



Association of British Credit Unions Limited

3 September 2025

Financial Committee of the Riigikogu
Lossi plats 1a, 15165
Tallinn, Estonia

Delivered electronically via: rahanduskomisjon@riigikogu.ee

Cc: Prime Minister of the Republic of Estonia Mr. Kirsten Michal
riigikantselei@riigikantselei.ee

Cc: Finance Minister of the Republic of Estonia Mr. Jürgen Ligi
info@rahandusministeerium.ee

Re: The importance of Credit Cooperatives (hoiu-laenuühistud) in Estonia

Dear Finance Committee of the Riigikogu,

The Association of British Credit Unions (ABCUL) has learnt of the draft Savings and Loan Associations Amendment Act that has been prepared and presented to the Riigikogu. Our understanding is that the proposed law will prevent new members from joining a credit cooperative and impose restrictions that will effectively end a credit cooperative's ability to operate in the Republic of Estonia.

We are writing to express our sincere and urgent concern about this proposal and offer our strong support to the Estonian credit cooperative's the support being offered by the World Council of Credit Unions (WOCCU) to ensure that credit unions have an enabling regulatory framework in Estonia so that they can operate safely to best serve the local community, as per their letter delivered to you electronically dated 11 August 2025.

Credit unions and financial cooperatives across Europe pay a vital role in the financial ecosystem. There are over 2,000 credit union in the European Union with more than EUR 34 billion in total assets with almost 10 million members. The European Network of Credit Unions (ENCU) facilitates collaboration and the exchange of regulatory best

ABCUL is a member of the

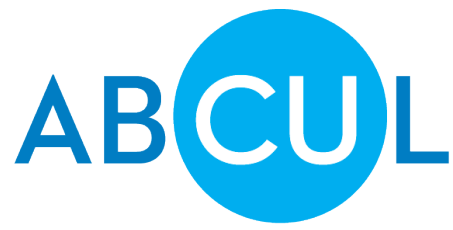


World
Council
of Credit
Unions, Inc.

ABCUL Association of British Credit Unions Limited
Holyoake House, Hanover Street, Manchester M60 0AS

Tel 0161 832 3694 Fax 0161 832 3706
Email info@abcul.org Website www.abcul.coop

Chief Executive Officer Matt Bland
Industrial and Provident Societies Act Reg No. 23136R



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practices among credit unions across Europe. WOCCU is the leading trade association and development organization for the international credit union movement. Worldwide, there are over 82,000 credit unions in over 100 countries with USD 3.6 trillion in total assets serving over 400 million physical person members.¹

ABCUL, a member of WOCCU, is the largest credit union trade association in Great Britain where there are over 225 credit unions active, with more than 1.5 million members and £2.7 billion in assets under management. In speaking with our colleagues at WOCCU and the Estonian Union of Credit Cooperatives (EUCC) it is clear that credit cooperatives that belong to EUCC are critical to the Republic of Estonia and the global credit union network. They play a vital role in providing local financial services, often by reaching the underserved and unbanked populations. ABCUL finds it alarming that there is an effort to liquidate savings and loan associations in Estonia. This is not the trend we are seeing globally, where credit unions are growing. In fact, here in Great Britain there has been a commitment from the Government to double the size of the cooperative and mutuals sector which includes modernising co-operative law to foster growth and is working with sector leader to implement the necessary regulatory changes required. As the Government sees the sector as a way to deliver economic resilience. The global economic crisis in 2007-2009 has convincingly shown that credit cooperatives are the most crisis-resistant and sustainable financial institutions in the financial sector, thanks to their specific form of ownership.

ABCUL has heard there are some financial institutions in the Republic of Estonia that are not following the appropriate principles of a savings and loan association, which is troubling to hear, but none of these are members of the EUCC. We would strongly support robust regulation and a regulatory oversight and examination of those credit unions who are not following the principles of a saving and loan association, but not to the detriment of those who are complying and are operating sustainable and compliant organisations. We would strongly support a regulatory framework that requires registration and appropriate criteria to label their organisations as a credit cooperative to prevent bad actors from impersonating this crucial form of financial institution. Strong supervision to ensure organisations are working in the best interest of the community is also a core component to a strong regulatory framework.

¹ [World Council of Credit Unions, 2023 Statistical Report](#)



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We encourage the Estonian authorities to develop and embed a strong regulatory framework for credit cooperatives in Estonia, one that allows registered credit cooperatives to serve their communities and grow in a sustainable manner by accepting deposits with the recommended safeguards in place.

Thank you for your consideration of our comments. If you have any questions please do not hesitate to contact me at advocacy@abcul.org.

Sincerely,

Matt Bland,
Chief Executive,
Association of British Credit Union Ltd.

ABCUL Association of British Credit Unions Limited
Holyoake House, Hanover Street, Manchester M60 0AS
Tel 0161 832 3694 Fax 0161 832 3706
Email info@abcul.org Website www.abcul.coop

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