



# 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 [<sup>F1</sup>section 6(4)] 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 [<sup>F2</sup>Authority] that the conditions specified in subsection (2) below are fulfilled;
  - (b) the rules of the society comply with section 4(1) below; <sup>F3</sup> . . .
  - (c) the place which under those rules is to be the society’s registered office is situated in Great Britain;
  - [<sup>F4</sup>(d) the society has made an application to the Authority for Part IV permission under section 40 of the Financial Services and Markets Act 2000 (in this Act referred to as “the 2000 Act”) to accept deposits; and
  - (e) the Authority is satisfied that, once registered under the 1965 Act, the society will satisfy, and continue to satisfy, the threshold conditions set out in Schedule 6 to the 2000 Act in relation to the regulated activity of accepting deposits;]

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”.

[<sup>F5</sup>(1A) The Authority shall not issue an acknowledgement of registration under section 2(3) of the 1965 Act to a credit union unless it also proposes to give that society permission under Part IV of the 2000 Act to accept deposits.

(1B) If the Authority issues an acknowledgment of registration to a credit union under that section, it shall determine any outstanding application of that credit union for permission under Part IV of the 2000 Act to accept deposits as soon as reasonably possible thereafter.]

- (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

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- [<sup>F6</sup>(b) that as a result of any provision of the rules, admission to membership of the society meets the requirement specified in subsection (3A) or (3B) below (whether or not any other qualifications for admission to membership 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.
- [<sup>F7</sup>(3A) The requirement specified in this subsection is that admission to membership of the society is restricted to persons all of whom fulfil the same specific qualification for admission to membership, being a qualification specified in, or approved under, subsection (4) below as being appropriate to a credit union.
- (3B) The requirement specified in this subsection is that admission to membership of the society is restricted to persons each of whom fulfils either—
- (a) the qualification for admission to membership specified by paragraph (e) of subsection (4) below as being appropriate to a credit union; or
  - (b) the same specific qualification for admission to membership, being a qualification which is so specified in paragraph (a), (b), (c), (d) or (f) of that subsection.]
- (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;
  - [<sup>F8</sup>(f) residing in or being employed in a particular locality;]
- and such other qualifications as are for the time being approved by the [<sup>F2</sup>Authority].
- (5) In ascertaining whether a common bond exists between the members of a society, the [<sup>F2</sup>Authority]—
- [<sup>F9</sup>(a) may, if [<sup>F10</sup>it] considers it proper in the circumstances of the case, treat as sufficient evidence of the existence of a common bond a statutory declaration which is given by three members and the secretary of the society, and is to the effect that a common bond exists,]
  - (b) may, if [<sup>F10</sup>it] 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

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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.

#### Textual Amendments

- F1** Words in s. 1(1) substituted (2.7.2002) by S.I. 2002/1501, **arts. 1(1), 2(2)(a)(i)**
- F2** Words in s. 1(1)(4)(5) substituted (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(1), **Sch. 3 Pt. IV para. 265(a)** (with art. 13(3)); S.I. 2001/3538, **art. 2(1)**
- F3** Word in s. 1(1)(b) omitted (2.7.2002) by virtue of S.I. 2002/1501, **arts. 1(1), 2(2)(a)(ii)**
- F4** S. 1(1)(d)(e) inserted (2.7.2002) by S.I. 2002/1501, **arts. 1(1), 2(2)(a)(iii)**
- F5** S. 1(1A)(1B) inserted (2.7.2002) by S.I. 2002/1501, **arts. 1(1), 2(2)(b)**
- F6** S. 1(2)(b) substituted (13.2.2003) by Regulatory Reform (Credit Unions) Order 2003 (S.I. 2003/256), arts. 1, **3(2)**
- F7** S. 1(3A)(3B) inserted (13.2.2003) by Regulatory Reform (Credit Unions) Order 2003 (S.I. 2003/256), arts. 1, **3(3)**
- F8** S. 1(4)(f) inserted (1.9.1996) by S.I. 1996/1189 arts. 1, 3(2)
- F9** S. 1(5)(a) substituted (1.9.1996) by S.I. 1996/1189 arts. 1, 3(3)
- F10** Words in s. 1(5) substituted (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(1), **Sch. 3 Pt. IV para. 265(b)** (with art. 13(3)); S.I. 2001/3538, **art. 2(1)**

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