



Credit Unions Act 1979

1979 CHAPTER 34

Rules and membership

4 Rules.

- (1) The rules of a credit union shall be in such form as the [^{F1}Authority] may determine and shall contain—
 - (a) provision with respect to the matters mentioned in Schedule 1 to this Act; and
 - (b) such additional provision as the [^{F1}Authority] may determine.
- (2) The rules of a credit union may not be amended except by a resolution passed by not less than two-thirds of the members present at a general meeting called for the purpose after the giving of such notice as is by the rules required for such a resolution.
- (3) In section 10(3) of the 1965 Act (acknowledgement of registration of amendment of rules where not contrary to the Act) as it applies to credit unions the reference to the 1965 Act shall be construed as including a reference to this Act.
- ^{F2}(4)
- (5) Section 11 of the 1965 Act (power to make rules as to fund for purchase of government securities) shall not apply to credit unions.

Textual Amendments

- F1** Words in s. 4(1) substituted (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(1), **Sch. 3 Pt. IV para. 268** (with art. 13(3)); S.I. 2001/3538, **art. 2(1)**
- F2** S. 4(4) repealed (3.7.2002) by S.I. 2002/1555, **art. 7(2)**

5 Membership and voting rights.

- (1) Only individuals shall be members of a credit union.

Status: Point in time view as at 01/12/2004.

Changes to legislation: There are currently no known outstanding effects for the Credit Unions Act 1979, Cross Heading: Rules and membership. (See end of Document for details)

- (2) A person shall not be a member of a credit union unless he holds at least one fully paid-up share in that credit union, but the rules of the credit union shall not require a person to hold more than £5 in fully paid-up shares as a condition of membership.
- ^{F3}(3)
- ^{F3}(4)
- ^{F3}(4A)
- (5) A member of a credit union who ceases to fulfil the qualifications for admission to membership shall be entitled, subject to subsection (6) below, to retain his membership unless the rules of the credit union provide otherwise; and, subject to section 21(4) below, in this Act the expression “non-qualifying member”, in relation to a credit union, means a person who remains a member of the credit union by virtue of this sub-section.
- (6) The number of non-qualifying members of a credit union shall not at any time exceed ten per cent. of the total membership of the credit union.
- (7) Non-qualifying members of a credit union shall be left out of account in determining for any purpose whether a common bond exists between the members of the credit union.
- (8) A non-qualifying member of a credit union shall be entitled, except so far as the rules of the credit union may provide otherwise, to purchase shares and^{F4}..., to receive loans.
- (9) Subject to any provision in the rules of a credit union as to voting by a chairman who has a casting vote, on every matter which is determined by a vote of members of a credit union every member shall be entitled to vote and shall have one vote only.
- ^{F3}(10)

Textual Amendments

- F3** S. 5(3)(4)(4A)(10) omitted (2.7.2002) by virtue of S.I. 2002/1501, arts. 1(1), 2(4)
- F4** Words in s. 5(8) repealed (1.9.1996) by S.I. 1996/1189, art. 6(b)

6 Minimum and maximum number of members.

- (1) The minimum number of members of a credit union shall be twenty-one and, accordingly, in the following provisions, namely—
- section 2(1) of the 1965 Act, as it applies to registration as a credit union and to an application therefor,
 - section 16(1)(a)(i) of that Act, as it applies to the cancellation of such a registration,
 - section 53(2) of that Act, as it applies to the conversion of a company into a credit union, and
 - [^{F5}section][^{F6}122(1)(e) of the Insolvency Act 1986] as it applies by virtue of section 55(a) of the 1965 Act to the presentation of a petition for winding up a credit union,
- for the word [^{F7}three][^{F8}(or, in the case of section [^{F9}122(1)(e) of the Act of 1986], for the word “two”)] there shall be substituted the words “ twenty-one” ”.

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F10(2)

F10(3)

F10(4)

F10(5)

F10(6)

Textual Amendments

- F5** Word substituted by virtue of Companies Consolidation (Consequential Provisions) Act 1985 (c. 9, SIF 27), s. 30, **Sch. 2**
- F6** Words substituted by virtue of Companies Consolidation (Consequential Provisions) Act 1985 (c. 9, SIF 27), s. 30, **Sch. 2** and Insolvency Act 1986 (c. 45, SIF 66), s. 439(2), **Sch. 14**
- F7** Word in S. 6(1) substituted (1.9.1996) by S.I. 1996/1738 arts. 1, 3(2)(b)
- F8** Words inserted by virtue of Companies Consolidation (Consequential Provisions) Act 1985 (c. 9, SIF 27), s. 30, **Sch. 2**
- F9** Words substituted by Insolvency Act 1986 (c. 45, SIF 66), s. 439(2), **Sch. 14**
- F10** S. 6(2)-(6) repealed (2.7.2002) by 2000 c. 8, ss. 338(4), 432(3), Sch. 18 Pt. V para. 21, **Sch. 22**; S.I. 2001/3538, **art. 2(5)**

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