

SCHEDULE 6

Article 2(b)

Amendments of the Credit Unions Act 1979

1. The Credit Unions Act 1979(1) is amended as follows.
- 2.—(1) Section 1(2) (registration under the Industrial and Provident Societies Act 1965) is amended as follows.
 - (2) In subsection (1)—
 - (a) in paragraph (a), for “Authority” substitute “FCA”;
 - (b) in paragraph (d), for “to the Authority for Part IV permission under section 40” substitute “for permission under Part 4A”;
 - (c) at end of paragraph (d), omit “and”; and
 - (d) for paragraph (e), substitute—
 - “(e) the FCA is satisfied that, once registered under the 1965 Act, the society will satisfy, and continue to satisfy, the threshold conditions (within the meaning of section 55B(1) of the 2000 Act) for which the FCA is responsible in relation to the regulated activity of accepting deposits; and
 - (f) the PRA is satisfied that, once registered under the 1965 Act, the society will satisfy, and continue to satisfy, the threshold conditions (within the meaning of section 55B(1) of the 2000 Act) for which the PRA is responsible in relation to the regulated activity of accepting deposits.”.
 - (3) For subsections (1A) and (1B), substitute—
 - “(1A) The PRA must notify the FCA if it is satisfied as mentioned in paragraph (f) of subsection (1).
 - (1B) The FCA must not issue an acknowledgement of registration under section 2(3) of the 1965 Act to a credit union unless—
 - (a) if the FCA is the appropriate regulator (within the meaning of section 55A of the 2000 Act), it proposes to give that society permission under Part 4A of the 2000 Act to accept deposits;
 - (b) if the PRA is the appropriate regulator (within the meaning of section 55A of the 2000 Act), the PRA proposes to give that society permission under Part 4A of the 2000 Act to accept deposits.
 - (1C) The PRA must notify the FCA if it proposes to give that society permission under Part 4A of the 2000 Act to accept deposits.
 - (1D) If the FCA issues an acknowledgement of registration to a credit union under that section, the appropriate regulator (within the meaning of section 55A of the 2000 Act) must determine any outstanding application of that credit union for permission under Part 4A of the 2000 Act to accept deposits as soon as reasonably possible thereafter.”.
3. In section 1A(2)(e) and (5)(3) (common bonds appropriate to a credit union), for “Authority” substitute “FCA”.
4. In section 1B(4)(4) (further requirements where common bond relates to locality), for “Authority” substitute “FCA”.

(1) 1979 c.34.

(2) Section 41 was amended by S.I. 2001/2617, S.I. 2002/1501, S.I. 2003/256 and S.I. 2011/2687.

(3) Section 1A was inserted by S.I. 2011/2687.

(4) Section 1B was inserted by S.I. 2011/2687.

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

- 5.**—(1) Section 3(**5**) (use of name “credit union”, etc.) is amended as follows.
- (2) In subsection (3)(b), for “Authority” substitute “FCA”.
- (3) In subsection (3A)(a), for “Part IV permission under the 2000 Act” substitute “permission under Part 4A of the 2000 Act”.
- 6.**—(1) Section 4(**6**) (rules) is amended as follows.
- (2) In subsection (1), for “Authority”, in each place, substitute “FCA”.
- (3) After subsection (1), insert—
- “(1A) The FCA must consult the PRA before determining any provision under subsection (1)(b) which relates to credit unions which are PRA-authorised persons.”.
- 7.** In section 5A(4)(**7**) (corporate members), for “Authority” substitute “appropriate authority”.
- 8.** In section 7A(**8**) (power to issue interest-bearing shares), for “Authority”, in each place, substitute “appropriate authority”.
- 9.** In section 16(3)(**9**) (guarantee funds), for “Authority”, in each place, substitute “appropriate authority”.
- 10.** In the cross-heading above section 17, for “registrar” substitute “FCA and PRA”.
- 11.**—(1) Section 17(**10**) (power to require information) is amended as follows.
- (2) In subsection (1), for “Authority” substitute “FCA”.
- (3) After subsection (1), insert—
- “(1A) The PRA may, in connection with the exercise of its functions under this Act, exercise in relation to a credit union the powers of the FCA under subsection (1) of section 48 of the 1965 Act to require the production of books, accounts and other documents and the furnishing of information, and subsections (2) and (3) of section 48 of the 1965 Act (penalties and defraying expenses) shall apply accordingly.”.
- 12.**—(1) Section 18(**11**) (power to appoint inspector and call meeting) is amended as follows.
- (2) In subsections (1) and (2), for “Authority” substitute “FCA or the PRA”.
- (3) After subsection (3), insert—
- “(4) The FCA and the PRA must each notify the other before appointing an inspector or calling a meeting under subsection (1) in relation to a society which is a PRA-authorised person.”.
- 13.**—(1) Section 20(**12**) (cancellation or suspension of registration and petition for winding up) is amended as follows.
- (2) For subsections (1A) and (1B), substitute—
- “(1A) The FCA may also exercise the power to cancel the registration of a credit union under section 16 of the 1965 Act if the credit union’s permission under Part 4A of the 2000

