The Fiji Credit Union League (FCUL) was re-registered as the Fiji Savings and Credit Union League (FSCUL)
2016	<ul style="list-style-type: none"> • A review of this Act was conducted in leading to the preparation of a draft Credit Union Bill 2016, that was widely circulated to credit unions for their written submissions.
2016	<ul style="list-style-type: none"> • The regulation that was to be presented with this draft bill was requested by the Credit Unions.

2017	<ul style="list-style-type: none"> • Credit unions were forwarded 3 documents, namely the Proposed Credit Union Legislation Explanatory Memorandum; the proposed Credit Union Legislation: The Credit Union Regulations & The Standard By Laws for Credit Unions Operating in Fiji under the Credit Union Act 20xx.
2025	<ul style="list-style-type: none"> • the credit unions were invited to present their submissions to the Parliament Standing Committee on Economic Affairs.

Appendix 2

Table 1: Credit Unions, 1954-2012⁷

	Number of credit unions	Number of members	Market penetration ratio (%) [*]
1954	66	8,347	2.6
1964	288	32,407	7.2
2005-06	47	21,932	2.7
2007-08	37	19,643	2.3
2009-10	30	18,843	2.2
2011	30	18,843	2.2
2012	28	16,192	1.8
% change			
1954-64	336%	288%	
1964- 2012	-90.3%	-50.0%	-75.0%

(Source: Arbuckle (1969); Fiji Islands Bureau of Statistics, various years;

(Source: FSCUL; WOCCU 2011 Statistical Report; FTUCTCL & SWCU Annual Reports).

⁷ The data for 2012 is provisional. The FSCUL is in the process of collecting more details on credit unions in the country, particularly those that are not members of the FSCUL. 2005-2011 data includes both members and non-members of the FSCUL, and amended by authors to include the Fiji Teachers Union Co-operative Thrift and Credit Limited (FTU-CTCL). FTU-CTCL operates as a financial co-operative and is regulated by the Co-operatives Act; however, its core function remains that of a credit union. 2012 data is as at 30 June, of which 26 credit unions are FSCUL members, plus Service Worker Credit Union (SWCU - non-member) and FTU-CTCL.

Appendix 3

CREDIT UNION INVOCATION PRAYER

Lord, Make me an instrument of thy peace
Where there is hatred, let me sow love Where there is injury, pardon
Where there is doubt, faith Where there is despair, hope
Where there is darkness, light
And where there is sadness, joy.

O Divine Master, grant that I may not so much seek
To be consoled as to console
To be understood as to understand
To be loved as to love
For it is in giving, that we receive
It is in pardoning, that we are pardoned
And it is in dying, that we are born to eternal life



SERVICE WORKER CREDIT UNION

**Submission to the Standing Committee
On Economic Affairs**

Draft Credit Union Bill No.29 of 2025

Credit Unions Act 1954

Service Worker Credit Union

300Waimanu Road

Suva



Submission by Service Worker Credit Union
On Draft Credit Union Bill No.29 of 2025

1. Preamble

1.1Introduction:

This submission is made by the Service Worker Credit Union (SWCU), a credit union registered in year 2000, and has been serving its members for the past twenty five (25) years. The membership of SWCU comprising of 1461 members consist of civil service employees including the Government Wage Employees, Statutory Authorities and Government Commercial Companies. The contents, herein, reflect their views and legitimate expectations on common concerns to promote credit unions as major savings institutions for the purpose of promoting thrift and credit amongst members and to assist them in obtaining loans for provident or productive purposes. The SWCU currently has an Interest Bearing Deposit (IBD) of \$2.59 million with Kontiki Finance (\$1.26m) and Merchant Finance (\$1.33m) respectively. It has two properties located at 300 Waimanu Road valued at \$1.5 million and at 11 Goodenough Street across to 13 Kimberly Street valued at \$4.9 million with the total value of \$6.4 million.

1.2Response to the Standing Committee : Our submission is in response to the call by the Chairperson of Standing Committee on Economic Affairs, Hon Sakiusa Tubuna on 13th August 2025 inviting submissions from Service Worker Credit Union to submit its comments on the contents of the Credit Union Draft Bill No.29 of August 2025. As the legitimate stakeholder to the draft Bill, we are eligible to put across our views to the Standing Committee on Economic Affairs.

1.3Scope of the Bill: The Credit Union Bill No.29 of August 2025 is quite a comprehensive legislation compared to the Credit Union Act Chapter 251. However, the Acting AG's Explanatory Note item 1.3 indicates that it is to replace Credit Union Act 1954. The Bill has incorporated sections in the Bill

in order to have a firm control by the Reserve Bank of Fiji on its operations. The proposed Bill also seems to have incorporated sections from the Banking Act and the Financial Transactions Act. Introduction of new provisions and the stringent monitoring are welcomed as this will have positive impact on the operations of the Credit Unions.

2. Responses

2.1 Section 6(1)) – This section states that Reserve Bank may in consultation with the Minister to establish and collect fees in order to cover its expenses associated with supervision of Credit Unions.

SWCU opposes to any cost that is to be paid by a Credit Union for the supervision conducted by the Reserve Bank. There is a provision in the Act to constitute an internal Supervisory Committee. The key role for this committee is very explicitly stated and which primarily focuses on compliance and internal control. While the inclusion of supervision to monitor the credit unions is welcomed, the cost associated with it will be an unnecessary burden on credit union members. The fee structure has not been revealed but powers given to the Minister to regulate the fee would give rise to the conjecture to the level of the fees and charges that will be levied.

2.2 Membership – Clauses 23(2) – This subsection permits immediate family of a member to join the credit union.

The Service Worker Credit Union is not in favour of this provision as inclusion of immediate family members will increase unnecessary risk on lending. Currently the savings and loan repayments are deducted at source for the members of SWCU. The inclusion of immediate family members will increase the collection cost and may also create confusion on withdrawals and loan request amongst a member and his family. If a member's spouse is a house wife, the question is how will she take loan and make her repayments. The members have the right to speak and vote in the General meetings. If a family or a couple have only one (1) share then who will decide on who will vote? The supplementary by-laws require that regular savings needs to be contributed by the members. How will an

unemployed immediate family member contribute? The Bill also needs to define "immediate family".

SWCU suggests the removal of this subsection.

2.3 Supervisory Committee [Section 33 (8) &(9)] –The two (2) subsections gives powers to the Supervisory Committee to recommend suspension of officers including General Manager, Board Members and Committee Members of the Credit Union for breach of Credit Union's system of internal control, including policies or procedures.

SWCU opposes the above two (2) sections. Should the Supervisory Committee determine that an officer has breached credit union's internal control system then the matter should be brought before the Human Resources Policy or any other relevant legislation. Matters of this nature can be disposed off by the Board of Directors and it is not a matter that calls for the meeting of members and to inform them of such matters. Calling meetings of the members is a mammoth task which comes with huge cost for larger Credit Unions. The actions taken by the General Manager or the Board of Directors will always be reflected in the Activities Report of the Credit Union during its Annual General Meeting.

2.4 Clause 14 (1) of the Draft Bill refers to the Standard By-Laws. It states that RBF may provide a Standard By-Laws to the credit unions. We strongly suggest that the Reserve Bank of Fiji should prepare a revised Standard By-Laws in order for the Credit Unions to meet the current and varied financial operations that has been continuously introduced over the years viz a viz the 1950's Standard By-Laws. It is to be noted that each Credit Union is required to produce its Supplementary By-Laws emanating from the Standard By-Laws and the provisions of the credit Unions Act. Clause 14 (5) is a new provision in the draft which requires approval of the RBF for the usage of the Supplementary By-Laws.

We view the RBF approval as an unnecessary provision in the draft Bill. This matter, infact, rightly falls under the provision of the individual Credit Union Board under the current practice supported by the Supervisory Committee. It is further viewed that RBF wants to micro manage the operations of Credit Unions.

2.5 Approval to be Board Member, Committee Member and General Manager (Section 37) – This section requires the approval of the Reserve Bank in the appointment of Board Members, Committee Members and General Manager as officers of the Credit Union.

SWCU opposes this section as it depicts undue interference by the Reserve Bank as to who its members choose to lead the organization. It also brings to question the integrity of the members and the resolutions arrived at the General Meetings by members after thorough analysis of the qualifications and experience of the candidates. The Credit Union and its members should be at liberty to elect office bearers within the guideline provided in the Draft Bill.

SWCU recommends that Section 37 be completely withdrawn to give respect to the choice of the members of the credit union. As this clause in the Bill stands, it is an affront to the overall democratic process, that is bandied around every day, by all and sundry. We very much doubt that the banking sector is held to this rule.

2.6 Approval on Borrowings – This section requires Credit Unions to seek approval from Reserve Bank before incurring debts and on borrowings.

SWCU opposes this section as it again shows unnecessary interference by the Reserve Bank in asking Credit Unions to seek approvals. The Board of Directors elected should be able to incur debts and be authorized to borrow from other financial institutions. The Supervisory Committee is always at their disposal to advice and control any unviable investments or borrowings. The provisions in the Bill for Examiners and a Controller are sufficient safeguard to see that stringent financial acumen is used to operate the Credit Union, as such there is no need for bureaucratic written approval for borrowings.

2.7 Credit Union League (CUL) Part 11 Section 155(3) “The Credit Union League is to coordinate, assist and promote all credit unions and perform such functions as may be determined in its constitution by its constituent members and approved by the Reserve Bank”.

The operation of the Credit Union League has been ineffective and is not generating enough revenue to sustain its operational cost. We have only been able to obtain very basic information on the operations of the League. Currently the League has only four smaller credit unions as its members namely; Nurses Credit Union, ATS, Telecom and Fintel. The League's office is not fully operational and it is opened at 5pm on adhoc basis. The current state of the property is a matter of concern as it appears to be neglected, and thus, it appears that it is unable to attract tenants for renting of the place to earn some required income. The loss making trend should surely be worrying and there is a question mark on the CUL as a going concern.

The CUL under the Draft Bill will have to operate as a Credit Union, which in our view, will be an uphill battle. They do not have a membership base, therefore, Clause 155 (2) must be re visited as the reality on the ground is very different.

Under Clause 155 (4), (5) & (6) of the Draft Bill the suggestions made on investments by the League would require a total overhaul of the current set up of the League to implement such a proposal.

In view of the current state of affairs in the Credit Union organisations the individual credit unions had been at liberty to either join or not to join the League. The individual credit unions and its members seem to have decided that they would not benefit from anything by joining the League. If the League is to be properly established a special task force should be set up under the guidance of RBF to investigate the current operations and ascertain its future viability in its current form. The task force should carry out the investigation under a Terms of Reference (TOR) with a latitude to recommend changes to the current structure where it would streamline the operations of the League relative to the draft Credit Union Bill after the required necessary changes are made. The high mandatory affiliation fee is one of the major reasons for credit unions for not joining the League, aggravated by almost nil benefit available to the credit union organizations.

3.0 Conclusion

Service Worker Credit Union has been in existence for the past twenty five (25) years and it has continued to serve its members to the best of its ability.

The two principles upon which the SWCU was founded have endured;

To instill in members the virtue of thrift and savings and secondly a commitment to serving the needs of its members. SWCU has continued to evolve away from its image as a small savings and lending institution to building a proactive, competitive and performance related organization more attuned to meet the needs of its members. Today it is the largest credit union in Fiji.

SWCU has always complied with the legislation and has been reporting to its members on all its activities at the Annual General Meetings. The last AGM was successfully held in Suva on Saturday 16th August, 2025 which also discussed the draft Credit Union Bill 29 of 2025 and endorsed the changes as contained in this submission.

The SWCU members have not only benefited from the services being provided but have also gained by receiving dividends on their shares. The latest dividend of 5% was declared for the period ending 1st July 2024 to 30th June 2025 and credited to the individual member's accounts.

The draft Credit Union Bill appears to be a positive step towards enhancing the services provided by the Credit Unions. The Bill contains useful provisions which is appropriate for the credit unions as one of the Financial Institutions where RBF's oversight are required to protect the savings of the credit union members. Credit Unions are for its members (specific group) thus major decisions on its operations, election of office bearers and their needs are compiled under the Supplementary By-Laws and under the reporting requirements of the RBF. When the Bill 29 of 2025 is passed by the Parliament then it will become a Credit Union Act of 2025 and the RBF will be the sole regulatory authority.

It is our request that the Standing Committee on Economic Affairs considers our recommendation stated in this submission and advocate for the necessary amendments suggested for smooth running of the credit unions in Fiji.

FIJI NURSING & ASSOCIATES CREDIT UNION (FNACU)

PRODUCTS AVAILABLE TO MEMBERS AT THE FNACU

All products available at our organisation are govern through the standard by-laws of the Fiji Credit Union whereby our organisation created our by-laws from it. This is available to members through pamphlets.

1. SHARES

Each member deducts a minimum share of \$10.00 per fortnight. The maximum shares a member can reach is \$15,000.00.

Most of our members join the organisations soon after graduation before their posting whereby they do not have money to support them in their posting before their first pay. Hence the organisations provide an unsecured loan of \$500.00 to newly join and those who join after being paid get an unsecured loan of \$300.00. Members will only be eligible to withdrew from the organisation after 3 years of being a member and they have also sign the Bond form when enrolled in. Our maximum age limit to join our organisation is 50 years. After 1 year of not receiving members contribution, their account will be closed.

2. TYPES OF LOANS

a) Unsecured loan

Unsecured loan entitlement is given in a sliding scale which is determined by their share and payments whereby it should be paid within 6 months. Members are entitled for additional loan when what they have borrowed previously has reached 50% of their unsecured loan entitlement. For new members, their deduction is \$87.00 per fortnight. The sliding scales of unsecured loan entitlement are as follows:

Shares	Unsecured loan entitlement
\$10.00 - \$1000.00	\$300.00
\$1005.00 - \$2000.00	\$400.00
\$2005.00 - \$4000.00	\$500.00
\$4005.00 - \$5000.00	\$600.00
\$5005.00 - \$7000.00	\$700.00
\$7005.00 - \$8000.00	\$800.00
\$8005.00 - \$9000.00	\$900.00
\$9005.00 - \$12000.00	\$1000.00
\$12005.00 - \$15000.00	\$1500.00

The breakdown of the initial \$87.00 deduction are as follows:

- Compulsory deduction
 - i. Shares – \$10.00
 - ii. Savings – \$20.00
 - iii. Welfare – \$10.00

- Loan repayment and interest – \$47.00

b) Special Loan

- Special Loan \$2000.00
 - i. This loan is paid within 2 years
 - ii. Members should have shares of \$300.00 to be eligible to this loan.
 - iii. They should produce a guarantor who fills the guarantor form willing to cover for the member if the member does not pay the loan.
 - iv. This loan is given only during non pay week.
 - v. The interest rate is fixed 1% per month for the period of the loan which is 2 years and paid in upfront whereby the interest of this loan \$480.00
- Special Loan \$3000.00
 - i. This loan is paid within 3 years
 - ii. Members should have shares of \$500.00 to be eligible to this loan.
 - iii. They should produce 2 guarantor who fills the guarantor form willing to cover for the member if the member does not pay the loan.
 - iv. This loan is given only during non pay week.
 - v. The interest rate is fixed 1% per month for the period of the loan which is 3 years and paid in upfront whereby the interest of this loan is \$1080.00.
- Top up Special Loan
Members are entitled for additional top up to the above special loan when they have paid in half of the borrowed amount. They also need to meet the requirement.

c) Homeware Loan

- This loan is given to members when they require some changes in their homeware which is a maximum of \$500.00.
- The duration of loan repayment is 1 year.
- The interest rate is fixed 1% per month for the period of the loan which is 1 year and paid in upfront whereby the interest of this loan is \$60.00.
- This loan is given only during pay week.

3. COMPULSORY SAVINGS

- When a member join, they deduct \$20.00 per fortnight as compulsory savings which is paid out to them at the end of every financial year which is at the end of October.
- They can not take this savings until at the end of the financial year. Any emergency encounter whereby the member requires this fund will only be given at the Board of Directors discretion.

- They can also increase their saving deductions which is called extra savings and can take it when they need it.

4. WELFARE ACCOUNT

- It is compulsory to all members to pay deduction of \$10.00 per fortnight into this account.
- The retired members contribute only \$30.00 per year.
- The welfare accounts look after the followings:
 - a) Retirement Fund
 - b) Overseas Medical Treatment
 - c) Death of Next of Kin
 - d) FSCUL dues

5. RETIRED MEMBERS

- Retired members can keep their accounts active and enjoy the benefits such as dividend and welfare benefits by paying \$150.00 a year.
- They can pay it in instalment or pay it in full.

