



Permanent Share FAQ's

Q: What is a Permanent Share?

It represents a member's ownership of, or member's equity in the Credit Union. This amount cannot be withdrawn while the person remains a member.

Q: Why is it necessary for the Credit Union to implement Permanent Shares?

This gives the Credit Union another option for raising capital. It is also in keeping with the International Financial Reporting (Accounting) Standards that require equity to be treated in a certain way. Since voluntary shares are not considered capital, permanent shares represent members' equity in the Credit Union.

Q: How is a Permanent Share different from voluntary shares?

The money in voluntary shares can be withdrawn, subject to a notice period if necessary. Permanent shares cannot be withdrawn; they can only be transferred when the member decides to give up membership.

Q: How does a member benefit from having Permanent Shares?

It represents your part ownership, or equity, in the Credit Union and is used for the growth and development of your Credit Union.

Q: How does the Credit Union benefit?

Permanent shares increase the capital of the Credit Union and allows it to undertake expansion and enhancement of services to the members.

Q: Will I get dividends on my Permanent Shares?

Dividends may be paid on permanent shares if recommended by the Board of Directors and approved by members in an annual meeting.

Q: Can I use my Permanent Shares as collateral?

Permanent shares are not intended to be used as collateral. Members have the option of using their voluntary shares to provide collateral for their loans.

Q: Who and what will determine how much Permanent Shares members will need to have?

These decisions will be made by members in general meetings on the recommendation of the Board.

Q: Can Permanent Shares ever be withdrawn?

No. In case of death or resignation as a member, the Credit Union may buy back the shares using a special fund called the share transfer fund.

Q: Will Permanent Shares ever replace current Voluntary Shares?

No. The Credit Union Rules require two types of shares, both Permanent and Voluntary.

Q: Will Permanent Shares give more control to one member over another member?

No. All members will have the same number of Permanent Shares and in keeping with the principles of cooperatives, each member has one vote.

GRAND CAYMAN

58 Huldah Ave.
PO Box 1450
Grand Cayman KY1-1110
1-345-949-8415

CAYMAN BRAC

12 Kirkconnell St., Stake Bay
PO Box 262
Cayman Brac KY2-2110
1-345-948-0655

