

REPUBLIC OF KIRIBATI

# **CREDIT UNIONS REGULATIONS 2014**

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REPUBLIC OF KIRIBATI



**CREDIT UNIONS ACT 1990**

(Section 77)

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**CREDIT UNIONS REGULATIONS 2014**

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In exercise of the powers conferred by section 77 of the Credit Unions Act 1990, the Minister hereby makes the following Regulations.

***Short Title***

1. These Regulations may be cited as the Credit Unions Regulations 2014.

***Commencement***

2. These Regulations shall come into operation on such date as the Minister by notice appoint.

***Interpretation***

3. In these Regulations, unless the context otherwise requires:

“Act” means the Credit Unions Act 1990;

“Minister” means the Minister responsible for credit unions in Kiribati;

“Register” means the Register of Credit Unions;

“Registrar” means the Registrar of Credit Unions

***Affidavit verifying signatures to the Articles of Association***

4. An affidavit referred to in section 5 of the Act shall be in **FORM A** specified in the **SCHEDULE** to these Regulations.

### ***Application for registration***

5. The application for registration of a credit union referred to in section 7(b) of the Act shall be in **FORM B** specified in the **SCHEDULE** to these Regulations.
6. The application for registration of a League referred to in Part IX of the Act shall be in **FORM C** specified in the **SCHEDULE** to these Regulations.

### ***Supplementary By-Laws***

7. The supplementary by-laws referred to in section 5(b) of the Act that may be adopted by a Credit Union shall contain matters set out in **FORM D** specified in the **SCHEDULE** to these Regulations.

### ***Memorandum of Association***

8. The memorandum of Association for the League referred to in section 65 of the Act shall be in **FORM E** specified in the **SCHEDULE** to these Regulations.

### ***Fees and Charges***

9. The registration fee referred to in section 5(c) of the Act shall be:
  - (1). \$25.00 for a credit union; and
  - (2). \$50.00 for a League.
10. The fee referred to in section 12 (3) for inspecting the Register shall be \$5.00.
11. The charge referred to in section 13 (2) for supplying copy of the documents specified under subsection (1) of section 13 of the Act shall be \$0.20 for each page or part thereof.

### ***Maximum Loan***

12. The maximum amount of loan that can be granted to a member of a credit union shall not exceed \$300 or ten percent – (10%) of the total of assets of the Credit Union, whichever is greater.

### ***Maximum Interest on Loans***

13. The rate of interest on loans granted to members of any credit union shall be fixed from time to time by the Board of Directors but shall not exceed one percent per month on unpaid loan balance, inclusive of all charges incidental to making the loan.

### ***Books of Account and Records***

14. (1) Pursuant to section 49 of the Act every credit union must maintain the following records specified in the SCHEDULE to these Regulations:

- (a) Members Register in ***Form F***;
- (b) Cash Receipts Journal in ***Form G***;
- (c) Cash Payment Journal in ***Form H***;
- (d) Monthly Financial Report in ***Form I***;
- (e) Loan Register in ***Form J***;
- (f) Payment Voucher in ***Form K***;
- (g) Receipt Book in ***Form L***;
- (h) Fixed Assets Register in ***Form M***; and
- (i) Annual Summary Financial Report in ***Form N***;

(2) In addition to the list provided under this By-Law, the following records must also be maintained:-

- (a) Cheque Book;
- (b) Bank Statements, and
- (c) Borrowers' files.

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REPUBLIC OF KIRIBATI



## CREDIT UNIONS REGULATIONS 2013

(Regulation 2)

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### NOTICE OF COMMENCEMENT

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In exercise of the powers conferred on me by Regulation 2 of the Credit Unions Regulations 2013, I hereby appoint the 1st day of January 2015 as the day on which the said Regulations shall come into operation.

Dated this .....day of ....., 2014.

.....