6. MINOR ACCOUNT

- They are managed by their guarantor
- They can apply for Full membership when they are above 18 and employed whereby they can contribute to their individual account

7. NET PROFIT FOR THE YEAR

- 20% goes to the reserved fund to take care of our Bad Debtors
- 80% goes to the accumulated fund
 - This is where our 6% dividend comes from
 - The functions and dealings of the office of the Credit Union

8. AUDIT

- It is done by an independent auditor

9. DELINQUENT

- After 6 months of not receiving any payment, it will be transferred and taken care of by guarantor

SUBMISSION BY THE AIR TERMINAL SERVICES STAFF CREDIT UNION TO THE
PARLIMENTARY STANDING COMMITTEE ON ECONOMIC AFFAIRS
ON CREDIT UNION BILL 29 OF 2025

In response to the invitation by the Standing Committee on Economic Affairs, this submission is being presented by the Board of Directors for ATS Staff Credit Union for consideration.

The following submissions are put together on Bill 29 of 2025 using the Credit union Act Cap 251 of 1978 and the Proposed Credit Union Legislation of 2017 as reference and resource documents.

From the outset we would like to point out a few observations that we are concerned about with the proposed Bill 29 of 2025. These are –

- ✓ The Bill was unilaterally prepared for Government by and outside institution
- ✓ The current economic climate of Fiji in relation to the credit union operations
- ✓ The decision by the Minister to table this document in parliament prior to consultation with the stakeholders
- ✓ The Bill is restrictive and does not foster an environment of confidence and stability

With the limited time accorded to prepare a submission we tender the following -

1. **Section 14 of Bill 29:**

This section provides the issuance of the Standard by-laws. However this was not provided and this document is of great importance as it serves as the guide to credit unions in forming their supplementary by-laws. Without it, new credit unions would be in a very difficult position to carry out that exercise.

The Standing Committee is requested to consider the immediate preparation and dissemination of the Standard by-laws in accordance to the provisions of the bill.

2. **Section 23 of Bill 29:**

Section 23 subsections 3 and 4 provides for the inclusion of co-operatives and companies to apply for membership in a credit union. This is highly irregular as the credit unions were designed specifically for individuals. “They are created, owned and operated by the members themselves which are not-for-profit enterprises.” They only offer limited products with maximum benefits towards members. Important takeaways for credit unions are –

- ✓ They offer fewer products for members
- ✓ They offer better returns on members savings
- ✓ Not publically traded

- ✓ They only need to make enough profits to maintain the credit union operations.
- ✓ Income generated is used to fund products that best serve the interests of members.

The Standing Committee is requested to consider the removal of subsections 3 and 4 of Section 23 from Bill 29 as the entities mentioned are registered under different Acts. Allowing their inclusion into the Bill will defeat the functions of the credit union.

3. Section 25 of Bill 29:

We note that in sub section 1, there is a typographical error. Currently it reads “ The embers of the credit union” whereas it should read “The members of the credit union”

The Standing Committee is requested to correct the typographical error on sub section 1.

4. Section 72 of Bill 29:

Sub section 1(b) refers to section 143 under “Conflict of Interest” as a requirement to be met. This section deals with the integrity of and officer, employee, etc. with regards to the issue of transparency.

The Standing Committee is requested to look into the item and initiate stringent wording to ensure the declaration of interest in any action to be undertaken thereby eliminating insider trading for personal benefit. This will strengthen the section.

5. Section 76 of Bill 29:

Sub section 2 refers to section 81 as a requirement to be met in respect to prepayment privilege. However section 81 deals with “allowance for loan losses.. ” which does not make any sense. The more appropriate section that would meet this requirement is section 69 subsection 2.

The Standing Committee is requested to consider reviewing the section and insert Section 69 subsection 2 as the qualifying requirement.

6. Section 93 of Bill 29:

Sub section 5 has wrongly quoted sub section 3 as reference for the action to be carried out. Sub section 3 has been separated into two sub sections. Sub section 5 should therefore now refer to sub section 4 as the qualifying sub section.

The Standing Committee is requested to look into correcting the typographical error.

7. Section 94 of Bill 29:

Sub section 1 attests to the involvement of the line Minister in initiating consultations with the Reserve Bank with regards to regulatory issues. This is highly irregular and is of great concern to credit unions. Our concerns are –

- ✓ The line Minister may invoke this sub section at will
- ✓ It allows for the minister to consult the Reserve Bank on regulatory changes
- ✓ The regulating authority loses its independence and becomes compromised
- ✓ The government of the day through its line Minister may institute regulatory changes thus creating an avenue for the act being politicized

The Standing Committee is requested to consider removing the direct involvement of the line Minister from the document to ensure independence of the regulating authority. The action by the line minister should be upon the initiation for consultation and recommendation on issues from the regulating authority, in this case, the Reserve Bank of Fiji as reflected in Section 170 subsection 2.

8. Section 109 of Bill 29:

Sub section 1 (b) ii and sub section 1(b) iv both deal with issue of votes. We feel that they are vague and do not clearly present the results of the vote. We are of the opinion that the results be clearly expressed as a matter of transparency.

The Standing Committee is requested to consider inserting the words “for and against” in the identified portions. They should now read –

Sub section 1 (b) ii “the board’s vote for and against on the adoption of the consolidation plan be displayed”

Sub section 1 (b) iv “the membership’s vote for and against on the approval of the consolidation plan be displayed”

The Standing Committee is request to consider our recommendation to insert of the words “for and against”. This will give more clarity to the actual results of the voting.

9. Section 116 of Bill 29:

The section deals with the administrative review of the controllership directive and refers to the provisions in sections 162 and 163. We note that there is a provision in the sections mentioned for redress through the judicial system. This is not mentioned in the heading for the section.

The Standing committee is requested to consider inserting the words “and judicial” in the section heading to read –

“Administrative and Judicial review of a controllership directive”

10. Section 164 of Bill 29:

This section deals with the issue of taxation. This is a complete turnaround from the current Act as stated in Section 71 of Cap 251 of 1978. the credit union fraternity view this with great concern. Credit unions are non-profit entities and so must remain that way for the benefit of its members.

Our objections to the shift in taxation provisions is based on –

- ✓ Credit unions pour back the bulk of profits to their members by way of dividends, benefits like medical and medication assistance, insurance cover for shares and loans to name a few.
- ✓ Derived income for smaller credit unions will over time disappear resulting in their viability being impacted which may lead to their collapse
- ✓ The inclusion of fees in Bill 29 to be levied on credit unions is a burden that we have to contend with making the income level of credit unions thinner.
- ✓ For those that have investment arms, their income is taxed at source. Dividends received on investments may be viewed as income and be taxed. The issue of double dipping by government through this section is a very real possibility.

We are also mindful that some of our fellow credit unions have moved into business investments. As far as we concerned that is a business entity registered under a different Act that has nothing to do with the credit union core values.

The Standing Committee is requested to consider the rescinding the taxation of income by credit unions in view of the thoughts and concerns submitted on the subject.

We thank you for your time and the opportunity for us to contribute to this important consultative process on Bill 29 of 2025 which will become the regulating document for credit unions when it is passed into law.

Vinaka vakalevu and may God bless us all.

ANEI NACIQQA (Mr.)
(President – Air Terminal Services Staff Credit Union)

DICKSON MAR:
On behalf of the Board of Directors of ATS Staff Credit Union.



EMPLOYEES CREDIT UNION

PRESIDENT : THOMAS ROBINSON

SECRETARY : SAINIANA WAQAIRAQATA

TREASURER : MAUREEN MANI

PRIVATE MAIL BAG

NADI AIRPORT

PHONE : 673 7060

FAX : 672 6162

EMAIL : employees.creditunion@fiji Airways.com



26 September 2025

Awantika Raj

Deputy Committee Clerk

Standing Committee on Economic Affairs Government Building

SUVA

RE: Submission to the Standing Committee on Economic Affairs

Dear Chairperson and Honourable Members

On behalf of Air Pacific Employees Credit Union, I wish to express our gratitude for the opportunity to present our submissions on the Credit Union Bill 2025 (**Bill**).

In our attached submissions, we outline relevant issues and propose practical recommendations for your consideration. We believe that these changes will ensure the Bill better achieves its objectives while protecting the interests of ordinary credit union members. You will see that our submissions are focused primarily on **taxation** and **proportionate regulation**. We believe successful credit unions are important mechanisms for Fiji citizens to work effectively together to support each other in times of need, to encourage saving and to learn financial management skills. It is important therefore that they are encouraged and supported, not restricted.

We thank the Committee once again for allowing us to contribute to this important process and we remain available for any clarifications.

Kind Regards

.....
Thomas Robinson

President – Air Pacific Employees Credit Union



EMPLOYEES CREDIT UNION

PRESIDENT : THOMAS ROBINSON

SECRETARY : SAINIANA WAQAIRAQATA

TREASURER : MAUREEN MANI

PRIVATE MAIL BAG

NADI AIRPORT

PHONE : 673 7060

FAX : 672 6162

EMAIL : employees.creditunion@fijiairways.com



**SUBMISSION BY THE AIR PACIFIC EMPLOYEES CREDIT UNION TO THE PARLIAMENTARY
STANDING COMMITTEE ON ECONOMIC AFFAIRS ON CREDIT UNION BILL 29 OF 2025**

INTRODUCTION

1. In response to the invitation by the Standing Committee on Economic Affairs (**Committee**), this submission is prepared by the board of Directors for Air Pacific Employees Credit Union (**APECU**).

APECU

2. APECU was founded in 1961. As of 30 June 2025, its last financial year, it had 1321 members and total assets of F\$11.4 million, including a loan portfolio (loans to members) of F\$8.4 million, spread over 920 active loan accounts. Membership is made up of permanent employees of Air Pacific Limited t/a Fiji Airways. Those who retire from the company's employment may remain as honorary members if approved by the Executive Committee.
3. Our assets include over F\$2.5 million in term deposits and investments at Unit Trust of Fiji, which are ways in which we collectively apply surplus funds to get the best returns for our members. Our loan portfolio is generally sound; loan defaults are rare. Our policy is to obtain term life insurance to protect our loans from default if a member passes away. This protects both APECU and the borrower member's family by avoiding recovery against the member's estate.
4. We believe APECU embodies the best characteristics of credit unions and works exactly as credit unions were intended to do:
 - It is made up of a group of members with common interests who generally know and trust each other
 - The members have a simple savings mechanism for their surplus funds and are encouraged to develop savings habits

- Members have access to finance to meet financial obligations which arise, whether for the members' emergencies or routine needs. Because of personal knowledge and trust, together with the assurance that members have regular income through wages and salaries, loans can be quickly and efficiently processed. Administration is largely voluntary and uncomplicated (one person is employed as Credit Union Administrator). This keeps APECU's administration costs low, meaning that members do not have to pay fees.
- The committee members administer APECU's funds with the support of the Credit Union Administrator. They are volunteers and do not charge for their time. Committee members themselves learn on the job and develop financial literacy and administrative skills and experience which they can deploy elsewhere
- Many of APECU's members are lower-income earners who rely on APECU for convenient, flexible and personalized financial support which they might not be able to secure through regular financial institutions.

We believe therefore that credit unions generally are more than just finance institutions. They are an important social mechanism. They drive financial self-reliance and literacy. They give ordinary people quick and flexible access to finance. They encourage people to work together across social, ethnic and religious boundaries and to be organizationally self-reliant, not waiting for Government support or intervention. They are important community organisations which should be encouraged and promoted. For that reason, they should receive incentives and support to grow and thrive.

5. The functioning of APECU and its future regulations are therefore critical to ensure that members continue to receive access to finance which enables them to meet their needs, secure their livelihoods and allow for the exercise of the right to economic participation which is guaranteed under s.32 of the Constitution.
6. APECU recognises the Government's intention to modernise the regulatory framework for credit unions by strengthening governance and improving accountability and transparency. However, these changes must be undertaken in a manner that preserves the unique nature and social benefits of credit unions and does not burden them with unnecessary costs and administrative complexity.



EMPLOYEES CREDIT UNION

PRESIDENT : THOMAS ROBINSON

SECRETARY : SAINIANA WAQAIRAQATA

TREASURER : MAUREEN MANI

PRIVATE MAIL BAG

NADI AIRPORT

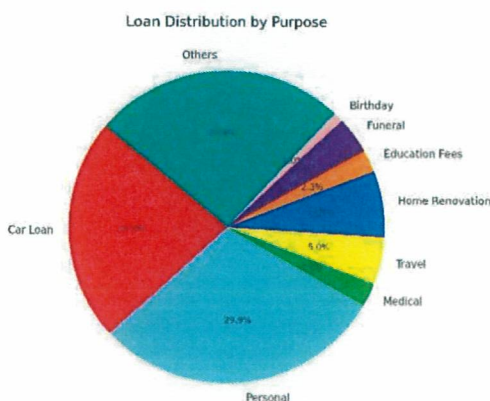
PHONE : 673 7060

FAX : 672 6162

EMAIL : employees.creditunion@fijiairways.com



More on APECU



7. The chart illustrates the distribution of loans issued by our APECU across different purposes. The largest share is for personal loans (29.9%), followed by “Others” (25.9%) and car loans (23.0%). Smaller categories such as home renovation, travel, medical, education, funeral and birthday loans make up the balance.
8. An important observation is that members on lower pay scales have been able to assess smaller loans under categories like medical, funeral, education and birthday without facing any major hurdles. This demonstrates the APECU’s commitment to inclusiveness ensuring that even members with modest incomes can benefit from timely financial assistance for urgent or essential needs.
9. This loan distribution not only reflects the diverse needs of our members but also shows that our system continues to provide equitable access to finance, regardless of income level. Access to such finance is critical for our members, especially those with low incomes, as they are unable to secure loans with financial institutions or face exorbitant (and unsustainable) interest rates on borrowings. Essentially, the APECU facilitates the economic participation of its members through these financing initiatives. These initiatives are made possible given the current regulatory framework which prioritises needs of the members over stringent compliance requirements (e.g. laws applicable to financial institutions such as commercial banks).



PRESIDENT : THOMAS ROBINSON
SECRETARY : SAINIANA WAQAIRAQATA
TREASURER : MAUREEN MANI

PRIVATE MAIL BAG
NADI AIRPORT
PHONE : 673 7060
FAX : 672 6162
EMAIL : employees.creditunion@fiji Airways.com



10. The Bill changes this regulatory framework. Its placement of credit unions under the supervision of the RBF is well intentioned but results in serious consequences (see above). While this will strengthen regulatory oversight and safeguard members funds, in practice it will also bring significant changes to how loans are processed, particularly for members on lower pay scales. We have set out some procedural consequences that are likely to occur should the Bill be implemented. We urge the Committee to consider these seriously individually and within the broader context of the viability of credit unions in Fiji.
11. APECU's submissions are focused on three primary areas:
 - (a) General views on the new Bill
 - (b) proposed taxation of credit unions
 - (c) proposed additional financial regulation of credit unions.

GENERAL VIEWS ON THE NEW BILL

12. The current Credit Unions Act was enacted in 1954. It is relatively simple and easy to follow. It is important that organisations run largely by volunteers, without significant financial resources to employ lawyers and accountants, are regulated in ways that are not overly complex and costly.
13. We recognise that many credit unions have had issues of poor governance, financial losses, dissension and other internal problems. We are not convinced that additional regulation is the answer to these problems. In APECU's view the focus should be on improving compliance with the existing law, not introducing a new one. No doubt some amendments will be required to address issues that have arisen in the last 70 years. However, introducing a completely new law risks putting additional financial burdens on credit unions for professional advice and time demands on volunteer committee members to learn about the new rules.
14. Too often, laws are enacted but there is no follow-up in terms of regulations and effective administration. We would like to know now what the Reserve Bank has planned for credit unions and whether it understands the need to keep things as simple as possible.

