



CENTRAL BANK of SOLOMON ISLANDS
P.O. BOX 634, Honiara, Solomon Islands

Press Release: 15/2018

Wednesday 3rd October 2018

Credit Union Bill consultations commence

(Honiara 03.10.18) - The Central Bank of Solomon Islands (CBSI) and the Ministry of Finance and Treasury (MoFT) will be conducting a nationwide consultation on the Credit Union Bill in relation to changes to the Credit Union Act.

The consultation provides an opportunity for stakeholders to discuss and comment on the key changes to the current Credit Union Act. The purpose of the consultation is to get feedbacks and comments from all stakeholders and the public on the Credit Union Bill, with the consultation feedback expected to lead to the finalization of a new Credit Union Bill, set for consideration by Parliament in 2019. The new Credit Union Bill will provide the much-needed legal underpinnings for CBSI to license, supervise, and regulate credit unions in Solomon Islands through a framework that is:

- (i) appropriate to the state of the industry
- (ii) takes into consideration international best practices and the country context
- (iii) provides for regulation and supervision proportional to the risk that a credit union presents to depositors; and
- (iv) provides credit unions the clarity and certainty that they need to plan for the future

Credit Unions are financial cooperatives, owned and controlled by members, and whose central purpose is to provide savings, cheaper credit, and other financial services to their members. They are formed by individuals who typically would have had access to appropriate financial services through banking sector.

Credit Unions are different from Banks and microfinance institutions in that they are not profit driven and largely funded by voluntary member deposits. Each member is a shareholder, and credit unions are governed through a democratic decision making process in which each member has one vote. A well-functioning credit union industry can enhance access to financial services and create economic opportunities for its members.

The CBSI and MoFT welcome written submissions and or comments from stakeholders and public during the consultation meetings. The public can also make submissions online through the CBSI official Facebook page (<https://www.facebook.com/cbsiinfo/>) and twitter (<https://mobile.twitter.com/cbsiinfo>).

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