

Bank of England

Prudential Regulation Authority

DIRECTION

To: [Name of firm] (FRN []) ("the firm")

Of: [Address of firm]

Ref: [Insert reference]

Date: [Issue date]

PRA Rulebook Non-CRR firms: Rule 6.3 of the Credit Unions Part

Power

1. This direction is given by the *PRA* under section 138A of the Financial Services and Markets Act 2000.

Duration

2. This direction takes effect on [date].
3. This direction ceases to have effect if any part of the rule listed in paragraph 4 of this direction or Chapter 6 of the Credit Unions Part of the *PRA* Rulebook are revoked, amended or cease to apply to the firm (other than by virtue of this direction).

Rules Modified

4. The *PRA* directs that the *rules* listed below apply to the firm with the modifications shown. This Direction does not affect any waivers of/modifications to the rules listed below that are in force as at the date of this Direction.

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PRA Rulebook Rule	Modification
6.3	<p>A <i>credit union</i> must not hold <i>investments</i>, save that it may hold an <i>investment</i> that is:</p> <ul style="list-style-type: none">(1) a <i>deposit</i> placed with a <i>credit institution</i> or with a <i>credit union</i> which is authorised in the <i>UK</i> to <i>accept deposits</i> on terms that the <i>deposit</i> shall be repayable within at most twelve months from the date on which that <i>investment</i> is made;(2) a loan, other than a subordinated loan qualifying as <i>capital</i> within the meaning given in 8.2, to a <i>credit institution</i> which is authorised in the <i>UK</i> to <i>accept deposits</i>, with a <i>maturity</i> of up to twelve months from the date on which that <i>investment</i> is made;(3) a sterling-denominated security issued by the government of the <i>UK</i>, with a <i>maturity</i> of up to twelve months from the date on which that <i>investment</i> is made;(4) a fixed-interest sterling-denominated security guaranteed by the government of the <i>UK</i>, with a <i>maturity</i> of up to twelve months from the date on which that <i>investment</i> is made, provided that such guarantee is unconditional in respect of the payment of both principal and interest on the security; or(5) described in 6.4, where the <i>credit union</i> meets the conditions set out therein; <u>or</u>(6) <u>in an entity in order for the entity to provide ancillary services exclusively to <i>credit unions</i> and the <i>members</i> of those <i>credit unions</i>, including:</u><ul style="list-style-type: none"><u>(i) administrative, professional, trade body, management, technology, accounting support, compliance, collection and human resource services; or</u><u>(ii) any other similar services.</u>

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PRA Rulebook Rule	Modification
	<u>and which do not form part of the <i>regulated activities</i> of the <i>credit union</i>.</u>

Interpretation

5. The interpretative provisions (including definitions) of the *PRA* Rulebook apply to this direction.

Decision Maker
Title

For and on behalf of The Prudential Regulation Authority