**Hon. Pinto Katia**

Minister of Commerce, Industry and Cooperatives

Published by exhibition at the Public Office of Te Beretitenti this .....day of ....., 2014.

.....

**Teea Tiira**

Secretary to the Cabinet

## SCHEDULE

### **FORM A – AFFIDAVIT VERIFYING SIGNATURES**

(Regulation 4)

I \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_

Make an oath and say as follows:

1. That I am an employee of the \_\_\_\_\_ as  
a \_\_\_\_\_
2. That I am the attesting witness to the signatures made on the  
**ARTICLES/MEMORANDUM OF ASSOCIATION** of the proposed  
\_\_\_\_\_

Dated \_\_\_\_\_ day of \_\_\_\_\_

3. That I certify to have read over and explained the contents of the said  
**ARTICLES/MEMORANDUM OF ASSOCIATION** to the said applicants in the  
\_\_\_\_\_ language and they appeared fully to understand the  
meaning and effect thereof before signing in my presence.

**SWORN** by the said \_\_\_\_\_ at \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_

**WITNESS** \_\_\_\_\_

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**Commissioner for Oaths / Justice of the Peace**

## ***SCHEDULE***

### ***FORM B – APPLICATION FOR REGISTRATION OF CREDIT UNION***

(Regulation 5)

1. We, the undersigned,

No.	Full Name	Age	Address	Occupation
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

*(Note: Use separate blank sheet if more than 15 members)*

Desire to form a Credit Union under the Credit Unions Act 1990 and hereby apply for registration.

2. The name of the proposed Credit Union shall be:

.....

3. The registered office of the Credit Union shall be:

.....

.....

.....

(Note: insert proposed address (e.g. postal, phone, e-mail))

4. Enclosed are copies of:

- Articles of Association;
- an Affidavit verifying the signatures to the Articles of Association;



- c. By-Laws (Standard/Supplementary);
- d. Minute of the Preliminary Meeting; and
- e. the prescribed registration fee.

5. The documents referred to in paragraph 4 (a) to (d) were approved by .....persons willing to become members at the Preliminary Meeting held at ..... on the .....day of ....., 20.....

6. The ..... person undersigned are now willing to become members and made the necessary payment for admission to membership as provided in the enclosed By-Laws.

Dated this .....day of .....20.....

Full Names of members	Signatures

## **FORM C – APPLICATION FOR REGISTRATION OF LEAGUE**

(Regulation 6)

1. We, the undersigned,

No.	Names of Credit Unions	Date of registration	Address	No. of members
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

*(Note: Use separate blank sheet if more than 15 members)*

Desire to form a Credit Union League (hereinafter referred to as the “League”) under the Credit Unions Act 1990 and hereby apply for registration.

2. The name of the proposed League shall be:

.....

3. The registered office of the League shall be:

.....

.....

.....

(Note: insert proposed address (e.g. postal, phone, e-mail))

4. Enclosed are copies of:

- Memorandum of Association;
- an Affidavit verifying the signatures to the Memorandum of Association;
- By-Laws (Standard/Supplementary);



***FORM D – SUPPLEMENTARY BY-LAWS FOR CREDIT UNION/LEAGUE***

(Regulation 7)

1. Name of Credit Union
2. Address of Registered Office
3. Object
4. Area of Operation
5. Purpose which Credit Union fund may be lent
6. Value of each share/minimum number of shares to be held by each member
7. Field of membership, entrance fees, or membership fees, if any
8. Manner of raising share capital and other funds and terms of withdrawal or transfer of shares
9. Rights and duties of members and extent of liabilities of member for debts of the Credit Union
10. Withdrawal conditions of membership
11. Method of summoning and conducting meetings and rights of votes
12. Powers and duties of general meetings and the Board
13. Mode of election, term of office, suspension and removal of Board and officers of Credit Union
14. Delegation of authority of Board to an officer to specify duties
15. Disposal of dividend or surplus
16. Allowances and honorarium to officers of Credit Union
17. Loan procedures, interest rates, security required for payment
18. Shares and deposit savings procedures
19. Duties of officers and committees
20. League of Credit Unions.