TAXATION – CLAUSE 164 (PART 14)

15. We strongly oppose the imposition of income tax on credit unions. We cannot see any good policy or other reason for this. Taxation would directly reduce members' benefits, including interest rebates, dividends, access to low-cost financing and community support services. Many credit union members are wage earners and low-to-middle income households who rely on these benefits for financial inclusion. This change will have significant consequences on the operation of APECU and other credit unions in Fiji and we therefore request that the Committee to seriously reconsider this amendment. We enlarge on our reasons below:

Member-owned, not-for-profit nature of credit unions

16. Credit unions like ours are cooperative not-for-profit institutions owned by their members. Not-for-profit institutions are generally allowed to apply to FRCS for recognition where no part of their income or other funds is used for the pecuniary profit of a proprietor or member. In the case of successful credit unions, undoubtedly members benefit from the dividends that may arise from their operating surpluses so by that reason alone credit unions would not qualify for not-for-profit status. However, many credit union members have relatively low incomes. Any dividends they earn, when added to their other income, would attract relatively low rates of income tax.
17. If the intention is to tax credit unions in the same way as companies (ie tax the institution and leave the dividend tax free) this would reduce cash "at source" and therefore reduce the dividends available to low-income earner members. Taxation can be complex and requires the filing of separate tax accounts. This would burden credit unions with additional costs of compliance.
18. Because their organisation is having to pay tax at a higher corporate rate than the rate they would pay as individuals, they are disadvantaged. It would be better to treat credit union taxation in the same way as partnership taxation – that is, the partnership pays no tax, but the individual partners pay tax on the shares of profit they receive. In that way, if there are high income earners who receive credit union dividends, they can pay tax on them; but lower income earners are less impacted.
19. Issues of tax fairness aside, credit unions should be incentivized to operate with continued tax exemption. They are unique social organisations for the reasons set out in paragraph 4 above and deserve to be recognised as such.

International precedent

20. In many jurisdictions, credit unions are granted tax exemptions or other concessions in recognition of their unique structure and role in serving communities. From our quick research, these include (in summary):
- the Republic of Ireland – credit unions are exempt from corporation tax
 - New Zealand – credit unions are exempt from income tax except income derived from a business carried on beyond the credit union's membership
 - Tonga – credit unions are exempt from all tax on its income and operations
 - United Kingdom – while credit unions are not exempt from income tax, this liability would normally arise only from the union's investment income and chargeable gains¹
 - United States of America – credit unions are exempt from federal and state income taxes
 - Vanuatu – credit unions are exempt from all tax on its income and operations

We believe Fiji should follow this principle to preserve the strength of its credit union movement.

Recommendation

21. For the above reasons, we respectfully urge the Committee to remove the provision on income tax from the Bill and replace it with a provision that maintains the current tax-exempt status of credit unions. This will ensure that credit unions remain strong, sustainable, and able to serve their members effectively consistently with their inherent objectives.

NEW CREDIT UNION REGULATION REQUIREMENTS

22. Under the Bill, the RBF will assume significant responsibility for the supervision and oversight of credit unions (replacing the Registrar of Credit Unions). The Bill gives RBF broad powers to control licensing of credit unions, issue directives, grant approvals and enforce actions against credit unions.

Loss of Cooperative Autonomy

¹ <https://www.gov.uk/hmrc-internal-manuals/company-taxation-manual/ctm40160>

-
23. Credit unions are member-owned and democratically controlled, with decisions made by elected boards. Unnecessary heavy RBF involvement could reduce their independence and effectiveness. Credit unions are smaller, nimbler and more flexible than commercial banks in their ability to approve loans and make quick decisions. This is their strength. If those characteristics are taken away, they will become less effective.
24. There is nothing wrong with good regulation. However, regulation must always be proportionate. We discuss examples of some of our concerns below:
- (a) Section 37 requires the **prior approval** of RBF to appoint a member of a board, committee member or a general manager of a credit union. This is unnecessary, bureaucratic and inflexible. APECU has no problem with the Act setting out the criteria for appointments (see s.35). However, credit unions should be allowed to use those criteria as a guide and appoint their committee members accordingly. RBF can audit and check on compliance without holding up approvals of appointments
 - (b) section 48(1)(b) permits credit unions to purchase, hold or lease real property, or to purchase "such personal property as may be necessary or incidental to the operation of the credit union *subject to the approval of the Reserve Bank*. This is unnecessarily inflexible and restrictive. "Personal property" is anything that is not real property. The law means that APECU would require RBF approval for any capital expenses (for example purchase of office furniture). It is equally ridiculous to require the credit union to obtain RBF approval to enter into a small office lease (which is generally all that a credit union will require if it is leasing premises).
 - (c) Instead, RBF should be given the power to issue guidelines on supervision of major purchases or transactions, assessed against a credit union's overall assets and capital (eg 10% or more of the capital or assets of the credit union). RBF as regulator has the ability to oversee accounts and conduct audits to ensure good governance. Credit union committee members, many of whom have operated successfully for many years, should be accorded that respect.
25. These are examples of unnecessary over-regulation. While regulation per se is not opposed, the law must give RBF flexibility to ensure that regulation respects the common sense, experience and autonomy of credit union committees.



PRESIDENT : THOMAS ROBINSON
SECRETARY : SAINIANA WAQAIRAQATA
TREASURER : MAUREEN MANI

PRIVATE MAIL BAG
NADI AIRPORT
PHONE : 673 7060
FAX : 672 6162
EMAIL : employees.creditunion@fijiairways.com



Heavier compliance burden

26. We are concerned about significantly higher compliance burden placed on credit unions. These seem to be “one size fits all” requirements which take no account of how small or large the organisation and its track record. The strength of credit unions is their diversity and their adaptability to the communities they serve. More imagination is required in the regulation proposed by the Bill.
27. In the current Act, reporting and audit requirements are simpler and tailored for small, community-based credit unions (consistently with the nature and objectives of credit unions). The new Bill introduces commercial bank-like compliance standards (risk management, capital adequacy, liquidity requirements) which will overwhelm most small credit unions.
28. Rather than have the Act prescribe in an inflexible way what credit unions must do, it would be better to give general regulatory powers to the Reserve Bank to issue guidelines and rules that apply to different credit unions with different characteristics. This enables the Reserve Bank to operate flexibly and consultatively in its supervision. Less experienced credit unions may need greater supervision and guidance. Meanwhile successful credit unions such as APECU can be given the opportunity to operate flexibly and conveniently, subject to complying with usual audit and reporting requirements.

Increased Operational Costs

29. The new Bill will result in significantly higher regulatory costs for credit unions, which reduce the surpluses which can be returned to members. This may require APECU to introduce fees or to increase interest rates, directly to the detriment of members. Credit unions do not have the technical and financial resources to absorb these costs. In the long run, this will decrease the attractiveness of joining and participating in credit unions. Members will prefer to seek loans from commercial banks (because they will now be more competitive) or be left without finance.

Shift in focus away from members

30. A feature of the 1954 Act is that member needs were at the centre, with minimal outside interference. Under the new Bill credit unions risk becoming more like commercial banks, focused on satisfying regulatory rules rather than tailoring services to members. Members may lose



convenient product options (e.g., instant small loans), access to lower cost emergency financing or enjoy slower service rollout (see discussion above).

Reduced Flexibility

31. The current Act allows more flexibility in lending and savings tailored to members' needs. The new Bill, particularly with standardized rules to be enforced by RBF, may restrict that flexibility, making loans harder to access for ordinary wage earners. Decisions that used to be quick (e.g., loan approvals, flexible repayment arrangements) may require stricter policies and more paperwork (we discuss this further below). As mentioned above, this will increase compliance costs and loan application turnaround times for credit unions which ultimately harm the members (who will need to absorb the increased compliance costs).

Stricter Documentation and Approval

32. Section 165 Bill requires all credit unions to comply with the Financial Transactions Reporting Act 2004 (**FTR Act**). Activities of credit unions are already caught under the definition of "financial institution" under the FTR Act. It is impractical however to group the activities of a credit union with those of commercial businesses and to require the same level of compliance from both. While both types of entities deal with funds, they are completely different in structure and objectives. A commercial bank has the resources and expertise to meet all the FTR Act requirements. A credit union (voluntary and not-for-profit) does not have these resources and expertise.
33. The stricter regulatory requirements as set out in the Bill also have the potential to require applications for finance (e.g. loan applications) to require more supporting documents and evidence in order ensure compliance (e.g. comprehensive identification documents as part of KYC requirements and anti-money laundering legislation). Ensuring that these requirements are met may increase the costs of the credit unions significantly. Further, the increased requirements will mean a more "formal assessment" of repayment capacity will need to be conducted by the credit unions. This will reduce the flexibility credit unions currently exercise in approving small urgent loans such as those for medical, funeral or education needs.

34. However, an important difference between a bank and a credit union is that, while banks must follow rules to “Know Your Customer”, usually, credit unions already do. That is one of their strengths. Generally, because credit unions only transact within the closed circle of their membership, their likely exposure to risks associated with money-laundering or terrorism financing are very low. So, to help credit unions with compliance, the FTR Act regulator, the Financial Intelligence Unit, needs to actively work with credit unions to develop standards that are realistic and proportionate to their size and circumstances and relatively low risk. Bearing in mind that anti-money laundering measures are not prescribed but are risk-based, regulators should understand that the risks for credit unions lending to their members are significantly lower than for banks (who will lend to anybody). This will minimize costs. It should also minimize the personal risks to credit union officials for liability for minor or unintended breaches. Credit union committee members are volunteers – they are not paid professional bankers.

SUMMARY AND CONCLUSION

35. While APECU welcomes the modernization of Fiji’s credit union framework, we request that the Committee ensure that such modernization takes into account the reality of credit unions in Fiji. Over the years, credit unions have been dying out (not only in Fiji but internationally) but APECU Union has consistently, responsibly and efficiently served its members.
36. Our submissions in summary include:
- (a) removal of section 164 which makes the income of credit unions subject to income tax
 - (b) reconsideration of the prescriptive rules of oversight by RBF in favour of powers given to RBF to regulate flexibly and having regard to the size, quality and track record of individual credit unions
 - (c) reconsideration of the extensive reporting requirements,

all of which will drastically increase the operational costs of APECU. Such increased cost will ultimately be passed on to members and make credit unions even less viable.



EMPLOYEES CREDIT UNION

PRESIDENT : THOMAS ROBINSON

SECRETARY : SAINIANA WAQAIRAQATA

TREASURER : MAUREEN MANI

PRIVATE MAIL BAG

NADI AIRPORT

PHONE : 673 7060

FAX : 672 6162

EMAIL : employees.creditunion@fiji Airways.com



37. While we believe that stronger oversight over credit unions is important, we are concerned with over-regulation of an already dying industry. The Bill as currently drafted includes a significant number of onerous regulatory requirements. Credit unions are not commercial banks. Most unions do not have sufficient capacity to meet new requirements and increase this, including having to implement new systems and software to ensure compliance with the Bill will only increase the burden on credit unions. There is already a decline in credit unions and the increase in cost will only result in further decline which means community access to emergency finance will be negatively impacted.



HEAD OFFICE
Level 2 CREDIT UNION TOWERS
29 Gladstone Road, Suva, Fiji
PHONE: (679) 331 5433; (679) 773 5433 FAX: (679) 330 4627
EMAIL: helpdesk@fpscu.org.fj or fpscu001@gmail.com
WEBSITE: www.fpscreditunion.com.fj

SUBMISSIONS BY THE FIJI PUBLIC SERVICE CREDIT UNION TO FIJI PARLIAMENT STANDING COMMITTEE ON ECONOMIC AFFAIRS

RE: CREDIT UNION BILL 2025

ORGANISATION BACKGROUND

The Fiji Public Service Credit Union (FPSCU) was established in 1972 by a group of civil servants with the vision of becoming a premier provider of welfare support and a secure facility for savings among public sector employees. Within two decades of its inception, the FPSCU successfully completed the construction of its flagship investment property, the Credit Union Towers, strategically located on Gorrie Street and Gladstone Road, within proximity to the Government Buildings.

At its peak, the FPSCU had a membership of over 14,000. However, a combination of factors, including evolving consumer behaviour, the entry of new players in the financial services sector, the introduction of fixed-term employment contracts under the previous administration, and other external challenge, have contributed to a significant decline in membership. Today, the FPSCU maintains a more modest membership base of fewer than 1,500.

The FPSCU is governed by a Board of six Directors, elected democratically by the membership at its Annual General Meeting. Oversight of day-to-day operations is entrusted to the General Manager and a team of dedicated employees.

While the board and management strive to earn profits that ensure some returns to its members, the core purpose of the credit union is to serve its members and promote the prudent financial management through smart saving and wise lending.

Despite the challenges faced, the FPSCU remains committed to serving as the preferred financial institution for its members, providing small secured and unsecured loans tailored to their needs. It is our vision to restore the FPSCU to its former position as the largest and most robust credit union in Fiji. With the appropriate legislative framework and economic support from Government, we strongly believe that credit unions such as ours can play a



pivotal role in advancing the social and economic development of our members and, by extension, the wider community

Is there a Need for New Laws Governing Credit Unions?

The Fiji Public Service Credit Union (FPSCU) acknowledges the importance of reviewing the existing legislative framework for credit unions. While reform is necessary, it is our considered view that the sector and individual credit unions should not be subjected to excessive micromanagement by the Reserve Bank of Fiji.

The current legislation is outdated and does not adequately reflect Fiji's present social, business, and political landscape. In revising this framework, it is vital to recognize that credit unions are uniquely member-owned institutions, formed by groups of people with a common bond, many of whom are ordinary working Fijians rather than individuals of significant wealth. Overly onerous financial and regulatory requirements would disproportionately burden grassroots members, who already remain underserved within the country's financial savings and lending environment.

The FPSCU strongly recommends that the revised legislation expressly provide credit unions and cooperatives with exemptions from taxation on their modest profits. Such an exemption is necessary to safeguard members, who rely on these earnings for financial relief and stability. Unlike traditional investors, many credit union members do not have access to shareholder dividends in other entities. A legislative framework that restricts credit unions from pursuing business opportunities capable of generating higher returns would effectively deprive members of one of the few avenues available to improve their financial wellbeing.

The current framework of Reserve Bank of Fiji (RBF) oversight, while intended to safeguard financial stability, introduces significant layers of administrative processes that often translate into excessive red tape for credit unions. These requirements can delay critical business decisions, slow down innovation, and reduce the operational flexibility needed for credit unions to remain competitive and responsive to their members' needs.

For instance, multiple levels of approval, prolonged review periods, and restrictive directives limit the ability of credit unions to manage their own risk strategies, invest in business growth, or adapt swiftly to market changes. Overregulation of this nature risks discouraging

entrepreneurship within the cooperative financial sector and may inadvertently erode member value, particularly for those credit unions that operate diverse business ventures, such as commercial property holdings, subsidiary companies, or agricultural enterprises.

For these reasons, we urge that the proposed legislation strike a balance between prudent regulation and the preservation of credit unions' ability to serve their members effectively and sustainably.

Invitation to Submit on the Credit Union Bill 2025

We received a letter of invitation from the Standing Committee on Economic Affairs on 13 August 2025, to provide open public submissions on 25 August 2025, with a written submission to be provided to Committee by or on 22 August 2025. While a short time-frame considering the subject matter, we rallied to ensure our views were submitted, as this new legislation will (if passed) fundamentally change the way credit unions operate in Fiji, and will lead to several changes to implement – some possibly quite costly.

Considering the size of our organization, and longevity in dealing with credit union business (quite successfully, we say), we are grateful that we have been approached for our views on the proposed new legislation.

Submission by FPSCU on the Credit Union Bil 2025

Relevant Section of Proposed Bill	FPSCU's Comments	Suggested Amendments
Section 5	This clause seems to suggest that the RBF can contract a third party to audit credit union accounts. Although the cost will be borne by the RBF, the credit union will still spend time. Financial reports are already audited by registered audit firms at	Remove this clause

	intervals already specified in the bill	
Section 6	Unlike commercial banks, the primary mandate of Credit Unions is to serve their members rather than generate substantial profits. Considering this, why should cooperatives such as ours be required to bear the costs associated with the central bank's tax-funded responsibilities?	Remove this clause
Sections 35 - 37	Overly strict rules could limit the pool of capable board members, especially in smaller credit unions. Provided that an individual meets the "fit and proper" criteria outlined in Section 35, what is the justification for requiring regulatory approval for their appointment to the Board, committees, or as General Manager? Credit Union's should have the freedom and flexibility to appoint as they sit fit within prescribed guidelines.	Remove clauses that state Credit Union is require RBF approval to appoint a director, committee member or General Manager

Section 46-part 2	This prevents credit unions from engaging in otherwise low-risk, beneficial activities (e.g., small to medium commercial property leasing) unless individually approved, this process may slow down the credit union's response and risk losing small but essential business.	Amend this clause so only specified business activities, or those exceeding a defined financial threshold, shall be restricted or subject to prior approval from the Reserve Bank of Fiji. Routine or low-risk activities within the normal course of credit union operations should remain exempt from such requirements.
Section 48 part 1	The current clause unnecessarily restricts a credit union's ability to pursue strategic acquisitions by imposing blanket regulatory approval requirements.	Remove clause
Section 50-part 2	Seeking approval for minor amounts places an unnecessary administrative burden on the credit union.	While we acknowledge the rationale for requiring RBF approval to accept deposits from non-member co-operatives, we recommend that the regulator establish a threshold whereby only substantial deposits would require such approval.
Section 54	The requirement for a credit union to seek approval before obtaining financing from external parties appears excessive. Such delays in accessing essential funds	Approval from the RBF shall only be required where a credit union incurs external debt exceeding a regulated threshold of its total assets.

