

4. NORTH EAST DUNDEE CREDIT UNION LIMITED (AN166-2002)

The Committee is asked to note the following update on the situation with North East Dundee Credit Union Limited, hereafter referred to as NEDCU: -

NEDCU has been moribund since August 1998 but is technically still a registered credit union with assets and liabilities, under the 1979 Credit Union Act.

The assets include members shares that have not been repaid, and the residual grant from DCC grant funding to cover the costs of the winding up and closure process.

Since that date several attempts have been made by NRDD and the Financial Services Authority, to encourage the officers of the credit union to complete the closure process.

No response was received until Monday, 17th June, 2002 when contact was made by the secretary of NEDCU asking for help to resolve the situation before 1st July, 2002 - the date that the new legislative measures for credit unions come into force.

The FSA required the appropriate forms to be completed and returned to them with the details of the arrangements to be made for dealing with assets and liabilities, before 1st July, 2002. The FSA have suggested that NEDCU arrange for a person or organisation to act as trustees for the disposal of the Credit union's assets until such time they are paid to the shareholders.

The secretary was advised of the need for speed in dealing with this matter to meet the deadline.

After investigation of various options it was decided the best option would be for Dundee North Law Centre to act as trustees with any residual funds attributed to them to cover any unforeseen costs.

The secretary of NEDCU was informed of this on the 29th June, 2002. DNLC have confirmed their agreement to act as trustees and informed the secretary of NEDCU of their requirements.

On Tuesday 16th July, 2002, the FSA confirmed that NEDCU have been effectively de-registered from 1st July, 2002, which means that legally, this Credit Union no longer exists and that the FSA are satisfied with the arrangements now in place for dealing with the Credit Union's assets and liabilities.