

Statutory Document No. 2019/0050



Credit Unions Act 1993

CREDIT UNIONS ACT 1993 (LOAN INTEREST RATE) (AMENDMENT) ORDER 2019

Approved by Tynwald: 20 March 2019
Coming into Operation: 2 April 2019

The Isle of Man Financial Services Authority makes the following Order under section 11(5) of the Credit Unions Act 1993, after carrying out the consultations required by section 11(8) of that Act.

1 Title

This Order is the Credit Unions Act 1993 (Loan Interest Rate) (Amendment) Order 2019.

2 Commencement

If approved by Tynwald, this Order comes into operation on 2 April 2019.

3 Amendment to section 11

- (1) Section 11 of the Credit Unions Act 1993 is amended as follows.
- (2) For sub-section (4) substitute —

☐ A credit union may charge interest on loans made by it but such interest shall be at a rate not exceeding three per cent. per month, on the amount of the loan outstanding and such interest shall be inclusive of all administrative and other expenses incurred in connection with the making of the loan. ☐

MADE 25 JANUARY 2019

K. BADGEROW

Chief Executive of the Isle of Man Financial Services Authority

L. BOYLE

Member of the Isle of Man Financial Services Authority

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends section 11 of the Credit Unions Act 1993 to increase the maximum interest rate that may be charged on loans made by a credit union from 1% (one per cent) per month to 3% (three per cent) per month.

The interest is chargeable on the amount of the loan outstanding and is inclusive of all administrative and other expenses incurred in connection with the making of the loan.