	<p>could adversely affect liquidity management and the timely delivery of services to our members. While we acknowledge that this measure is intended to safeguard member funds, we recommend the introduction of a threshold for regulatory approval. For instance, approval from the RBF could be required only where a credit union incurs debt exceeding 20% of its total assets.</p>	
Section 93	<p>The FPSCU currently fully owns a subsidiary company (Scaffolding hire business) and this section may compel the credit union to dispose of this business at unfavorable prices.</p>	<p>The RBF may conduct an annual assessment of businesses owned by credit unions and shall only require disposal where such businesses are determined not to be productive in returning value to members.</p>
Sections 94 to 105	<p>Excessive oversight requirements may redirect valuable resources away from delivering member services and toward meeting administrative compliance obligations</p>	<p>We recommend that oversight powers be applied in proportion to the credit union's size, complexity, and risk profile</p>

Section 108	<p>This section creates the potential for undue political influence in the promotion or enforcement of credit union mergers. Such interference risks undermining the democratic and member-driven principles upon which credit unions are founded, and may compel unions into consolidations that are not in the best interests of their members. We recommend that any provisions relating to mergers clearly safeguard against political interference, ensuring that mergers occur only on the basis of sound financial, operational, and member-driven considerations</p>	<p>RBF approval shall be required to convene a members' meeting on a proposed merger, and after due assessment of submissions, the RBF may grant or deny such approval.</p>
Section 113 to 125	<p>The Reserve Bank may act on broad or subjective grounds such as "not considered economically viable"</p> <p>The board has only 30 days to respond to a controllership directive</p> <p>All costs of controllership are borne by the credit union (Sec 124), even if caused by</p>	<p>Define specific financial thresholds (e.g., capital adequacy ratio, liquidity ratio) that must be breached before controllership is imposed.</p> <p>Require an independent financial assessment before declaring non-viability.</p> <p>Extend the response period to 45–60 days to allow for</p>

	systemic issues or regulatory actions.	proper legal and financial review. Permit interim measures (e.g., partial compliance plans) to be submitted within the first 30 days.
Sections 126 to 154	The Reserve Bank can order liquidation if it deems the credit union "not viable" with no independent verification. Members, as owners, are the last in the payout priority and have limited say in forced liquidation.	Require an independent financial and operational assessment (by an accredited third party) before liquidation is initiated and mandate that the Reserve Bank provide written justification with evidence of non-viability to members and the board. Revise Sec 138 to prioritize members' shares on par with depositors or guarantee a minimum return on member equity where possible.
Sections 156 to 161	The fines and penalties are very high and do match the severity of the offences.	Review the fines and penalties proposed
Section 165	Credit unions have never needed to comply with this act in the past and need time to interpret and assess the impacts and changes this will have on our operations and reporting.	

Suggested inclusions	<p>As non-for-profit cooperatives, credit union members should be protected from over burdens of taxes and levies.</p> <p>If the RBF is to have heavy oversight, there must be sections included that ensures the RBF supports the credit unions in modernizing infrastructure to be able to keep up with reporting requirements.</p>	<p>Include sections that specify exemptions from tax and training levies.</p> <p>Include provisions for RBF or government aid in modernizing reporting mechanisms for credit unions and cooperatives.</p>
----------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Conclusion

Change is inevitable – as our world and society changes, modernizes, and reckons with the growth of technology, globalization and A.I. a change in laws is obviously necessary. It is noted the impetus behind the new Credit Union Bill appears to be (in our view) to modernize the credit union laws, considering the last legislation was created in 1954 and Fiji has drastically changed since then!

However – change must still conform with what is practical for our country and current credit union realities. The Fiji Public Service Credit Union (FPSCU) supports the review of outdated credit union legislation but cautions against excessive micromanagement by the Reserve Bank of Fiji. Credit unions are owned by grassroots Fijians with limited means, and heavy regulatory or tax burdens would only disadvantage members who are already underserved in the financial sector. We recommend that the revised framework explicitly exempt credit unions and cooperatives from taxation on their modest profits and allow them the flexibility to pursue business opportunities that can generate higher returns for members who otherwise lack access to dividends or investment income.



Given the limited timeframe provided to review the proposed bill, the Fiji Public Service Credit Union respectfully requests that the Committee grant an extension of twenty-eight (28) days. As this review process began almost a decade ago, with many of the original participants now deceased or no longer active in the credit union sector, additional time is necessary to ensure meaningful input. An extension would allow credit unions to obtain further legal advice and prepare a more comprehensive supplementary submission, either individually or jointly with other stakeholder bodies.

While prudential oversight is essential, a more balanced, proportional, and risk-based approach would enable credit unions to uphold financial discipline while fostering growth, innovation, and sustainable returns for their members.

We trust our views and suggestions will be given serious consideration and that the Credit Union Bill will not pass in its current form, but with necessary amendments in consideration of our submissions and other pertinent suggestions by other credit unions and stakeholders.

Respectfully submitted:

Signed:

A handwritten signature in black ink, consisting of a series of loops and a final crossbar, positioned above a dotted line.

.....

(Most senior, authorised personnel at FPSCU)

Fiji National University Credit Union (FNUCU) Submission on the Credit Union Bills 2025 to the Standing Committee on Economic Affairs

28/08/25 – 10.30am

Introduction:

Fiji current credit union framework can be described as follows: The first law introduced for credit union was the Credit Union Act 1954 which provide the legal basis for establishment and operation in Fiji.

Under this Act, credit unions are defined as member-owned, not-for-profit financial cooperatives that allow members to pool their savings and provide loans to one another. The Act outlines the requirements for membership, governance, and operational procedures for credit unions, ensuring that they serve the financial needs of their members effectively.

The original philosophy to provide financial services with limited or no access to normal traditional financial system. Where members pool their savings, deposits and shares for the purpose of providing loans and saving to members. Loans are financed from members own savings and shares at very low cost due to its structure as owned by members and not shareholders.

The 1954 Credit union Act has been servicing and providing the legislative framework in Fiji for the last 71 years. Parliament amended the law previously in 2016. It is indeed very positive that parliament is once again considering further amendments to repeal the 1954 Credit union Act with Credit Union Bill 2025 to maintain public confidence in the credit unions doing business in Fiji through promoting sustainable sound financial system with strong internal governance processes .

In summary, there are 14 parts and 172 clauses in the current Credit Union Bill 2025 for deliberation and scrutiny.

Credit Union Bill 2025

1. Interpretation:

Certain terms in the “Interpretation” section need clarification purposes. For instance:

1.1 Law enforcement agency if can be very specific on which law enforcement agency should be the references point in this bill.

2. Supervisory Authority

The duties and power of RBF specified in the Bill is not only to administer the registration but also to regulate the conduct of credit union .

3. Establishment and operation of a credit union

Deadline for commencing credit union business – 6 month can be reduce to 3 months. Due to the stringent process that applicant have to go through in the license application and registration with approval of RBF ,reducing the commencing period will be good for the newly establishment. The next 3 month can be given as an extension to those who fail to establish within the required commencement period.

Termination or suspension of a person’s membership in a credit union or discontinuing services does not relieve the person from any outstanding obligations owed to the credit union. – there is need to ensure that the terminating member clear all the out standing debts .

Statutory liquidity deposit – need to include the minimum value which also reflect and take into account the membership and size of credit union.

4. Activities of Credit Union

Dividends and interest (51) – To be discussed at the AGM and the resolution to be vetted by and with the approval of RBF before its paid out. To allow credit union to build the financial strength, including adequate reserves and internal controls that will ensure continued service to membership.

Dormant accounts (56) – if the period can be reduce from 5 years to 3 years. This will reduce the cost of the account not be services.

Account in the name of minor (63) – need clarification on the account as credit union is for those who are 18 and above with the same common bond and interest.

Interest rates (68) – this will allow the financial sustainability of the credit Union.

Fees (90) – fees need to be reasonable (need standardize figure to given).

5.Supervision and Regulation

Reports (100) (5) – due to the different size , the fees to be charged for late submission can varies depending on the credit union size and complexity.

6.Confidentiality

Record of members (107) (2) – to allow another credit union to access the record of a member indebtedness with approval of RBF for debts verification.

7.Merger and Consolidation Transaction

Application to merge or consolidate (109) (1) – approval by the majority can be clarify depending on the quorum of meetings.

8. Controllershship

Cost of controllershship (124) (1) – can further clarified to assist small credit union.

Conclusion

The Credit Union Bill 2025 in its current form will allow:

Compliance for credit unions as a way of serving what is legal and required but it is also a noble cause of protecting the sustainability of credit unions in their lifespan.

Thus, credit unions can build trust and transparency among the clients and enhance society's trust in credit unions as ethical players in the financial industry due to striving for compliance.

Credit union compliance management systems enable credit unions to stay alert, flexible, and active in their compliance. Keeping abreast of changes in the legal environment and ensuring that compliance programs are revised and implemented frequently, along with the application of advanced technologies and solutions, reflects that a firm will need to have a strong compliance structure in the future.

The Fiji National University submission today is intended to compliment the work of the Standing Committee on Standing Affairs .

To the Chair and members of the committee , the FNUCU wholly support the Bill in its current form and recommend the Committee to submit to Parliament to approve the Credit Union Bill 2025.

Thank you

Submission:

Gabiriele Macanavere , Chairman of Fiji National University

Date of Submission: 28/08/2025



RE: [EXTERNAL] - Invitation to Appear Before the Standing Committee on Economic Affairs – Open Public Submission - 28th August 2025. - Credit Union Bill 2025

From Josaia Sumasafu <Josaia.Sumasafu@fnu.ac.fj>
Date Thu 8/28/2025 11:22 AM
To Awantika Raj <awantika.raj@legislature.gov.fj>
Cc Marica Tuisoso <marica.tuisoso@legislature.gov.fj>; Sakiusa Tubuna <sakiusa.tubuna@pmoffice.gov.fj>

Dear Madam,
 Please find below answers to questions posed.

1. Benefits provided to members by the Union

- Financial support

2. Services offered to members

- Loans
- \$50.00 loan with interest free on every AGM [Free Lunch & Drinks] Free Shirts] etc
- Back to School Assistance
- Tuition and program fees

3. Dividend details

- From the \$10 fortnightly deductions, \$5 for administration fees and \$5 goes towards member trust (Retirement, shares)

4. Frequency of the Annual General Meeting

- Annually

5. Date of the most recent audit of accounts

- 29th March 2025

6. Any existing liabilities

- \$16,908.00

7. Interest rates applied to loans and deposits

- 10% on principle loan amount
- Deposit average will submitted when collated.

8. Current asset base of the Union

- \$202,291.00

Should there be any other information required do not hesitate to send me an email.
 Thank you.

President
 FNUWA/FNUWACU

 <p>FIJI NATIONAL UNIVERSITY</p> <p>Care Honesty Accountability Service Excellence</p> <p>  </p>	<p>Josaia Tukagsau Sumasafu</p> <p>Senior Technical Officer Automotive & Mechanical Industry Training</p> <p>  P.O.Box 6890, Valelevu, Nasinu  +679 339 4000 Ext. 4984  www.fnu.ac.fj </p> <p><small>*Registered with the Higher Education Commission Fiji as a University under the Higher Education Act 2008. Registration Certificate Number RG 0116.*</small></p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The Fiji National University pays its deepest respect to the *Vanua* and acknowledges the traditional owners and custodians of the land on which FNU campuses are located. The University also pays its utmost respect to its leaders, both past and present, and in the future.

From: Awantika Raj <awantika.raj@legislature.gov.fj>
Sent: Monday, August 25, 2025 2:47 PM
To: Gabriele Macanavere <Gabriele.Macanavere@fnu.ac.fj>; Kaliova Ravuiwasa <Kaliova.Ravuiwasa@fnu.ac.fj>; Josaia Sumasafu <Josaia.Sumasafu@fnu.ac.fj>

Cc: Marica Tuisoso <marica.tuisoso@legislature.gov.fj>; Sakiusa Tubuna <sakiusa.tubuna@pmoffice.gov.fj>; Senior Executive Officer - VC <SEO-VC@fnu.ac.fj>; Vice Chancellor <vc@fnu.ac.fj>; Ravindra Prasad <ravindra.prasad@fnu.ac.fj>
Subject: Re: [EXTERNAL] - Invitation to Appear Before the Standing Committee on Economic Affairs – Open Public Submission - 28th August 2025. - Credit Union Bill 2025
Importance: High

Dear Sir/Madam,

On behalf of the Parliamentary Standing Committee on Economic Affairs, we kindly request the Credit Union to provide the following information to be presented during the upcoming public submission:

1. Benefits provided to members by the Union

- Financial support

2. Services offered to members

- Loans
- \$50.00 loan with interest free on every AGM |Free Lunch & Drinks| Free Shirts| etc
- Back to School Assistance

3. Dividend details

- From the \$10 fortnightly deductions, \$5 for administration fees and \$5 goes towards member trust (Retirement, shares)

4. Frequency of the Annual General Meeting

- Annually

5. Date of the most recent audit of accounts

- 29th March 2025

6. Any existing liabilities

- \$16,908.00

7. Interest rates applied to loans and deposits

- 10% on principle loan amount

8. Current asset base of the Union

- \$202,291.00

The Committee appreciates your cooperation in providing these details at your earliest convenience to facilitate a comprehensive review during the public submission process.

Thank you for your attention and support.

Awantika.

From: Awantika Raj <awantika.raj@legislature.gov.fj>

Sent: Wednesday, August 20, 2025 11:52 AM

To: Gabiriele Macanavere <Gabiriele.Macanavere@fnu.ac.fj>; Kaliova Ravuiwasa <Kaliova.Ravuiwasa@fnu.ac.fj>; Josaia Sumasafu <Josaia.Sumasafu@fnu.ac.fj>

Cc: Marica Tuisoso <marica.tuisoso@legislature.gov.fj>; Sakiusa Tubuna <sakiusa.tubuna@pmoffice.gov.fj>; Senior Executive Officer - VC <seo-vc@fnu.ac.fj>; Vice Chancellor <vc@fnu.ac.fj>; Ravindra Prasad <ravindra.prasad@fnu.ac.fj>

Subject: Re: [EXTERNAL] - Invitation to Appear Before the Standing Committee on Economic Affairs – Open Public Submission - 28th August 2025. - Credit Union Bill 2025

Dear FNU Team,

Thank you for the confirmation to the public submission next week, together with that;

On behalf of the Parliamentary Standing Committee on Economic Affairs, I am writing to kindly request your assistance in relation to the Committee's deliberations on the *Credit Union Bill 2025*.

The Committee would greatly appreciate it if your Union could provide a list of its Members and assist in coordinating the gathering of Members at a suitable venue (**Committee will pay for the venue**) for a public consultation. The purpose of this consultation is to provide Members with the opportunity to share their views, concerns, and recommendations on the proposed Bill.



FIJIAN TEACHERS' ASSOCIATION CREDIT UNION

43 McGregor Road, P.O. Box 14233, Suva

Phone: 679-3304 714, 3314 622, 3313 968; **Fax:** 679-3314 732;

Email: ftacusuva1@gmail.com; **Mobile No.** 9980700

The Fijian Teachers Association Credit Union (FTACU) Submissions to the Standing Committee of Economic Affairs of the Parliament of the Republic of Fiji on the Credit Union Bill 2025

Establishment and Background

The Fijian Teachers Association Credit Union was incorporated on the 20th of September, 1973 by 16 enthusiast members of the Fijian Teachers Union movement. It became registered with the Registrar of Credit Unions of Fiji on the 20th of September, 1974 on the sole purpose of saving for the 'rainy' days. The current office of operation at 43 Mc Gregor Road, Suva is owned by the FTACU with close to 2,500 members at its pinnacle. However, later in the years, many factors such as mass retirement (55yrs compulsory retirement), changes in employment contracts, other financial businesses opening up in the market greatly contributed to the decline of our membership. Today our numbers stood at 600+. The Board of Directors, Credit and Supervisory Committee members were elected through the Annual General Meeting. The current Treasurer also holds the role of Manager, overseeing the day-to-day operations of the Credit Union, with three office staff and 3 security officers.

The FTACU exists mainly to serve its members, promote savings and lend wisely for provident and productive purposes. This mainly to help our members improve their financial well-being through responsible use of "pooled" savings.

As common bond, membership is limited to financial members of the Fijian Teachers Association and permanent employees of the Fijian Teachers Association Credit Union, Fijian Teachers Association Welfare Society and Fijian Teachers Association. Today, there are members who have left the teaching profession but have remained as members.

