



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- F2** S. 4(4) repealed (3.7.2002) by [S.I. 2002/1555](#), [art. 7\(2\)](#)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.

- ^{F3}(1)

Status: Point in time view as at 08/01/2012.

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- (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.
- ^{F4}(3)
- ^{F4}(4)
- ^{F4}(4A)
- (5) A member of a credit union who [^{F5}ceases to fall within a common bond and as a result would not qualify 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^{F6}... 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.
- ^{F7}(6)
- (7) Non-qualifying members of a credit union shall be left out of account in determining for any purpose [^{F8}whether the requirements of section 1B are met].
- (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^{F9}..., 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.
- ^{F4}(10)

Textual Amendments

- F3** S. 5(1) omitted (8.1.2012) by virtue of [The Legislative Reform \(Industrial and Provident Societies and Credit Unions\) Order 2011 \(S.I. 2011/2687\)](#), arts. 1(1)(b), **15(1)** (with arts. 25, 26)
- F4** S. 5(3)(4)(4A)(10) omitted (2.7.2002) by virtue of [S.I. 2002/1501](#), **arts. 1(1), 2(4)**
- F5** Words in s. 5(5) substituted (8.1.2012) by [The Legislative Reform \(Industrial and Provident Societies and Credit Unions\) Order 2011 \(S.I. 2011/2687\)](#), arts. 1(1)(b), **14(1)(a)** (with arts. 25, 26)
- F6** Words in s. 5(5) omitted (8.1.2012) by virtue of [The Legislative Reform \(Industrial and Provident Societies and Credit Unions\) Order 2011 \(S.I. 2011/2687\)](#), arts. 1(1)(b), **16(a)** (with arts. 25, 26)
- F7** S. 5(6) omitted (8.1.2012) by virtue of [The Legislative Reform \(Industrial and Provident Societies and Credit Unions\) Order 2011 \(S.I. 2011/2687\)](#), arts. 1(1)(b), **16(b)** (with arts. 25, 26)
- F8** Words in s. 5(7) substituted (8.1.2012) by [The Legislative Reform \(Industrial and Provident Societies and Credit Unions\) Order 2011 \(S.I. 2011/2687\)](#), arts. 1(1)(b), **14(1)(b)** (with arts. 25, 26)
- F9** Words in s. 5(8) repealed (1.9.1996) by [S.I. 1996/1189](#), **art. 6(b)**

^{F10}5A. Corporate members

- (1) A credit union may admit bodies corporate as members if its rules so provide.
- (2) The number of corporate members of a credit union shall not at any time exceed ten per cent of the total number of members of the credit union or such higher percentage as may be specified.

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- (3) The number of shares allotted to corporate members of a credit union shall not at any time exceed twenty-five per cent of the total shares allotted to all members of the credit union or such higher percentage as may be specified.
- (4) For the purpose of subsection (3) above, the total shares allotted to all members of the credit union shall be that found in the most recent year-end balance sheet submitted to the Authority.
- (5) In this section—
 - (a) “specified” means specified by order made by the Treasury;
 - (b) “shares” means shares other than deferred shares.
- (6) In this Act “corporate member”, in relation to a credit union, means—
 - (a) a body corporate which is a member of the credit union;
 - (b) an individual who is a member of the credit union in his capacity as a partner in a partnership; or
 - (c) an individual who is a member of the credit union in his capacity as an officer or member of the governing body of an unincorporated association.]

Textual Amendments
F10 S. 5A inserted (8.1.2012) by [The Legislative Reform \(Industrial and Provident Societies and Credit Unions\) Order 2011 \(S.I. 2011/2687\)](#), arts. 1(1)(b), **15(2)** (with arts. 25, 26)

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—
 - (a) section 2(1) of the 1965 Act, as it applies to registration as a credit union and to an application therefor,
 - (b) section 16(1)(a)(i) of that Act, as it applies to the cancellation of such a registration,
 - (c) section 53(2) of that Act, as it applies to the conversion of a company into a credit union, and
 - (d) [^{F11}section][^{F12}122(1)(e) of the Insolvency Act 1986] as it applies by virtue of [^{F13}section 55(1)(a)] of the 1965 Act to the presentation of a petition for winding up a credit union,
 for the word [^{F14}three][^{F15}(or, in the case of section [^{F16}122(1)(e) of the Act of 1986], for the word “two”)] there shall be substituted the words “ twenty-one” ”.

- ^{F17}(2)
- ^{F17}(3)
- ^{F17}(4)
- ^{F17}(5)
- ^{F17}(6)

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Textual Amendments

- F11** Word substituted by virtue of [Companies Consolidation \(Consequential Provisions\) Act 1985 \(c. 9, SIF 27\), s. 30, Sch. 2](#)
- F12** 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](#)
- F13** Words in s. 6(1)(d) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\), art. 1\(2\), Sch. 1 para. 40](#) (with art. 10)
- F14** Word in S. 6(1) substituted (1.9.1996) by [S.I. 1996/1738 arts. 1, 3\(2\)\(b\)](#)
- F15** Words inserted by virtue of [Companies Consolidation \(Consequential Provisions\) Act 1985 \(c. 9, SIF 27\), s. 30, Sch. 2](#)
- F16** Words substituted by [Insolvency Act 1986 \(c. 45, SIF 66\), s. 439\(2\), Sch. 14](#)
- F17** 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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