



Credit Unions Act 1979

1979 CHAPTER 34

Amalgamations, transfers of engagements and conversions

21 Amalgamations and transfers of engagements.

- (1) In their application to credit unions, sections 50 and 51 of the 1965 Act (amalgamations of registered societies and transfers of engagements between them) shall have effect subject to the provisions of subsections (2) and (3) of this section.
- (2) A credit union shall not amalgamate with or transfer its engagements to or accept a transfer of engagements from any registered society which is not a credit union.
- (3) [^{F1}In relation to a credit union which is not a PRA-authorized person, the FCA] shall not register a special resolution under section 50 or section 51 of the 1965 Act if in [^{F2}its] opinion—
 - (a) the proposed amalgamation or transfer of engagements would result in a contravention of any provision of this Act or of the Industrial and Provident Societies Acts 1965 to 1978 [^{F3}or any requirement imposed by or under the 2000 Act]; or
 - [^{F4}(b) section 1B (further requirements where common bond relates to locality) would apply to the proposed amalgamated credit union or, as the case may be, the credit union proposing to accept the transfer of engagements and the requirements of that section would not be met.]
- [^{F5}(3A) In relation to a credit union which is a PRA-authorized person—
 - (a) the FCA shall not register a special resolution under section 50 or section 51 of the 1965 Act if the PRA informs the FCA that it is of the opinion that that paragraph (a) or (b) of subsection (3) applies, and
 - (b) the PRA must consult the FCA before determining its opinion.]
- (4) In this Act the expression “non-qualifying member”, in relation to an amalgamated credit union or a credit union which has accepted a transfer of engagements, includes a person who [^{F6}does not fall within a common bond and as a result does not qualify for admission to membership] of that credit union but became a member of it by virtue of the amalgamation or transfer of engagements, having been immediately before the

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amalgamation or transfer a non-qualifying member of one of the amalgamating credit unions or, as the case may be, the credit union from which the transfer of engagements was made.

Textual Amendments

- F1** Words in s. 21(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 6 para. 14(2)** (with Sch. 12)
- F2** Word in s. 21(3) substituted (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(1), **Sch. 3 Pt. IV para. 286** (with art. 13(3)); [S.I. 2001/3538](#), **art. 2(1)**
- F3** Words in s. 21(3)(a) inserted (2.7.2002) by [S.I. 2002/1501](#), **arts. 1(1)**, 2(16)
- F4** S. 21(3)(b) 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(3)(a)** (with arts. 25, 26)
- F5** S. 21(3A) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 6 para. 14(3)** (with Sch. 12)
- F6** Words in s. 21(4) 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(3)(b)** (with arts. 25, 26)

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