



Credit Unions Act 1979

1979 CHAPTER 34

Registration as a credit union

1 Registration under the Industrial and Provident Societies Act 1965

(1) Subject to sections 6(4) and 15(1) below and to sections 2(1) and 7(1) of the Industrial and Provident Societies Act 1965 (in this Act referred to as "the 1965 Act"), a society may be registered under that Act if—

- (a) it is shown to the satisfaction of the appropriate registrar that the conditions specified in subsection (2) below are fulfilled;
- (b) the rules of the society comply with section 4(1) below; and
- (c) the place which under those rules is to be the society's registered office is situated in Great Britain;

and a society which is so registered by virtue of this section shall be registered as, and is in this Act referred to as, a "credit union".

(2) The conditions referred to in subsection (1)(a) above are—

- (a) that the objects of the society are those, and only those, of a credit union ; and
- (b) that admission to membership of the society is restricted to persons all of whom fulfil a specific qualification which is stated in the rules and is appropriate to a credit union (whether or not any other qualifications are also required by the rules) and that in consequence a common bond exists between members of the society.

(3) The objects of a credit union are—

- (a) the promotion of thrift among the members of the society by the accumulation of their savings;
- (b) the creation of sources of credit for the benefit of the members of the society at a fair and reasonable rate of interest;
- (c) the use and control of the members' savings for their mutual benefit; and
- (d) the training and education of the members in the wise use of money and in the management of their financial affairs.

Status: This is the original version (as it was originally enacted).

- (4) The qualifications for admission to membership which are appropriate to a credit union are—
- (a) following a particular occupation;
 - (b) residing in a particular locality ;
 - (c) being employed in a particular locality ;
 - (d) being employed by a particular employer;
 - (e) being a member of a bona fide organisation or being otherwise associated with other members of the society for a purpose other than that of forming a society to be registered as a credit union ;
- and such other qualifications as are for the time being approved by the appropriate registrar.
- (5) In ascertaining whether a common bond exists between the members of a society, the appropriate registrar—
- (a) shall have regard to the nature of the qualification for admission to membership of the society, and
 - (b) may, if he considers it proper in the circumstances of the case, treat the fact that admission to membership is restricted as mentioned in subsection (2)(b) above as sufficient evidence of the existence of a common bond.
- (6) For the purposes of this Act, if the rules of a credit union so provide, a person shall be treated as fulfilling a qualification for admission to membership stated in those rules if he is a member of the same household as, and is a relative of, another person who is a member of the credit union and fulfils that qualification directly.