Over the years, FTACU has expended its service to cover social aspects of members' welfare such as:

Provision for death
Provision for retirement

1. Benefits provided to members by the Union

- Starter/ Rejoin packages-loans given once a member signs up: \$ 500-new member (Option1) \$ 300-new member (Option 2) \$ 200-rejoining member
- Funeral expenses" Reguregu" funds- \$600 [member who passes on]
- Death Benefit Fund- doubling of shares & writing off loans [active membership]

2. Services offered to members

- Share savings
- Retirement savings
- Voluntary savings
- Loans- Unsecured Loans (secured by shares)
- Secured Loans- freezed at the moment (Mortgages, Life Insurance Policies)

Invitation

The FTACU acknowledge receipt of the Committee's invitation to make a submission on the Credit Union Bill 2025 during the public consultation process on 26th August, 2025. We sincerely thank the Standing Committee on Economic Affairs for providing Credit Unions with the opportunity to contribute to this important legislative review.

Given the significance of the bill and pertaining to its long-term implications on the operation, regulation and governance of Credit Unions in Fiji, we believe that careful study and broad consultation among our members and stakeholders is essential to prepare a comprehensive and constructive submission.

In this regard, we respectfully request an **extension of 28 days** to allow us to:

1. Properly reviews and analyses the Bill in detail at the institutional level for our individual submission, and
2. Engage with other Credit Unions to formulate a consolidated submission reflecting the collective views of the sector.

We are confident that this additional time will enable us to provide the Committee with more practical, well considered, and representative recommendations, ultimately supporting the Committee's work and the development of legislation that best serves Credit Union members and Fiji's financial sector.

The 2025 Credit Union Bill

While the FTACU welcomed the need for the review of our current Credit Union Act as it is no longer reflects the complex, evolving financial landscape or address the needs of Credit Union members. Our members have limited accessibility to major financial services such as commercial banks; hence they are satisfied with the products offered by the CU. This is because the fees and costs associated with these are reasonably low and affordable. The FTACU recommends the exemption of taxes on profits gained from relatively small surpluses through the Credit Union activities within the premises such the hire of office space, the hire of meeting rooms etc. another point we hope to highlight if the new legislation allows for provisions to have a uniformed computerised system with all the Credit Unions sharing its costs. At present, the FTACU had to acquire a software system from a local vendor almost reaching \$80k with \$11k annual licence fee yet to be fully fledged. These are a few challenges the FTACU experience at present. We request that the new reforms or legislature will not impose much burden on the already vulnerable members of the FTACU.

We thank the Committee for its understanding and consideration of this request, and we remain committed to engaging, actively in the consultation process.

Yours sincerely,



Mr Laisiasa Tuira
Executive Committee Member



VISION: *TO BE THE BEST CREDIT UNION LEAGUE IN THE PACIFIC*

FIJI SAVINGS & CREDIT UNION LEAGUE

TIN: 60-00114-0-

4

P.O Box 1070, 53 Pender Street, Suva, Fiji Islands.

President: Mr Dickson Mar

Office Ph.:

3316034/9942100

Secretary: Mrs Filomena Talawadua (Interim)/ Vice President

SUBMISSIONS BY THE FIJI SAVINGS & CREDIT UNION LEAGUE TO THE FIJI PARLIAMENT STANDING COMMITTEE ON ECONOMIC AFFAIRS

RE: CREDIT UNION BILL 2025

This is a joint submission for and on behalf on the 4 credit unions that are affiliated to the Fiji Savings and Credit Union League 2025.

ORGANISATION BACKGROUND

Historical overview of the inception of the credit union in Fiji.

- 1953, the credit union concept was brought into Fiji
- 1954, The first credit union was established
- 1954, July 15th the Legislative Council unanimously passed "The Credit Union System Ordinance 1954".
- 1956, The Fiji Credit Union League (FCUL) was first registered.
- 1964, Insurance underwriting for the Pacific Credit Union, through the CUNA Mutual Group.
- 1964, Development of the Bergengren Training Centre and the formation of the formation of the South Pacific Credit Union League.
- 1978, Credit Union Act of 1978 {Cap 251}.
- 1983, the Fiji Credit Union League requested the assistance from

VOCA, (Volunteers in Overseas Cooperative Assistance).

- 1984, Mr. Carlos M Matos from VOCA came and work with the League Planning Committee.
- 2006, The Fiji Credit Union League (FCUL) was re-registered as the Fiji Savings and Credit Union League (FSCUL)
- 2016, A review of this Act was conducted. With a draft bill circulated to credit unions for submissions.
- 2017, Draft bill circulated
- 2025, the credit unions were invited to present their submissions to the Parliament Standing Committee on Economic Affairs.
- 2025, after a span of thirty-eight years, the number of existing and operational credit unions has significantly decreased. Currently, it is estimated that there are less than 20 credit unions remaining. Out of this limited number, only four credit unions are members of the Fiji Credit Union League, namely:
 - i. Air Terminal Services Credit Union (ATSCU)
 - ii. Fiji Nurses' and Associates Credit Union (FNACU)
 - iii. Fiji Cable & Wireless Employees Credit Union (FCWECU)
 - iv. Fiji Post and Telecom Employees Association Credit (FPTEACU)
- The Registrar of Credit Union, currently is responsible primarily for credit union registration and deregistration, is the only connection with the government. Throughout the years, little emphasis was placed on issues of good governance, accountability, and timely transparency of information to members from the Board and government.

COLLECTIVE SUBMISSIONS ON THE 2025 CREDIT UNION BILL

A. Invitation to present submissions on the 2025 Credit Union Bill.

- i. The invitation to the FSCUL, from the Standing Committee on Economic Affairs to present at the open public submissions on the 27th of August, was received 14/8/2025. Upon enquiring with the member affiliates it was noted the FNACU and the FPTEACU did not receive any invitation for this submission. Upon enquiring with the relevant personnel, we were informed that all credit unions affiliated to the FSCUL, could make a joint submission in the presentation scheduled for 27/8/2025.
- ii. Whilst time was of essence we convened meetings to try and put together a submission it was imperative that we at least share light on some of the many concerns we had given the fact this bill if and when passed will result in many changes to what the respective credits unions are now and what they are to become with the new legislation. Most of the changes will have cost implications for the organisations.

B. Views of the FSCUL on the need of new legislation.

- i. FSCUL recognizes the need for new legislation in that currently we bear witness to the fact that, there has been limited revisions to the Credit Union Act (1954); there also has been weak or no supervision of this sector by the ministry that is responsible for the Credit Unions Act. This in turn has had taken its toll on many credit unions to date. The current legislation is too general with more focus on operational regulations and limited focus on the financial health of the credit unions.
- ii. However, we wish to make a strong stand that the new legislation must be mindful of the fact that most of these

individual credit unions have been in operation for more than 10 years and despite the challenges faced over the years, they continue to offer the services to their members as per their vision & mission statements and objective.

- iii. With this review, it must be taken into due consideration, that many of the viable credit unions to date were established and formed by the ordinary working people or institutions who shared a common bond. This bill must not in any way subject the credit unions to micro management by the suggested external regulator in this case the Reserve Bank of Fiji and the Minister of Finance.
- iv. FSCUL is with the firm believe that whilst change is inevitable, we will stand united in ensuring the changes in the new legislation will foster positive and meaningful outcomes for the implementers of the change.

C. Summary of submissions

i. 2016/2017 draft documents vs 2025 Bill

With the 2016/2017 draft bill, the RBF team had thorough consultations with credit union reps and we were able to understand in all simplicity what the document was all about and after those consultations and workshops, the RBF team were able to amend accordingly to the collective concerns raised by the credit union representatives present. and then the final draft was circulated so that each credit union was to then respond. This exercise was carried out thoroughly by each credit union that made submissions to the RBF team in 2017 and it is almost a decade that this document is in circulation from the response of the credit unions – The credit unions responded with due diligence and the exercise for many organisations was costly.

ISSUE

There are marked changes in the 2016 /2017 document and this 2025 document and it is on this note the FSCUL feels that more time is required for the credit unions to look through the 2025 Bill and then and only then each credit union will be able to make thorough and comprehensive submissions to the standing committee.

RECOMMENDATION

That the standing Committee considers the request of FSCUL that more time be given to allow more comprehensive submissions with justifications.

ii. 2016/2017 draft documents vs 2025 Bill

With the circulated 2016 draft, the supplementary By Laws was also submitted but not the regulations. Most Credit Unions sent submissions on both documents but were limited given the Regulations was not circulated

The circulated 2017 documents were inclusive of the Supplementary by Laws and the Regulation. The 2025 Bill has been circulated as a reference for our submissions without the Regulation and the Supplementary by Laws.

ISSUE

As notable changes have been identified in the 2017 document against the 2025 Bill, the Regulation and the Supplementary by Laws for this document must be included for circulation so as to allow for detailed and comprehensive submissions.

RECOMMENDATION

That the standing Committee takes into due consideration the request of FSCUL that the documents identified be circulated to allow for thorough and comprehensive submissions.

iii. Request of the standing Committee for consultation with members of the individual Credit Union.

The team from the Fiji Parliament Standing Committee on Economic Affairs is requesting a time to consult with the members of credit unions after this week.

ISSUE

FSCUL is of the view that each credit union have their policies and processes as to how members are informed of urgent issues regarding their credit unions and with the time limitation for this submission on the 2025 Bill, most credit unions have yet to send formal communication to members in this regard.

RECOMMENDATION

That the standing committee considers the request made for an extended period to allow for comprehensive submissions and the consultation with member's can only take place after the extension period requested, as the members of most credit unions have yet to be informed of the contents of the revised 2025 bill.

iv. MAJOR RECOMMENDATIONS

Our collective major recommendations in the time frame given include but is not limited to the following:

1. To differentiate between the normal operations of credit unions from those in the business of actively managing investments and those which can operate as small banks, etc. We feel that the banking services should only be operated by those credit unions which can afford to perform this service for their members and are able to meet the cost of providing these services.
2. Review the draft legislations, regulations and supplementary by-laws to ensure that they are consistent with each other.
3. Review the requirements of paying dividends to savings account as our credit unions would like to remain as a credit union body carrying out its role providing savings and loans for our members.
4. That all references to deposit accounts, payment of deposits, whether ordinary or term deposit are to be applicable only to those credit unions that are carrying out business operations and are capable of operating as banks.
5. That the Regulations and supplementary by laws be released and consultations carried out before the legislations are finalised and tabled for approval.
6. That the role of the Fiji Credit Union League re revisited bearing in mind their current status. If it is necessary, a total reform be carried out to match the final approved role of the League.

7. That all Credit Union Board members, Credit and Supervisory Committees and officials are given adequate training to enlighten them of the provisions of all the draft legislations.
8. Part 14 of the 2025 Bill – “Miscellaneous”
 1. Section 164 – The income of a credit union is subject to income tax”

Recommendation

That this be removed or changed to “The income of a credit union will not be levied income tax”

Justification

Credit unions primarily make money by charging interest on loans and collecting various service fees, similar to a bank, but they reinvest these earnings back into the cooperative to provide benefits to their member-owners. As not-for-profit institutions, any surplus revenue is returned to members through lower loan rates, higher savings rates (dividends), reduced fees, or improvements to their services and infrastructure and to have the income subject to income tax is not fair.

D. IN CONCLUSION.

In 1953, the late Ratu Sir Lala Sukuna, thought of the new economic system then of savings through credit union, where he recognized **"that thrift and initiative were necessary in any economy"**. Ratu Sukuna knew that its **"own Fijian tradition almost made a sin of thrift which could by their own ingrained customs be misconstrued as miserliness."** (Carlos M Matos - VOCA, report on 8 June 1984).

We can attest to the fact in looking back at the history of the credit union movement in Fiji, that in those early years of establishment, a core objective of the organisation was achieved in that of meeting the itaukei in business.

Since the inception of credit unions in 1953, we read of and hear many success stories of how grassroots individuals enjoyed their savings through the implementation of the 3 pillars of the credit union being SAVE REGULARLY; BORROW WISELY & PAY PROMPTLY. All of us here today can attest to this and we are living testimonies of how our individual credit unions have been there for us on those rainy days when we were provided financial assistance that we would not easily obtain from the bank in that given point and time of need.

Business is basically dealing with the saving and spending wisely of the money. Credit Union deals directly with saving and lending of money with a modest rate of interest to MEMBERS ONLY. It is a financial cooperative! Its member are natural people!

A specific credit union Act will specifically deal with the monetary movement of funds. Historically in with reference to the foresight of the late Ratu Sir Lala Sukuna, credit union was set up to help the itaukei in business. It was the lack of monitoring, the lack of emphasis on corporate governance and the lack of legal updates, the lack of training etc. after the late 1980s, that led to the abuse of funds in the credit union system as this resulted in the lack of internal control, ignorance of credit union laws and its implication.

The registrar of Credit Union or the Reserve Bank did not have the “legal” teeth to prosecute in terms of overall supervision. After the Credit Union Act was amended in 1978, the Credit Union Movement started to grow from the early 1980s until the late 1980s.

We highly recommend the Credit Union movement should have its own new Act that will take into account new technology and availability of monthly financial statements and members statements on individual mobile phones for the sake of transparency and accountability to members who are the shareholders and owners of the credit union.

Any new co – operative which does not deal with the movement and mobilizing of savings, but other products, should be registered under the new Co –operative and Thrift Act 2025.

In Conclusion Honorable members, given the limited time provided to us to make this submission to the proposed bill, the Fiji Savings Credit Union League on behalf of all Credit Unions humbly requests that the Standing Committee grant an extension of twenty-eight (28) days, to submit a more thorough and comprehensive submission as a supplement to what we have presented today to justify the recommendation above.

Furthermore, we trust that what we have presented today will be taken to due consideration in that this Credit Union Bill will not be passed in this current form, but that it will be amended accordingly to allow growth in the Credit Union Movement and not decline. Please Take into consideration that CREDIT UNIONS ARE ABOUT THE NATURAL PERSON, who is A MEMBER and A SHAREHOLDER who is guided by the pillars of the movementSAVE REGULARLY! BORROW WISELY & PAY PROMPTLY.

ACKNOWLEDGEMENT

- We greatly acknowledge with great appreciation and gratitude, the visionary pioneers of the Credit Union movement in Fiji, whose prudent foresight led to the acquisition of a valuable piece of freehold land at approximately 1 acre at Pender Street (CT995) in central Suva. On this land, the Fiji Savings and Credit Union League (FSCUL) had constructed a Training Center (Bergengren House), serving as a testament to their remarkable contribution.
- The Executive members and managers of all Credit Unions for all their valued contributions to their members with the financial services that is provided for them
- To all members of the respective Credit Unions for the trust they have in their organisations and for their choice in becoming a member.

- To all who had contributed to the 2016/2017 draft documents that has eventuated to our being here today.
- To all FSCUL affiliates who contributed to this document.
- To the FIJI PARLIAMENT STANDING COMMITTEE ON ECONOMIC AFFAIRS for giving us the opportunity to present this submission.
- Lastly but not in the very least to Our Heavenly Father for guiding us through in all the challenges we face as Credit Unions and especially so for the wisdom, knowledge and understanding in putting together this submission.

Thank You for Your Time and for your most valued contributions to the Nation in the respective positions you hold as Honorable members of Parliament.

Vinaka Vakalevu.

May God Bless us All and our Loving Nation Fiji.



