

Optional object for Credit Unions

This information note provides example wording for credit unions in Great Britain who want to amend their rules to include the optional object.

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The Financial Services and Markets Act 2023 amended the Credit Unions Act 1979 to give credit unions a new optional object they can choose to use.

The optional object of a credit union is to carry on one or more of the financial activities specified in section 1ZA(1) for the benefit of the members of the society.

The current mandatory objects remain unchanged. These can be found in [s1\(3\) of the Credit Unions Act 1979](#).

Credit unions must include their objects in their own rules.

Current wording

Currently, credit unions include the following wording in their rules:

The objects of the Credit Union are:

- a.** the promotion of thrift among the members of the society by the accumulation of their savings;
- b.** the creation of sources of credit for the benefit of the members of the society at a fair and reasonable rate of interest;
- c.** the use and control of the members' savings for their mutual benefit; and
- d.** the training and education of the members in the wise use of money and in the management of their financial affairs.

New wording:

Credit unions can add the new optional object to their existing objects rule:

'to carry on one or more of the financial activities specified in section 1ZA(1) of the Credit Unions Act 1979 for the benefit of the members of the society.'

A credit union's objects rule would therefore look like this:

The objects of the Credit Union are:

- a. the promotion of thrift among the members of the society by the accumulation of their savings;
- b. the creation of sources of credit for the benefit of the members of the society at a fair and reasonable rate of interest;
- c. the use and control of the members' savings for their mutual benefit;
- d. the training and education of the members in the wise use of money and in the management of their financial affairs; and
- e. to carry on one or more of the financial activities specified in section 1ZA(1) of the Credit Unions Act 1979 for the benefit of the members of the society.

Example partial amendment

[Name of credit union] [Registration number]

Partial amendment to rules

In rule [number of your objects rule] after (d) add: '(e) to carry on one or more of the financial activities specified in section 1ZA(1) of the Credit Unions Act 1979 for the benefit of the members of the society.'

Secretary signature:

Member signature:

Member signature:

Member signature:

Date