**FORM E – MEMORANDUM OF ASSOCIATION FOR CREDIT UNION**

(Regulation 8)

1. The undersigned are desirous of being incorporated under the provisions of the Credit Unions Act. 1990.

2. The group of Credit Unions to which membership is limited is .....

3. The corporate name of the League is to be (insert name proposed) Credit Union League.

4. The registered office of the League is situated at.....

5. The par value of each share is A\$1.

6. The names and addresses of the undersigned, the number of shares for which each has subscribed, and the qualification of each within the group to which membership is limited, are as follows -

Names	Addresses	No. of shares subscribed

..... will be provisional secretary of the League.

Dated at ..... this ..... day of 20...

Signature of witness:

Signature of applicants:

Note: Give description of group by occupation or area of residence.

\_\_\_\_\_

## FORM F – MEMBERS' REGISTER

[Regulation 14(1)]

..... **CREDIT UNION LTD**

**NOTE:** When the page is full a copy of the register is to be made and be securely stored by the Secretary.

Member Number	Member's Full Name	Gender: Male/ Female	Date Joined (approved)	Date Withdrew Membership

\* Date Back up Copy made by the Secretary: .....

## FORM G – CASH RECEIPTS JOURNAL

Regulation 14(2)

**CREDIT UNION LTD**

**(ALL MONEY COMING IN EACH MONTH)**

Sheet Number:				A	B	C	D	E	F	G
						INCOME				
Entry No. for this month	Date	Receipt or Passbook Number	Member Name or Other Detail	Savings Deposit	Loan Repayment	Loan Interest	Investment & Bank Interest	Membership Fees	Other Income	TOTAL
			TOTAL							
				A	B	C	D	E	F	G

**MONTH** ..... **YEAR**.....

# FORM H – CASH PAYMENTS JOURNAL

Regulation 14(3)

..... CREDIT UNION LTD

(ALL MONEY GOING OUT EACH MONTH)

Sheet Number:				<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
						<b>OPERATING EXPENSES</b>				
<b>Entry No. for this month</b>	<b>Date</b>	<b>Payment or Passbook Entry Number</b>	<b>Member Name or Other Details</b>	Member Loan Funded	Savings Withdrawal	Stationery Printing Postage	Phone Fax Travel	Bank Charges	Dividend & Other	<b>TOTAL</b>
			<b>TOTAL</b>							
				<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>

MONTH ..... YEAR.....



# FORM I – MONTHLY FINANCIAL REPORT

Regulation 14(4)

..... **CREDIT UNION LTD**

**MONTH** ..... **YEAR**.....

## (Part 1) FLOW OF MONEY

	<b>Money Coming In</b>	
1	Current Month: Use Form A (Total of Column G) to get this information	
	<b>Money Going Out</b>	
2	Current Month: Use Form B (Total of Column G) to get this information	
3	<b>NET FLOW OF MONTHLY FUNDS: TOTAL IN (1) minus TOTAL OUT (2)</b>	
4	Total Funds From Previous Month (row 8 from Form C of previous month)	
5	<b>Total Funds (Net Savings &amp; Profit) Available</b> (row 3 + row 4)	

## (Part 2) BALANCING THE MONEY (FUNDS RECONCILIATION)

6	Money on Hand (Cash & Cheques)	
7	Money in Bank or Investments:	
7a	Total Money in Bank (add up all bank or credit union accounts)	
7b	Total of all cheques written but not showing in Bank Accounts	
7c	7a less 7b = Money in Bank and/or Investments	
8	<b>Total Funds</b> (row 6+7c)	
9	<b>Total Funds Available</b> (use the total amount from row 5 in this form)	
10	<b>Difference</b> (row 8 minus row 9) <b>This should be 0</b> Note: provide explanation for any difference	