Filomena Baleikanacea Talawadua (Mrs)

Vice President - Fiji Savings Credit Union League.

and on behalf of :

The President Air Terminal Services Credit Union (ATSCU)

The President, Fiji Nurses' and Associates Credit Union (FNACU)

The President, Fiji Cable & Wireless Employees Credit Union (FCWECU)

The President, Fiji Post and Telecom Employees Association Credit (FPTEACU)

Appendices

Appendix 1. Key Events

Year	Events
1953	<ul style="list-style-type: none">• Reverend Father Marion Ganey SJ, who had successfully implemented the credit union system in British Honduras, was invited to Fiji.• Due to the personal interest of Ratu Sir Lala Sukuna, who served as the Secretary of Fijian Affairs at the time, the Department of Finance granted £5,000 for the establishment of the Credit Union system.
1954	<ul style="list-style-type: none">• The credit union movement was introduced to Fiji by Sir Ronald Garvey, the then Governor of Fiji. with the assistance of Ratu Sir Lala Sukuna, who held considerable influence as a chief during that period.• The first credit union was established• July 15th the Legislative Council unanimously passed "The Credit Union System Ordinance 1959".
1956	<ul style="list-style-type: none">• The Fiji Credit Union League (FCUL) was first registered. The training center was established with the primary purpose of educating credit union members on fundamental credit union principles, basic accounting practices, financial statement preparation, financial statement analysis specific to credit unions, and associated risks.
1964	<ul style="list-style-type: none">• Insurance underwriting for the Pacific Credit Union, through the CUNA Mutual Group.• Development of the Bergengren Training Centre and the

	formation of the formation of the South Pacific Credit Union League.
1978	<ul style="list-style-type: none"> following Fiji's independence in 1970, this ordinance was amended and transformed into the Credit Union Act of 1978 {Cap 251}, which remains the governing legislation to this day. Since then, there has been no comprehensive legal review or amendment.
1983	<ul style="list-style-type: none"> the Fiji Credit Union League requested the assistance from VOCA, (Volunteers in Overseas Cooperative Assistance).
1984	<ul style="list-style-type: none"> Mr. Carlos M Matos from VOCA came and work with the League Planning Committee comprising of Fr Marion Ganey SJ {Founder), Jone Naisara (co Foudrer) Agapito Nasease (MD), Daniele Burese {DMD) and Joseva Manaseitava (Director -Training). In his Report "In Pursuit of Self Reliance -A Credit Union Programme for Fiji", it was noted, among other things that the number of credit unions in Fiji was 114 and the actual number of members was 23,475 and its total assets \$12,949,748. Out of the 114, most of the credit unions are in Nadroga - {30) members - 2,817, Suva- {26) members 14,608, Tailevu {19) members 1,214, Cakaudrove {16) members 1,085. The rest cover other provinces.
2006	<ul style="list-style-type: none"> The Fiji Credit Union League (FCUL) was re-registered as the Fiji Savings and Credit Union League (FSCUL)
2016	<ul style="list-style-type: none"> A review of this Act was conducted in leading to the preparation of a draft Credit Union Bill 2016, that was widely circulated to credit unions for their written submissions. The regulation that was to be presented

	with this draft bill was requested by the Credit Unions
2017	<ul style="list-style-type: none"> • Credit unions were forwarded 3 documents, namely the Proposed Credit Union Legislation Explanatory Memorandum; the proposed Credit Union Legislation: The Credit Union Regulations & The Standard By Laws for Credit Unions Operating in Fiji under the Credit Union Act 20xx.
2025	<ul style="list-style-type: none"> • the credit unions were invited to present their submissions to the Parliament Standing Committee on Economic Affairs.

Appendix 2

Table 1: Credit Unions, 1954-2012⁷

	Number of credit unions	Number of members	Market penetration ratio (%)*
1954	66	8,347	2.6
1964	288	32,407	7.2
2005-06	47	21,932	2.7
2007-08	37	19,643	2.3
2009-10	30	18,843	2.2
2011	30	18,843	2.2
2012	28	16,192	1.8
% change			
1954-64	336%	288%	
1964- 2012	-90.3%	-50.0%	-75.0%

(Source: Arbuckle (1969); Fiji Islands Bureau of Statistics, various years;

(Source: FSCUL; WOCCU 2011 Statistical Report; FTUCTCL & SWCU Annual Reports).

7 The data for 2012 is provisional. The FSCUL is in the process of collecting more details on credit unions in the country, particularly those that are not members of the FSCUL. 2005-2011 data includes both members and non-members of the FSCUL, and amended by authors to include the Fiji Teachers Union Co-operative Thrift and Credit Limited (FTU-CTCL). FTU-CTCL operates as a financial co-operative and is regulated by the Co-operatives Act; however, its core function remains that of a credit union. 2012 data is as at 30 June, of which 26 credit unions are FSCUL members, plus Service Worker Credit Union (SWCU - non-member) and FTU-CTCL.

CREDIT UNION INVOCATION PRAYER

Lord, Make me an instrument of thy peace
Where there is hatred, let me sow love Where there is injury, pardon
Where there is doubt, faith Where there is despair, hope
Where there is darkness, light
And where there is sadness, joy.

O Divine Master, grant that I may not so much seek
To be consoled as to console
To be understood as to understand
To be loved as to love
For it is in giving, that we receive It is in pardoning, that we are pardoned
And it is in dying, that we are born to eternal life.

September 29, 2025

Honorable Sakiusa Tubuna
Chairman
Fiji Parliament Standing Committee on Economic Affairs
Parliament of the Republic of Fiji
Government Buildings
Suva, Fiji

Dear Honorable Sakiusa Tubuna,

Thank you for kindly granting me the opportunity to extend my submission on the review of the Credit Union Bill to 30th September 2025.

I appreciate the opportunity to contribute to the legislative process and to provide my insights on this important piece of legislation.

Having carefully examined the provisions of the Credit Union Bill 2025, I would like to emphasize that a primary focus of my review is to encourage Fijians to save through the credit union movement. I commend the Committee's efforts to modernize and strengthen the regulatory framework for credit unions in Fiji, particularly in ways that can promote a culture of savings among members.

Attached herewith is my submission. I trust that my observations and recommendations will assist the Committee in its deliberations and contribute to the development of a robust legal framework that serves the interests of all stakeholders involved.

Yours sincerely,



Iowane Naiveli (OF)
Senior Partner
I.Naiveli & Co
CC: Fiji Savings & Credit Union League



Submission by Iowane Naiveli on the Review of the Credit Union Bill 2025 to the Fiji Parliament Standing Committee on Economic Affairs

Preamble

I have been requested by the Fiji Savings & Credit Union League to review and comment on the Credit Union Bill 2025. I was provided with a copy of the draft bill *without* the draft supplementary by-laws.

After reviewing the Credit Union Bill 2025, I find that overall, it is positive, as it recognises the importance of including the Reserve Bank of Fiji (RBF) as the supervisory and regulatory authority over credit unions. Previously, this role was carried out by the Registrar of Credit Unions under the Ministry of Justice. The Registrar's role was largely administrative, focusing on registering credit unions, but it lacked the legal authority to prosecute officers or sanction credit unions for non-compliance.

This lack of enforcement contributed to the slowing down of the credit union movement in the early 1980s. The 1987 coup further reduced the number of active credit unions. Successive governments also failed to review and update the Credit Union Act of 1978.

It is therefore appropriate that the Registrar now falls under the Ministry of Finance, given the financial nature of credit unions, which primarily involves receiving money from members and lending it back at modest interest rates. The slogan of that time "*Save regularly; borrow wisely; pay promptly*" remains equally relevant today.

In the early 1950s, Ratu Sir Lala Sukuna supported the establishment of credit unions to encourage iTaukei to save, as he observed that many preferred spending over saving, often perceiving saving ("mamaqi") as a sin. This cultural mindset is one of the ethical challenges that credit unions were designed to address. Today, the government is encouraging iTaukei entrepreneurship, and financial literacy is central to this.

Had successive governments after the 1980s emphasised the value of savings and prudent spending under the credit union system, it would have strengthened iTaukei financial management and business capability. Periodic reviews and legal updates, similar to the 1978 amendments which replaced the 1954 ordinance, would have ensured the system's continued relevance.

Historically, most credit unions have had iTaukei membership. Through participation, members, including boards, committees, and employees were trained in bookkeeping, accounting, and financial reporting. Training was facilitated at the Fiji Credit Union League headquarters at Bergengren House, Suva, covering balance sheets, income and expenditure statements, and transaction recording.

Over the past 30 years, governance, ethics, conflict of interest, and risk analysis have become essential to modern financial reporting. These standards are particularly relevant for larger credit unions, many of which now manage millions in assets. Responsibility for upholding these standards lies with the board of the Fiji Savings & Credit Union League.

The credit union model has always been centred on members' savings. Funds are received, banked, and lent back to members at modest rates. However, over the years, emphasis shifted from "savings" to "credit," leading members to perceive credit unions mainly as sources of borrowing ("dinau"). This shift motivated the 2006 renaming of the League to the Fiji Savings & Credit Union League. I therefore suggest that the Credit Union Bill rename institutions as *Savings and Credit Unions* to re-centre the focus on savings.

Historically, members have been charged 1% per month on outstanding loans, amounting to 12% interest income for the credit union annually. Of this, 6% covers expenses, while the remainder is allocated to reserves, dividends, and retained earnings. Additional income sources include fees and traditional collections such as solesolevaki. This financial structure has proven resilient, provided it is independently monitored.

This financial arrangement has withstood the continuous changes in financial market over the years. It would be further strengthened with regular and independent monitoring from outside the Credit Union in the form of the Reserve Bank of Fiji becoming the new Registrar of the Credit Union. This empowers the institution to issue regulations and bylaws that Credit Unions must adhere to. The governance structure within a Credit Union is made up of three committees: The Board, the Supervisory Committee and the Credit Committee. The Supervisory Committee has the power to suspend the Board or the Credit Committee if they do not comply with the policy of the Credit Union. If there is a breakdown of internal controls and continued noncompliance, this can lead to fraud. With the existence of RBF as a regulator, structured training for the Supervisory Committee on compliance with regulation and policies for credit unions will strengthen the internal controls with the governance of the Credit Union.

Proposed Amendments

Part 1: Preliminary

Section 1 (1): The Act should be titled *Savings and Credit Union Act 2025*.

Section 2: Interpretation

- **New Inclusion:**

1. **Member:** means a natural person who has subscribed to be part of a credit union.
2. **Savings:** means money set aside from wages, salaries, or business income after taxes and domestic expenses are being paid.
3. **Related enterprises:** relate to businesses in which a credit union holds equity or shares.
4. **Specialised savings:** relates to deposits set aside for education, Christmas, or cultural/religious events.

- **Amendment:**

1. Define *deposit* as savings received by a credit union, owned by a member, and recorded as a liability of the credit union.
2. Delete item (c) from “related member.”

Section 3: Objective

The objectives should more specifically promote savings from members, with funds deposited as shares and/or specialised savings available for lending at modest interest rates.

Section 33: Supervisory Committee

Sub-section (9): Supervisory Committee special reports must also be submitted to the Registrar (RBF) and included in annual reports to members at the AGM.

Section 40: Financial Statements

1. All credit unions should have the same financial year-end.
2. By-laws and regulations should require **monthly member statements** detailing loans, deposits, and special savings.

Section 41: Audit and Auditors

- Sub-section (3): Financial statements must be submitted within 120 days, not 90.
- Sub-section (4): AGMs should be held within 6 months, not 4.
- RBF should have authority to issue sanctions for late compliance.

Section 50: Authority to Mobilise Deposits

Replace “deposits” with “savings.” Replace “depositor” with “member.”

Section 58: Form of Account

Clarification is needed on “multi-party accounts” and their implications.

Section 68: Interest Rates

Interest rates should be uniform across all credit unions since loans are funded by member savings.

Section 80: Government Loan Programmes

This section should be removed, as members' savings already serve as security for member's loans in the credit union.

Section 164: Miscellaneous

- Credit union income should be exempt from income tax, as member savings are already taxed.
- **New inclusion: By-laws and regulations**
By-laws should be binding on both credit unions and members. This was included in the last Act (Cap 251) under Section 50 of the Credit Union Act.

Conclusion

The government's introduction of this bill is timely. iTaukei people make up 62% of Fiji's population (source:2017 Bureau of Statistics census; **555,499 out of 884,887**) and own approximately 90% of land resources, yet we are not able to determine the percentage of contribution the iTaukei business has made to GDP. Strengthening savings culture and financial literacy through credit unions will significantly benefit national development.

The credit union movement which was first established in the 1950s to encourage iTaukei savings, remains vital. Previous reports, such as **Carlos Matos' 1998 Credit Union Programme for Fiji – In Pursuit of Self-Reliance**, highlighted the need for reforms, many of which remain relevant today. This will support **Fiji's National Development 2025-2029** plan in Chapter 6.11 (page 147) on iTaukei's participation in development.

The movement has been weakened over time by lack of oversight and government support, but the inclusion of RBF as regulator in the 2025

bill offers a path to revival. I am confident that committed members, boards, and committees will embrace this new framework.

Once enacted, the *Savings and Credit Union Act 2025* will provide a renewed platform for financial empowerment, prudent savings, and sustainable credit union growth for the benefit of members and Fiji's economy.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'I. Naiveli', written over a dotted line.

Iowane Naiveli (OF)

Senior Partner

I. Naiveli & Co

APPENDIX

COMMENTS OF THE PROPOSED CREDIT UNION BILL 2025

PART 1

PRELIMINARY

RELEVANT SECTIONS OF THE BILL	BILL	CONCERNS	FPCU COMMENTS
Clause 2	“licensed financial institution” means an institution that is licensed by the Reserve Bank under the Banking Act 1995 to undertake activities as specified in its licence;	FPCU was only referring to 1x Act before, the CU Act of 1954.	Now including this Bill if it comes into effect, will this be the 3 rd reference besides the Banking Act 1995 & RBF Act 1983?
Interpretations	“licensing” means to license a credit union under this Act to conduct credit union business;		

PART 2**SUPERVISORY AUTHORITY**

RELEVANT SECTIONS OF THE BILL	BILL	CONCERNS	FPCU COMMENTS
(DIVISION 1 - RESERVE BANK) Authority to Contract for Professional Services	Clause 5 -The Reserve Bank may, negotiate, contract or enter into an agreement for professional services, in accordance with applicable procurement requirements.	Refer to Clause 9 of the Bill	FPCU will be paying for these services, where is the accountability?
(DIVISION 2- GENERAL PROVISIONS)	Clause 6(1) The Minister may, in consultation with the Reserve Bank, prescribe fees to cover expenses associated with the licensing, registration and supervision of credit unions. Clause 6(2) The Reserve Bank must have regard to the anticipated costs of the Reserve Bank in performing any other function assigned to it under this Act.	All Credit Unions were registered under the Ministry of Justice because of one key objective to enable people to save wisely, spend responsibly and repay promptly if you have a loan at a low interest rate of 1%. Not focused to make huge profits/surplus, so it was considered a non-profitable entity	From the Bill, FPCU will incur additional operational costs not only from annual fees but other functions assigned by RBF in this Bill. The members have to bear the cost through interest rates which was one of the benefits of joining the Union.
(DIVISION 2- GENERAL PROVISIONS) Exclusion from Liability	Clause 9 - Neither the Reserve Bank nor any director, officer or an employee of the Reserve Bank or person authorized to assist the Reserve Bank under section 5 or person acting as a director or an employee of the Reserve Bank is liable in any manner whatsoever for anything done or omitted to be done in good faith in the discharge or purported discharge of the functions and duties of the Reserve Bank under this Act.	Refer to Clause 5 of the Bill	When RBF is negotiating on behalf of the Unions, signing and committing to any procurement requirements how can they be not liable or accountable to their decisions especially when member's fund had been committed?

