

First Credit Union – Proposed Changes to Existing Rules 2019

Rule Number	Old Rule Description	New Rule Description	Comments
Heading and Interpretation	Nil	Add "Incorporated" to name of Credit Union.	For completeness to record the Credit Union's incorporation.
Interpretation	Definition of Trustee.	Deleted.	Position of Trustees becomes obsolete following incorporation.
	Definition of Company. Old Rule reference 36(A).	New Rule reference 7(f)	
	Nil	Added NBDT Act means Non-Bank Deposit Takers Act 2013	For completeness.
	Definition of Supervisor.	Replaced Trustees with Credit Union	Consequential change following incorporation.
6 and 7	Nil	<p>Rule 6 clarifies the extended capacity and powers of the Credit Union, following incorporation.</p> <p>Rule 7 clarifies that certain activities are specifically permitted.</p>	<p>Rule 6 mirrors new section 107B(1) of the Act.</p> <p>Rule 7 gives (by way of clarity) specific rights for the Credit Union to:</p> <ul style="list-style-type: none"> • to borrow and invest money; • to deal with land; • provide certain ATM services to facilitate the use by Members, of ATM machines; • to enter into agreements in relation to the provision of direct credit, direct debit, telephone services or electronic transactions; and • to hold shares in First Insurance Limited. <p>These rights were previously given to the</p>

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			Trustees of the Credit Union.
25(b)	Special Meetings of Members may be called by the Board or the Trustees.	Deleted 'or the Trustees'.	Position of Trustees becomes obsolete following incorporation.
26(f)	Business of each Annual Meeting included a report from the Trustees.	Deleted.	Trustees' report no longer applicable, following incorporation of the Credit Union.
30(j)	Elections were to be conducted first for Directors, then for Trustees.	Reference to elections of Trustees deleted.	Deletion consequent upon there no longer being Trustees (following incorporation). Also greater flexibility in relation to voting for Directors which can be proceeded with as a group or individually, depending upon the standing and tenure of the candidates.
32 (a)	Allowed for 2 co-opted Board members, but unclear whether they also had to be Members.	Two co-opted Board members can be appointed by the Board and do not need to be elected. All Directors must be Members of the Credit Union.	Clarifies the appointment of co-opted Board members and their relationship with the Credit Union.
37(h)	Board to determine investments made by Trustees.	Board to determine Credit Union's investments.	Consequential change following incorporation.
Old Rule 36 and 36A	The Board may: <ul style="list-style-type: none"> enter into agreements to provide certain electronic services; and establish First Insurance Limited and request the Trustees to hold shares in that company. 	Nil	Following incorporation, these powers previously reserved to the Board will be assumed by the Credit Union. They are therefore moved to new Rule 7.
Old Rule 42 ©	Duties of the Treasurer Cause to be prepared in respect of each financial year, the annual financial statement in accordance	New Rule 43© Replaced Financial Reporting Act 2013 with 'section 122 of the Act'.	For more accuracy.

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	with the Financial Reporting Act 2013, and all documents required to be filed under the FMC Act and the Regulations.		
Old Rules 45 to 48	<p>Provision for the election of Trustees and the requirement for Trustees to meet at least monthly.</p> <p>These Rules set out the duties of the Trustees, namely:</p> <ul style="list-style-type: none"> • holding all property; • paying moneys and controlling bank accounts; • borrowing; • lending; • investing surplus funds; • holding shares in First Insurance Limited; • appointing and removing directors of First Insurance Limited; and <p>holding land and buildings</p>	Nil	<p>Deleted because position of Trustee becomes obsolete, following incorporation.</p> <p>These changes are consequent upon incorporation. Various functions previously required of the Trustees (for example holding the Credit Union's property) will be able to be fulfilled by the Credit Union itself. Various other Trustee functions will be performed by the Board).</p>
48(a)	Referred to Trustees in Audit Committee functions.	Reference to Trustees removed.	Change consequent upon incorporation.
52 and 53	<p>Nil</p> <p>Deeds were generally required to be signed by trustees, whose signatures were witnessed.</p>	<p>Method of Contracting:</p> <p>Clarifies how the Credit Union may execute documents and appoint attorneys.</p>	These new provisions mirror sections 133A and 133B of the Act.

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Old Rule 55	In order to comply with the FMC Act and the Regulations, the Trustees may enter into a Trust Deed with a Supervisor in a form approved by the Board pursuant to which...	New Rule 54 In order to comply with the FMC Act and the Regulations and/or any Exemption Notice, the Credit Union may enter into a Trust Deed with a Supervisor in a form approved by the Board pursuant to which...	Change consequent upon incorporation.
Old Rule 56	The Supervisor was deemed to be a person claiming through the Members under section 112(1) of the Act.	Nil	Section 112 of the Act ceases to apply on incorporation. Section 112(1) previously provided that the Credit Union's property vested in the Trustees for the benefit of members and persons claiming through them. The right for the Supervisor to claim for the Members should be set out in the Trust Deed.
Old Rule 63	Conflict of Interest.	New Rule 61(b) Added "An Enterprise"	For completeness.
Various	References to Trustees.	Reference to Trustees deleted	Position of Trustees obsolete following incorporation.