## (Part 3) TOTAL SAVINGS & LOANS

	<b>Savings</b>		<b>Loans</b>	
11	Total Deposits (Form A, total of column A)		Total Loans (Form B, total of column A)	
12	Less, Total Savings Withdrawn (Form B, column B)		Less, Loan Repayments (Form A, column B)	
13	Total Current Month (row 11 - row 12)		Total Current Month (11 less 12)	
14	Balance end of Previous Month (Use Previous Month Form C: Row 15)		Balance Previous Month (Use Previous Month Form C: Row 15)	
15	Total Member Savings (row 13 + 14)		Total Member Loans (13 + 14)	
16	<b>NET SAVINGS</b> ("Total Member Savings" less "Total Member Loans" - both are on row 15)			

**(Part 4) PROFIT & LOSS STATEMENT**

	TOTAL INCOME (Form A)		EXPENSE (Form B)	
17	Loan Interest (Column C)		Stationery/Printing/Postage (C)	
18	Investment & Bank Interest (Col. D)		Phone/Fax/Travel (Column D)	
19	Membership Fees (Column E)		Bank Charges (Column E)	
20	Other Income (Column F)		Dividend & Other (Column F)	
21	TOTAL (rows 17 - 20)		TOTAL (rows 17 - 20)	
22	NET PROFIT/LOSS (current month) Total Income minus Total Expense (Row 21)			
23	plus Balance at end of Previous Month (Use Form C for the Previous Month, Row 24)			
24	TOTAL PROFIT/LOSS (row 22 plus row 23)			

Final check to make sure everything balances (i.e. (y) must equal (z))

Net Savings (row 16)		<u>plus</u> Profit /Loss (row 24)		=	(y)	Total Funds (row 8)	=	(z)
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Signed by:	Treasurer	Asst Treas.	Committee Member
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## FORM J - LOAN REGISTER

Regulation 14(4)

..... **CREDIT UNION LTD**

Date Loan Approved	Member's Name	Amount Loaned	Loan Purpose	Term (Months)	Co- Maker(s) Yes/No	Date Repaid
		[19]				

Register Page No.

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## FORM K – PAYMENT VOUCHER

Regulation 14(3)

.....Credit Union		
<b>Payee:</b>		<b>PV no:</b>
<b>Address:</b>		<b>Cheque no:</b>
<b>Date</b>	<b>Detail</b>	<b>Amount</b>

<b>Prepared by:</b>	<b>Checked by:</b>	<b>Authorized by:</b>	<b>Approved by:</b>

<b>Received by</b>	
<b>Signature</b>	
<b>Date</b>	



## FORM L – RECEIPT

Regulation 14(4)

.....CREDIT UNION	
<b>RECEIPT</b>	
Date: _____	No: _____
Received from:.....	
The sum of:.....dollars	
and:.....cents	
Being for:.....	
\$.....:	Cash/Cheque No:.....
Per:.....	

## FORM M – FIXED ASSETS REGISTER

Regulation 14(5)

Date of Purchase	Fixed Asset	Depreciation Rate	PV.No	Serial No.	Model No.	Amount

# FORM N - ANNUAL SUMMARY FINANCIAL REPORT

Regulation 14(4)

## ..... CREDIT UNION LTD ANNUAL SUMMARY - FINAL FINANCIAL RESULT FOR THE YEAR

Month	Total Member Savings (Net)	Total Member Loans (Net)		Total Income	Total Expenses	Monthly Profit or Loss	Progressive Profit or Loss
	Form C, row 15	Form C, row 15		Form C, row 21	Form C, row 21	Form C, row 22	Form C, row 24
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							

Dated this.....day of December, 2014.

Hon Pinto Katia  
Minister of Commerce,  
Industry & Cooperatives.

Published for exhibition at the Public Office of Te Beretitenti this ..... day of  
December, 2014.

Teea Tiira  
Secretary to the Cabinet.