PART 3 –**ESTABLISHMENT AND OPERATION OF CREDIT UNION**

RELEVANT SECTIONS OF THE BILL	BILL	CONCERNS	FPCU COMMENTS
(DIVISION 3- DIRECTOR, COMMITTEES AND GENERAL MANAGER)	Clause 28(2) The members of the credit union must elect the directors from among the members present at an annual general meeting in the manner provided for in the by-laws of the credit union.	Refer to Clause 37 (1)(2) below	The current process, the decision by the majority at the AGM is final and mandate the new Board
(DIVISION 2- MEMBERSHIP)	<p>CLAUSE 23(3) A co-operative, association, or partnership may apply to be a member of a credit union on the grounds of sharing the common bond of membership of the credit union only if it is composed of individuals eligible for membership under subsection (1).</p> <p>CLAUSE 23(4) A company may share the common bond of membership if members of the credit union own at least 80% of the voting share of the company and no non-member controls the company.</p>	<p>We need to look into this open membership thoroughly. Need to look into the advantage and disadvantages</p> <p>We need to look into this open membership thoroughly. Need to look into the advantage and disadvantages</p>	<p>What does this mean?</p> <p>What does this mean?</p>
(DIVISION 2- MEMBERSHIP)	CLAUSE 25(5) A member of a credit union is not entitled to vote by proxy.	For Unions like FPCU, we may not achieve majority votes if proxy voting is not allowed	There must be a provision and alternative ways of voting to obtain majority votes especially 2/3 of votes had to be achieved

(DIVISION 2-MEMBERSHIP)	CLAUSE 26 - Amendment of by-laws	Anyone not a financial member compared to a member may not understand how it is to be part of the Union especially being a member for some time and the members need which they know the bank cannot offer	Why can't we leave the amendments of the by-law to the financial members and mandate the Board to action on the change?
	Clause 33(7)(d) develops a policy on rotation of the auditor under section 41 or the committee under section 42 to ensure continued independence of the person or organization conducting the audit;	Refer comments below on Clause 41	Need to look more into this Internal Control & Compliance
(DIVISION 3-SUPERVISORY COMMITTEE)	Clause 33(7)(e) proposes an independent auditor or members of the committee to conduct the audit, to the board in accordance with section 41 or section 42 as appropriate;	Same as above	Same as above
	Clause 33(8) If the supervisory committee determines that a board member, committee member or general manager of the credit union has breached the credit union's system of internal controls, including policies or procedures, the committee may recommend to the board to suspend the person and include a report to the members of the credit union at the next annual general meeting on the recommendation for termination.	Same as above	Same as above

	Clause 33(10) A member of the supervisory committee may be removed by a decision of the members of the credit union at a special meeting or annual general meeting.	Same as above	Same as above
	Clause 37(1) A person must not be a member of a board, a committee member or a general manager of a credit union without obtaining the prior approval of the Reserve Bank.	Refer to Clause 28(2) above	AGM is conducted and only attended by Financial Members who are shareholders to the Union. It seems their decisions are undermined. The AGM must be the decision-making forum for the financial members of the Union.
(DIVISION 3- DIRECTOR, COMMITTEES AND GENERAL MANAGER)	Clause 37(2) A credit union must notify the Reserve Bank of the proposed appointment of any person to the board or a committee or the employment of a general manager at least 30 days before the appointment or employment becomes effective.	Refer to Clause 28(2) above	Refer above comments
(DIVISION 4- FINANCIAL STATEMENTS & AUDITS)	Clause 41(1-11) Audits and Auditors	One area that was very poor in monitoring & managing by the relevant authority	This one area, RBF must emphasize on and concentrate in. Leave the rest to the appointed Board and focus on Financial Compliance & Internal Control

PART 4**ACTIVITIES OF CREDIT UNION**

RELEVANT SECTIONS OF THE BILL	BILL	CONCERN	FPCU COMMENTS
(DIVISION 1- POWERS OF A CREDIT UNION) General and Incidental Powers	Clause 46(1) A credit union may exercise any right, privilege or incidental power necessary or appropriate to accomplish the purpose for which it is established under this Act. Clause 46(2) A credit union must not engage in any business or activity except as specifically authorized by this Act unless the Reserve Bank approves a business or activity as permissible for a credit union to accomplish the purposes for which it is established.	These 2x sub clauses of 46(1) & (2) is confusing	It seems Unions have powers but again there are limitations. What will happen if RBF approves a business dealing or activity and fails, a liability clause already covers RBF officer and Board so who will be held accountable?
PURCHASE AND SALE OF PROPERTY	Clause 48(1) Subject to the approval of the Reserve Bank, a credit union may— (a) purchase, hold or lease real property as may be necessary for its use as credit union premises; (b) purchase, hold or lease such personal property as may be necessary or incidental to the operation of the credit union; and (c) acquire property in the process of collecting loans.	Some Unions had been around for decades and they hold property, lease property	Why do Unions need to go through RBF for some of these acquisitions when they had been doing it all these years? Why can't we leave it with the Board and its financial members to make independent decisions?

<p>(DIVISION 3- LOANS AND INVESTMENTS)</p> <p>Interest Rates</p>	<p>Clause 68- A credit union may charge current market rates on loans and lines of credit as approved by the board.</p>	<p>Section 32 states that:</p> <p>[CRU 32] Interest Rates</p> <p>32 The interest rate on any loan made by a credit union shall not exceed 1% per month on the unpaid balance of such loan, provided that the minimum amount of interest charged shall be \$0.10 per month.</p>	<p>We welcome the proposed change for the financial growth of the Credit Union but separate playing fields from the banks gives the Union some edge; this particular area needs to have both provisions of 1% interest per month and also charge current market rates on all loans.</p>
--------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

General Comments

1. FPCU was established to tackle immediate social issues within the force families offering small loans & allocating specific savings
2. FPCU is threatened that any 30 people who are financial members can register another Union as per the Bill
3. FPCU cannot compare itself to a Bank because of the level of liquidity and products banks can offer
4. Small amounts of shares paid to FPCU on weekly/fortnightly basis and shares bought at FHL, SPSE etc are in lump sum with prospectus approved by RBF, cannot be compared
5. FPCU provides loans to financial members when there is a need and as a shareholder FPCU has an obligation to meet that need. Loans approved to members are mostly low in value
6. Members have a sense of belonging and ownership when it comes to FPCU, as it is member control compared to Credit Union Bill No.29 of 2025 where there are limitations

FIJI POLICE CREDIT UNION

FFPCU





**PRESENTATION BY
FIJI POLICE CREDIT UNION PRESIDENT**

Mr. Livai Driu

**CREDIT UNION BILL No. 29 of 2025
SUBMISSION**

**PRESENTING TO THE
STANDING COMMITTEE ON ECONOMIC
AFFAIRS**



Table of Contents

- 1.0 Introduction
- 2.0 About the Bill
- 3.0 Comments on the Bill
Appendix
- 4.0 Conclusion
- 5.0 Recommendation



1. Introduction

- Idea was conceived from the 1987 events
- Registered on the 28th of January 1988
- Govern under the FPCU Supplementary By Law of 2013
- With a current membership of 1,916 as at Pay 17/25 with
 - 1874 Regular officers
 - 33 Special constables
 - 9 unestablished members mostly civilians within the force
- Business office located at Lot 5-7 Macgregor Road, Suva
- Members can operate up to 5x accounts including Shares, Savings & Loans
- Products offered varied with Loans accounts

2. About the Bill

☐ For the change

- FPCU Board welcomes the proposed reform of the Credit Union and review of the Act of 1954
- FPCU welcomes the idea on maximising the use of Technology in this modern era
- FPCU concurs that some flexibility be allowed on interest rates for growth & sustainability
- FPCU supports the notion of strengthening the governance of Credit Union in Fiji

☐ Concerns

- FPCU is concerned with clauses of the Bill especially covering Membership, AGM Resolutions and its day-to-day operations diluting the power of the Board and increasing RBF authority
- FPCU acknowledges some of these change but also has reservations with regards to understanding its interpretations
- FPCU concerns will be discussed more in the next slides

3. Comments on the Bill

☐ Refer Appendix



4. Conclusion



- FPCU Board concludes that the view to reform the credit union in Fiji is necessary
- FPCU Board concludes that some clauses of the Bill may be applicable to Credit Unions, some areas need to be discussed thoroughly like the inclusion of Co-operative in the Bill, Technology Development and Digitization for reporting which is quite an investment
- FPCU Board concludes that not enough time was given to the Unions to go through this Bill for deliberations and to seek legal counsel
- FPCU Board also concludes that this Bill is not “Member Focussed” and their financial members do not have much power in most decision making especially during the AGM where financial members mandate the Board on the outcome of the meeting
- Finally, the FPCU Board noted the extra costs that will be incurred when RBF oversees operations, registration process, licensing and including additional functions that is mentioned in the Bill

3. Recommendation

- FPCU recommends that more time is given to read through the Bill and provide our final submission
- FPCU recommends that a sub-committee of the Economic Affairs Committee to be selected to work with the Unions if it is necessary and report back on the proposed amendments of the Bill
- FPCU recommends that the Bill must provide provisions in the Bill where financial member rights are strongly recognized,
- FPCU recommends that Reserve Bank of Fiji should specifically focus on Financial Reporting Systems & Compliance rather than other functions of the Credit Union which should remain under the Ministry of Justice
- All Credit Unions to submit Financial Audited Reports to RBF

Thank You, Dhanyabad & Vinakavakalevu



On behalf of the Parliamentary Standing Committee on Economic Affairs, we kindly request the Credit Union to provide the following information to be presented during the upcoming public submission:

1. Benefits provided to members by the Union

The Union provides a Death Benefit Scheme to its members. Upon the death of a member, his/her savings are doubled and paid to the beneficiaries, up to a maximum of \$5,000.

For example, if a deceased member had a share balance of \$5,000 with SWCU, the beneficiaries would receive \$10,000.

In addition, any outstanding loans of the deceased member, up to a maximum of \$5,000, will be written off under this scheme.

In addition to Death Benefit Scheme, members also maintain savings plans with the Union. These savings earn an annual dividend payout, which is credited to members based on their share balance. This initiative not only encourages a culture of savings but also ensures that members receive a fair return on their contributions.

Services offered to members

The Union provides various loan facilities to its members, which are processed and disbursed on a weekly basis. These loans are designed to support members with their financial needs and include the following:

- Education Assistance (Back to School)
- Funeral Assistance
- Car Loans
- Traditional Obligations
- Payment of Utility Bills
- Hire Purchase

In Addition to Loan facilities, members can also partially withdraw from their savings.

Dividend details

Dividends are declared and distributed annually in accordance with the Union's financial performance for the year. For the current year, a dividend of 5% was approved and paid to members' savings. In accordance with the SWCU By-Laws, 20% of the profit is retained as General Reserves to support operations, while the remaining 80% is distributed to the members

2. Frequency of the Annual General Meeting

The Annual General Meeting (AGM) is conducted each year in accordance with the SWCU By-Laws. The recent AGM was held on the 16th August 2025.

3. Date of the most recent audit of accounts

The most recent audit of accounts was conducted for the financial year ending 30th June 2025 and was carried out in July 2025. Audits are carried out annually following the close of the SWCU financial year and the reports are presented in the Annual General Meeting.

4. Any existing liabilities

We currently hold an outstanding liability with the Bank of South Pacific totaling \$2,762,684 for the acquisition of the commercial property located at 11 Goodenough Street, Suva. The loan provided was for 15 years at 4.00% interest per annum. The monthly repayment is \$26,604.00

5. Interest rates applied to loans and deposits

The loans carry an interest rate of 12% per annum, calculated on a reducing balance basis. SWCU does not offer traditional deposit services; instead, it provides a savings plan for members, for which dividends are declared and paid annually

6. Current asset base of the Union

SWCU currently holds commercial properties at 300 Waimanu Road, Suva, and 11 Goodenough Street, Suva.

The SWCU office is situated at 300 Waimanu Road, while the property at 11 Goodenough Street is leased to the Ministry.

ANNEX 3

CENTRAL, WESTERN AND NORTHERN

CONSULTATION PROGRAMME

Day	SITE/LOCATION AND DETAILS	TIME	AGENDA	CONTACT NUMBER	COMMENTS
Consultation					
Thursday 04.09.25	Suva Fiji Nursing Hall	1pm – 2pm	Bill Consultation		10.30am to meet at the Parliament for quick deliberation before heading to the consultation venue.
Friday 05.09.25	Nausori Nausori Market Hall	1pm – 2pm	Bill Consultation		10.30am to meet at the Parliament for quick deliberation before heading to the consultation venue.
Sunday 14.09.25	Natovi – Nabouwalu	4am 6am	Arrival to Labasa. 6 Secretariat & Hon. Tuicolo		Travel by boat (Interlink) [Sleep in Grand Eastern, Labasa]
Monday 15.09.25	SUV-LAB Savusavu DO's Conference Room	Arrive to Labasa 8.50am 3.00pm	Consultation in Savusavu		Travel by Plane. [Sleep in Grand Epic, Savusavu]
Tuesday 16.09.25	Labasa Town Council Civic Auditorium LAB-NADI	10.00am 1.50pm	Consultation in Labasa		[Sleep in Ramada Sigatoka]

	Boat – Nabouwalu to Natovi	6pm – depart 8pm – reach Natovi			(Hon. Tuicolo and 6 Secretariat to travel by boat)
Wednesday 17.09.25	Sigatoka Council Chambers Fiji Airways, Nadi Airport Air Terminal, Nadi Airport Nadi Town Council Chambers	10.00am 1pm – 2pm 2pm – 3pm 7pm – 8pm	Consultation in Sigatoka. Combined session for Nadi & Lautoka		[Sleep in Mercure, Nadi]
Thursday 18.09.25	DO's Conference Room, Koronubu House, Ba DO's Conference Room, Tavua	11.00am – 12.00pm 2.00pm – 3.00pm	Consultation in Ba & Tavua		[Sleep in Tanoa Rakiraki]
Friday 19.09.25	Rakiraki Market Hall.	10.00am – 12.00pm	Consultation in Rakiraki		Drive down to Suva.



STANDING COMMITTEE ON ECONOMIC AFFAIRS

PUBLIC CONSULTATIONS



CHAIRPERSON
Hon. Sakiusa Tubuna



**DEPUTY
CHAIRPERSON**
Hon. Premila
Kumar



MEMBER
Hon. Semi
Koroilavesau



MEMBER
Hon. Alipate
Tuicolo

JOIN US !!

The Standing Committee on Economic Affairs will be conducting a Public Consultations in the Northern, Western and Central Divisions on the **CREDIT UNION BILL, 2025 – (Bill No. 29 of 2025)** : A BILL FOR AN ACT TO PROVIDE FOR THE REPEAL OF THE CREDIT UNIONS ACT 1954 AND FOR THE REGULATION OF CREDIT UNION BUSINESS AND RELATED MATTERS.

The Credit Union Bill 2025 ('Bill') therefore proposes a legislative framework to maintain public confidence in the credit unions doing business in Fiji through promoting soundness of the financial system. The Bill was designed with reference to the Model Law developed by the World Council of Credit Unions, the expertise of the technical assistants engaged by the Reserve Bank of Fiji ('Reserve Bank'), and input from the relevant Government stakeholders, the Fiji Savings and Credit Union League and the local credit union industry.

The Committee invites any interested individuals and organisations including NGOs, CSOs, businesses, financial entities, insurance companies, statutory bodies, Government Ministries and Departments to share their views and comments on the Bills.

Date	Venue	Time
Friday, 5 September 2025	Nausori Market Hall, Nausori.	1.00pm–2.00pm
Monday, 15 September 2025	Savusavu DO'S Conference Room	3.00pm
Tuesday, 16 September 2025	Labasa Town Council Civic Auditorium	10.00am
Wednesday, 17 September 2025	Sigatoka Council Chambers	10.00am
	Fiji Airways, Nadi Airport	1.00pm–2.00pm
	Air Terminal, Nadi Airport	2.00pm–3.00pm
Thursday, 18 September 2025	Lautoka and Nadi session, Nadi Town Council Chambers	7.00pm–8.00pm
	DO's Conference Room, Koronubu House, Ba	11.00am–12.00pm
	DO's Conference Room, Tavua	2.00pm–3.00pm
Friday, 19 September 2025	Rakiraki Market Hall, Rakiraki	10.00am–12.00pm

ANNEX 4

RESEARCH BRIEF

Information Brief – Standing Committee

For Standing Committee on Economic Affairs

Credit Union systems in other jurisdictions

This research brief is provided to the Standing Committee on Economic Affairs (“Committee”) as part of the research material for its review of the *Credit Union Bill 2025* (Bill No.29 of 2025) (“Bill”). The brief provides a summary view of credit union systems in selected jurisdictions. The brief is intended only to assist as a guide and supporting research to the Committee on its review of the Bill.

Content

- 1.0 Credit Unions - Definitions
- 2.0 Credit Unions – Global Overview
- 3.0 Credit Unions: Systems, Legal Frameworks & Regulatory Regimes in 5 Selected Countries - Australia, India, Kenya, Mexico and Malaysia
- 4.0 Deposit protection schemes

1.0 Credit Unions – Definitions

The Oxford Dictionary defines a credit union as a “non-profit-making money cooperative whose members can borrow from pooled deposits at low interest rates”. There are also several institutional and authoritative definitions of a credit union, each highlighting a different facet of its structure and purpose

1.1 Formal Definitions

- **International Labour Organization (ILO):** General defines credit unions as member-based financial cooperatives that provide savings, credit, and other financial services to their members.¹ They emphasise democratic control, economic participation, and community development.
- **World Council of Credit Unions (WOCCU):** “A credit union is a customer/member owned financial cooperative, democratically controlled by its members, and operated for the purpose of maximizing the economic benefit of its members by providing financial services at competitive and fair rates.”² They operate on the principle of people helping people, often serving underserved communities.
- **U.S. Government (MyCreditUnion.gov):** “A credit union is a not-for-profit financial institution that accepts deposits, makes loans, and provides a wide array of other financial services and products.”³ It is member-owned, governed by a volunteer board, and profits are returned to members through better rates and lower fees.

1.2 Basic features of a credit union

- non-profit financial cooperative.
- owned and managed by members and not external shareholders.
- designed to serve a group united by a common bond, such as a workplace, community, or association and.
- dedicated to promoting financial inclusion, providing education, and empowering local communities.

1.3 Legal definitions

Here are some definitions of ‘credit union’ as provided for under legislation.