(5) Section 3 was amended by [S.I. 2003/256](#). There are other amending instruments, but none is relevant.

(6) Section 4 was amended by [S.I. 2001/2617](#) and [S.I. 2002/1555](#).

(7) Section 5A was inserted by [S.I. 2011/2687](#).

(8) Section 7A was inserted by [S.I. 2011/2687](#).

(9) Section 16(3) was amended by [S.I. 2001/2617](#).

(10) Section 17 was amended by [S.I. 2001/2617](#) and [S.I. 2002/1501](#).

(11) Section 18 was amended by [S.I. 2001/2617](#) and [S.I. 2002/1501](#).

(12) Section 20 was amended by [S.I. 2001/2617](#), [S.I. 2002/1501](#) and [S.I. 2011/2687](#).

Act has been cancelled or if the credit union has received a warning notice under section 55Z of the 2000 Act.

(1B) The FCA must not cancel the registration of a credit union under section 16 of the 1965 Act by virtue of subsection (1A) unless the appropriate regulator (within the meaning of section 55A of the 2000 Act) has cancelled the credit union's permission under Part 4A of the 2000 Act and there is no possibility (or no further possibility) of that determination of the appropriate regulator being reversed or varied.”.

(3) In subsection (1D), for “Authority”, in each place, substitute “FCA”.

(4) After subsection (1D), insert—

“(1E) If the credit union is a PRA-authorized person, the FCA must consult the PRA before cancelling the registration of the credit union by virtue of subsection (1A).”.

(5) In subsection (2), for “Authority”, in each place, substitute “FCA or the PRA”.

(6) After subsection (2), insert—

“(3) The FCA and the PRA must each consult the other before presenting a petition under subsection (2).”.

14.—(1) Section 21(**13**) (amalgamations and transfers of engagements) is amended as follows.

(2) In subsection (3), for “The Authority” substitute “In relation to a credit union which is not a PRA-authorized person, the FCA”.

(3) After subsection (3), insert—

“(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.”.

15.—(1) Section 23(**14**) (conversion of company into credit union) is amended as follows.

(2) In subsection (3)—

(a) in the opening words, for “Authority” substitute “FCA”; and

(b) in paragraph (b), omit “made by the Authority under the 2000 Act”.

(3) After subsection (3), insert—

“(4) In subsection (3), “applicable rules” are—

(a) if the credit union is a PRA-authorized person, rules made by the PRA or the FCA under the 2000 Act; and

(b) if the credit union is not a PRA-authorized person, rules made by the FCA under the 2000 Act.”.

16. In section 31(1)(**15**) (interpretation), omit the definition of “Part IV permission”.

17. In section 31A(3)(**16**) (deferred shares), for “Authority”, in each place, substitute “appropriate authority”.

(13) Section 21 was amended by S.I. 2001/2617, S.I. 2002/1501 and S.I. 2011/2687.

(14) Section 23 was amended by S.I. 2001/2617 and S.I. 2002/1501.

(15) Section 31 was amended by S.I. 2002/1501. There are other amending instruments, but none is relevant.

(16) Section 31A was inserted by S.I. 2011/2687.

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18.—(1) Section 32(**17**) (Northern Ireland) is amended as follows.

(2) In subsection (1), for “Authority”, in each place, substitute “FCA”.

(3) In subsection (2), for “the Authority” substitute “each of the FCA and the PRA”.

19. In paragraphs 7 and 11 of Schedule 1(**18**) (matters to be provided for in rules of credit union), for “Authority” substitute “FCA or the PRA”.

(17) Section 32 was amended by S.I. 2001/2617 and S.I. 2002/1555.

(18) Paragraphs 7 and 11 of Schedule 1 were amended by S.I. 2002/1501.