¹ ILO, <https://bit.ly/4nlHnyK> [Accessed 05/09/25]

² WOCCU ‘Why Credit Unions?’ Available at: https://www.woccu.org/about/credit_unions [Accessed 05/09/25]

³ US Government, MyCreditUnion.gov, “What is a credit union?” <https://mycreditunion.gov/about/what-credit-union> [Accessed 05/09/25]

- Fiji
 - *Credit Unions Act 1954*: Does not define in single, standalone clause; meaning is inferred through the Act's provisions, for example in Section 5(1) "*Any 15 or more persons resident in Fiji who desire to associate themselves together as a credit union for the objects set forth in this Act.*"⁴
 - *Credit Union Bill 2025* (Bill No. 29 of 2025): defines a credit union as "...a voluntary or non-profit institution, or co-operative." (Clause 2 "credit union")
- Australia: *Banking Act 1959* does not define but includes credit unions within the broader category of authorised deposit-taking institution (ADI); credit unions are authorised to operate as deposit-takers under Section 9 of the Act.⁵
- United States: defined through the *Federal Credit Union Act* (12 U.S.C 1752) as "...a cooperative association organized in accordance with the provisions of this chapter for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes."⁶

2.0 Credit Unions – Global Overview

According to the WOCCU⁷, credit unions and credit union leagues are active in over 100 countries worldwide, serving more than 400 million members. Their presence varies in scale and prominence, but here is a breakdown of some of the most active and influential regions and countries:

2.1 Global Presence

According to the WOCCU, as of 2023 (current statistics):

- **104 countries** host credit unions
- **74,634** credit unions operate globally
- **411 million** members
- **US\$3.7 trillion** in assets
- **13.5%** penetration rate

2.2 Regional Highlights

Region	Country	Credit Union Details
North America	<i>United States</i>	Over 4,700 credit unions with 135+ million members. Strong national league presence.
	<i>Canada</i>	Credit unions are provincially regulated; Desjardins in Québec is one of the largest.
	<i>Mexico</i>	Credit unions support rural and underserved communities.
Europe	<i>Ireland</i>	289 credit unions serving 3.6 million members; represented by the Irish League of Credit Unions
	<i>United Kingdom</i>	Credit unions are community-focused and regulated by the Financial Conduct Authority.
	<i>Poland, Romania, Turkey</i>	Active cooperative movements with growing credit union sectors.
Asia	<i>India</i>	1,918 credit unions serving 92 million members

⁴ Laws of Fiji, *Credit Unions Act 1952*. Available at: <https://bit.ly/4gBya9f> [Accessed 07/09/25]

⁵ Legal Services Commission South Australia Law Handbook, "Banks and Banking" <https://bit.ly/4msHE84> [Accessed 07/09/25]

⁶ Legal Information Institute, Cornell Law School, 12 U.S. Code § 1752 – Definitions. Available at: <https://bit.ly/48w5w7j>

⁷ WOCCU 'The Global Credit Union Network'. Available at: <https://bit.ly/46wQqMd> [Accessed 05/09/25]

	<i>Nepal</i>	Over 10,000 credit unions with nearly half the population as members
	<i>Philippines, Sri Lanka</i>	Strong cooperative banking traditions.
	<i>Kenya, Ghana, Uganda, Togo</i>	Prominent SACCO networks with strong member engagement
Africa	<i>Brazil, Colombia, Peru</i>	Large cooperative banking sectors.
	<i>Jamaica</i>	25 credit unions serving over 1 million members
	<i>Trinidad & Tobago, Dominican Republic</i>	Active leagues and community-based credit unions.
Latin America & Caribbean	<i>Australia</i>	Credit unions operate alongside mutual banks.
	<i>Fiji</i>	Active credit union movement supporting rural development.
	<i>Papua New Guinea, Samoa</i>	Emerging cooperative finance sectors.
Oceania		

2.3 Global Governance

- The **World Council of Credit Unions (WOCCU)** is the leading international body supporting credit union development, advocacy, and regulation.
- Credit unions often celebrate **International Credit Union Day** on the third Thursday of October, highlighting their role in economic democracy.

3.0 Credit Unions: Systems, Legal Frameworks & Regulatory Regimes in 5 Selected Countries - Australia, India, Kenya, Mexico and Malaysia

This is a summary of the credit union systems in these selected countries including basic information on legislation, regulatory supervision etc.

3.1 AUSTRALIA

Australia's credit unions operate as member-owned Authorised Deposit-taking Institutions (ADIs), with oversight from two main industry bodies: the Customer Owned Banking Association (COBA) and the Australian Mutuals Federation (AMF). Their activities are governed by the **Corporations Act 2001**,⁸ the **Banking Act 1959**, and the **Credit Union Code of Practice**. Regulatory supervision is provided by the **Australian Prudential Regulation Authority (APRA)**,⁹ while the **Australian Securities & Investments Commission (ASIC)** oversees conduct.¹⁰ Deposit protection is offered under the Financial Claims Scheme.

3.2 INDIA

In India, cooperative credit societies serve local communities, with some extending across multiple states. Representative bodies such as the National Federation of State Co-operative Banks (NAFSCOB) and the Indian Credit Union League (ICUL) play key roles in the sector. The legal framework includes the **Multi-State Co-operative Societies Act 2002**,¹¹ various **State Co-operative Societies Acts**, and model by-laws and **guidelines from the Reserve Bank of India (RBI)**.¹² Regulatory standards and licensing for banking-type societies fall under the RBI, while **registration and basic oversight** are managed by **State Registrars of Co-operatives**. Deposit insurance schemes vary by state, and there is no unified national guarantee.

⁸ Federal Register of Legislation (Australia), *Corporations Act 2001*. Available at: <https://bit.ly/46RywoU> [Accessed 05/09/25]

⁹ Australian Prudential Regulation Authority (APRA), "List of Authorised Deposit-taking Institutions," Available at: <https://bit.ly/46RI04w> [Accessed 05/09/25]

¹⁰ Australian Securities and Investments Commission (ASIC), "Credit Union and Mutual Overview." Available at: <https://bit.ly/3VvQ4Ra> [Accessed 05/09/25]

¹¹ Ministry of Law and Justice (India), *Multi-State Co-operative Societies Act 2002*. Available at: <https://bit.ly/4mvqWVE> [Accessed 14/09/25]

¹² Reserve Bank of India (RBI), "Co-operative Bank Regulation," Available at: <https://www.rbi.org.in/Scripts/FAQView.aspx?Id=95> [Accessed 14/09/25]

3.3 KENYA

Kenya refers to its credit unions as SACCOs (Savings and Credit Co-operative Organisations), which are represented by the SACCO Societies Central Association of Kenya (SACCOL). The **SACCO Societies Act 2008**¹³ and the **Cooperatives Societies Act** provide the legal foundation for their operations. The **SACCO Societies Regulatory Authority (SASRA)** is responsible for licensing, supervision, and enforcement,¹⁴ while **deposit protection** is managed by the **Sacco Deposit Protection Fund Board (DCPFB)**.¹⁵

3.4 MEXICO

In Mexico, credit unions are known as cajas populares or sociedades cooperativas de ahorro y préstamo, with the Confederación Nacional de Cajas Populares de México (CONCAMEX) as their primary advocacy organisation. Their legal framework is established by the **Federal Law of Popular Savings and Credit Societies**,¹⁶ complemented by regulations from the **National Banking and Securities Commission (CNBV)**.¹⁷ Oversight of prudential and conduct matters is provided by the CNBV, though its scope is limited. Banco de México sets overall rules for liquidity and risk. Instead of joining the national deposit insurance scheme, these cooperatives use their own shared guarantee funds.

3.5 MALAYSIA

Currently Malaysia does not recognise a separate legal category for “credit unions” as is common in most other jurisdiction. Instead, comparable financial functions are performed by various types of cooperatives. These include thrift and credit cooperatives registered under the **Co-operative Societies Act 1993**, which offer savings and loan services to their members; credit cooperatives typically linked to employee groups or local communities, providing microfinance, savings, and credit facilities; and Islamic cooperatives, which operate according to Shariah principles and provide Islamic financial products. All such entities fall under the supervision of the **Malaysia Co-operative Societies Commission (SKM)**, which is responsible for their registration, governance, and regulatory compliance. A **Consumer Credit Bill 2025** was recently passed by the Malaysia Parliament as part of Malaysia’s efforts to strengthen consumer protection in the credit sector.¹⁸ (See Part 3.8)

3.6 Table: Summary Comparison of Selected Countries

Country	Key Legislation	Regulator(s)	Deposit Protection Scheme	National League(s)
Australia	Corporations Act 2001; Banking Act 1959; Credit Union Code	APRA; ASIC	Financial Claims Scheme	COBA; AMF
India	Multi-State Co-operative Societies Act 2002; State Acts	RBI; State Registrars	Varies by state	NAFSCOB; ICUL
Kenya	SACCO Societies Act 2008; Co-operative Societies Act	SASRA	DCPFB	SACCOL
Mexico	Federal Law of Popular Savings & Credit Societies	CNBV; Banco de México (guidance)	Mutual guarantee funds	CONCAMEX
Trinidad & Tobago	Credit Union Act 2014; Regulations 2019	Central Bank of Trinidad & Tobago	Statutory Coverage Fund	CULTT
Malaysia	Co-operative Societies Act 1993	Malaysia Co-operative Societies Commission	PIDM (Perbadanan Insurans Deposit Malaysia)	ANGKAS

¹³ SACCO Societies Regulatory Authority (SASRA), SACCO Societies Act 2008, <https://sasra.go.ke/index.php/legislation-2> [Accessed 14/09/25]

¹⁴ SACCO Societies Regulatory Authority (Kenya), “Regulatory Framework,” <https://sasra.go.ke> [Accessed 14/09/25]

¹⁵ Sacco Deposit Protection Fund Board (DCPFB), <https://dcpfb.go.ke> [Accessed 14/09/25]

¹⁶ https://www.gob.mx/cms/uploads/attachment/file/990398/SFM_23072024_VSPP.pdf

¹⁷ Comisión Nacional Bancaria y de Valores (CNBV), “Regulation of Popular Savings and Loan Societies,” <https://www.cnbv.gob.mx>

¹⁸ Halim Hong & Quek, “Consumer Credit Bill 2025: What We Know So Far”. <https://bit.ly/48v7KE2> [Accessed 06/09/25]

3.7 MALAYSIA: Consumer Credit Bill 2025 – Unified regulatory framework for non-bank credit providers.

Malaysia is moving towards a more unified regulatory framework for non-bank credit providers. This Bill tabled in their parliament in March this year aims to address licensing, registration and oversight of non-bank credit businesses that include credit cooperatives or credit unions. The **Consumer Credit Bill 2025** introduces a unified regulatory framework for non-bank credit providers and establishes the Consumer Credit Commission (CCC) to these providers.¹⁹ It requires licensing for credit businesses and registration for service providers, while introducing consumer protection standards for fair contracts, transparent interest rates, and responsible data management. This legislation has been promoted by the rapid growth of what is known as ‘buy-now-pay later (BNPL) schemes and alternative financing systems in Malaysia’s consumer credit sector, coupled by fragmented regulation.’²⁰ Status of the Bill – It was passed by the Dewan Rakyat (House of Representatives) on 21 July 2025 and endorsed by the Dewan Negara (Senate or State Council) on 4 September 2025 and is awaiting royal assent from the Malaysian King.²¹

4.0 Deposit Protection Schemes

Deposit protection schemes for credit unions or cooperatives are established as safety nets for members’ savings. If credit union or cooperative runs into financial problems or is de-established, the scheme protects members’ funds. These are similar to deposit insurance for regular banks but are specially designed for credit unions or member-owned cooperatives.

4.1.1 Key Features

Feature	Description
Coverage Limit	Typically, a fixed amount per member (e.g. £85,000 in the UK) ²²
Automatic Payouts	Members are reimbursed without needing to file claims
Funding Mechanism	Funded by levies on participating institutions or government backstops
Speed of Compensation	Payouts often within 7 days of failure (per IADI ²³ standards)
Eligibility	Applies to individuals, small businesses, sometimes social guarantors
Regulatory Oversight	Managed by national deposit insurers or cooperative regulators

4.1.2 Global Landscape

- Well-established in countries like Australia (FCS) the UK (via FSCS), Canada, and the U.S. (NCUSIF). [See 3.6 Table: Summary Comparison of Selected Countries]
- Emerging or absent in many developing economies. A 2020 study by the International Credit Union Regulators’ Network (ICURN) found that only 21 percent of surveyed non-G20 countries had deposit insurance for credit unions.²⁴
- Risks without coverage: In Nepal, lack of deposit protection led to widespread losses and social distress when cooperatives failed.

¹⁹ Julianne Stephanie, “Consumer Credit Bill 2025: A New Era of Regulation for Non-Bank Credit” in *Legal Alert* April 2025. <https://bit.ly/46R5jKE> [Accessed 06/09/25]

²⁰ Tay & Partners “One Law to Rule Them All Inside Malaysia’s Consumer Credit Shake-Up”, in Lexology, September 2025. <https://bit.ly/4mr4Ymv> [Accessed 06/09/25]

²¹ Consumer Credit Oversight Board Task Force (Malaysia) 19 August 2025, ‘Status Update on Consumer Credit Bill (CCB) 2025. Available at: <https://bit.ly/46Dg9CR>

²² Financial Services Compensation Scheme (FSCS), UK ‘Deposit protect Q&As – credit unions. <https://bit.ly/46y7zVV>

²³ International Association of Deposit Insurers (IADI) – global standard-setter for deposit insurance systems and forum for deposit insurers. See: <https://bit.ly/4238AUJ>

²⁴ International Credit Union Regulators’ Network (ICURN) 2020 *ICURN Member Baseline Survey Results*, May 2020. Available at: <https://bit.ly/48v1yfa> [Accessed 19/09/25]

4.1.3 International Best Practices (IADI & WOCCU)

- **Proportional coverage:** Tailored to cooperative size and risk profile.
- **Rapid payout systems:** To prevent contagion and restore confidence.
- **Transparent governance:** Independent oversight and clear rules.
- **Public awareness:** Members must understand their coverage and limits.

4.1.4 Fiji

- The *Credit Unions Act 1954* does not have provisions for a deposit protection scheme and there is no mention of a statutory guarantee or insurance mechanism protecting members deposits in the event of credit union insolvency or de-establishment.
- The Bill appears to lean towards having such a scheme. Clause 55 – Share deposit insurance protection – provides that *A credit union licensed or registered under this Act may be authorised to participate in share and deposit insurance protection plans, subject to requirements as the Reserve Bank may provide.* The use of the word “may” in legal terms is interpreted as permissive, but not mandatory.

24 September 2025

DISCLAIMER - This information is provided to the Standing Committee on Economic Affairs. It is a general briefing only and should not be relied on as a substitute for specific advice. All reasonable precautions have been taken to verify the information contained here. The Research and Library Services Unit shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary, or amend any information at any time without prior notice. The Research and Library Services Unit accepts no responsibility for any references or links to, or the content of, information maintained by third parties.

Definition and basic features of a credit union

What is a Credit Union?¹

A credit union is a member-owned, not-for-profit financial cooperative that provides many of the same services as a bank—like savings accounts, loans, and credit cards—but with a very different philosophy and structure. Here's how it works:

Key Features of a Credit Union

- **Member-Owned:** When you join a credit union, you become a part-owner. Members elect a volunteer board of directors to oversee operations.
- **Not-for-Profit:** Unlike banks, which aim to maximize profits for shareholders, credit unions return earnings to members through lower loan rates, higher savings yields, and reduced fees.
- **Common Bond:** Membership is typically based on a shared affiliation—such as living in the same community, working for a particular employer, or belonging to a specific organization.
- **Community-Focused:** Credit unions often invest in financial education, local sponsorships, and outreach programs that benefit their members and neighborhoods.

Feature	Description
Member-Owned	When you join a credit union, you become a part-owner. Members elect a volunteer board of directors to oversee operations.
Not-for-Profit	Unlike banks, which aim to maximize profits for shareholders, credit unions return earnings to members through lower loan rates, higher savings yields, and reduced fees.
Common Bond	Membership is typically based on a shared affiliation such as living in the same community, working for a particular employer, or belonging to a specific organization.
Community-Focused	Credit unions often invest in financial education, local sponsorships, and outreach programs that benefit their members and neighborhoods.

How They Differ from Banks

Feature	CREDIT UNION	BANK
Ownership	Members	Shareholders
Profit Motive	Not-for-profit	For-profit
Governance	Volunteer board elected by members	Corporate board
Rates & Fees	Generally lower fees, better rates	Often higher fees, market-driven
Community Investment	Strong local focus	Varies by institution

Why People Choose Credit Unions

- Personalised service and member-first ethos
- Competitive financial products
- Ethical and community-oriented values

¹ Information on the features of a credit union extracted and summarised from MyCreditUnion.gov (<https://bit.ly/46wAc5R>) official information site of the United States government, and the U.S Service Credit Union (<https://bit.ly/46H4I2G>)