



# Credit Unions Act 1979

## 1979 CHAPTER 34

### *Powers of <sup>F1</sup>FCA and PRA*

#### **Textual Amendments**

- F1** Words in s. 17 cross-heading substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 6 para. 10** (with Sch. 12)

#### **<sup>F2</sup>17 Power to require information.**

- (1) The FCA or PRA may by notice in writing require a credit union or an officer or former officer of a credit union—
  - (a) to produce to it such books, accounts and other documents relating to the credit union's business, and
  - (b) to provide it with such other information relating to that business,as it considers necessary for the exercise of its functions under this Act.
- (2) The notice must be served on the credit union or other person.
- (3) The notice may contain a requirement that any information provided in accordance with the notice is to be verified by a statutory declaration.
- (4) A credit union or other person who fails to comply with a notice under this section commits an offence.
- (5) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

#### **Textual Amendments**

- F2** Ss. 17, 17A substituted (6.4.2014) for s. 17 by [The Co-operative and Community Benefit Societies and Credit Unions \(Investigations\) Regulations 2014 \(S.I. 2014/574\)](#), regs. 1(1), **5** (with reg. 8)

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

### 17A. Section 17: recovery of FCA 's and PRA 's costs

- (1) This section applies where the FCA or PRA has exercised its powers under section 17 in relation to a credit union.
- (2) The FCA or PRA may, if it considers it just to do so, direct that the expenses incurred by it in exercising the powers (or any part of those expenses) are to be met—
  - (a) out of the credit union's funds, or
  - (b) by the credit union's officers or former officers (or any of them).
- (3) Any sum which the credit union or other person is required by a direction to pay is a debt due from the credit union or person to the FCA or PRA . ]

#### Textual Amendments

- F2** Ss. 17, 17A substituted (6.4.2014) for s. 17 by [The Co-operative and Community Benefit Societies and Credit Unions \(Investigations\) Regulations 2014 \(S.I. 2014/574\)](#), regs. 1(1), **5** (with reg. 8)

### 18 Power to appoint inspector and call meeting.

- (1) Without prejudice to [<sup>F3</sup> section 106 of the 2014 Act ] (appointment of inspector or calling of special meeting upon application of members of registered society), where the [<sup>F4</sup>FCA or the PRA] is of the opinion that [<sup>F5</sup>, for reasons connected with the exercise of its functions under this Act or [<sup>F6</sup> the 2014 Act ],]an investigation should be held into the affairs of a credit union or that the affairs of the credit union call for consideration by a meeting of the members, [<sup>F7</sup>it may] appoint an inspector to investigate and report on the affairs of the credit union or may call a special meeting of the credit union, or may (either on the same or on different occasions) both appoint such an inspector and call such a meeting.
- (2) All expenses of and incidental to an investigation or meeting held pursuant to subsection (1) above shall be defrayed out of the funds of the credit union, or by the members or officers or former members or officers of the credit union in such proportions as the [<sup>F4</sup>FCA or the PRA] shall direct.
- (3) [<sup>F8</sup> Section 107 of the 2014 Act ] (power to prescribe time and place of meeting, procedure, power to require evidence to be given, etc.) shall apply in relation to an inspector appointed or meeting called in accordance with this section.
- [<sup>F9</sup>(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. ]

#### Textual Amendments

- F3** Words in s. 18(1) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, **Sch. 4 para. 9(2)(a)** (with Sch. 5)
- F4** Words in s. 18(1)(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 6 para. 12(2)** (with Sch. 12)
- F5** Words in s. 18(1) inserted (2.7.2002) by [S.I. 2002/1501](#), **arts. 1(1), 2(13)**
- F6** Words in s. 18(1) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, **Sch. 4 para. 9(2)(b)** (with Sch. 5)

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- F7** Words in s. 18(1) substituted (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(1), **Sch. 3 Pt. IV para. 283** (with art. 13(3)); S.I. 2001/3538, **art. 2(1)**
- F8** Words in s. 18(3) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 9(3)** (with Sch. 5)
- F9** S. 18(4) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 6 para. 12(3)** (with Sch. 12)

**F10** 19 .....

#### Textual Amendments

- F10** S. 19 omitted (2.7.2002) by virtue of S.I. 2002/1501, **arts. 1(1), 2(14)** (with art. 6(1))

### 20 Cancellation or suspension of registration and petition for winding up.

[<sup>F11</sup>(1) Section 5 of the 2014 Act (grounds for cancellation of registration) applies in relation to a credit union as if it were modified as specified in subsections (1ZA) to (1ZD).

(1ZA) Subsection (1) applies as if for “any of conditions A to E” there were substituted “any of conditions A to F” .

(1ZB) Subsection (4)(b) (condition C) applies as if after “this Act” there were inserted “ or the Credit Unions Act 1979 ” .

(1ZC) The section applies as if for subsection (5) (condition D) there were substituted—

“(5) Condition D is that it appears to the FCA that the credit union's rules provide for one or more common bonds involving a connection with a locality and the requirements of section 1B of the Credit Unions Act 1979 are no longer met.”

(1ZD) The section applies as if after subsection (6) there were inserted—

“(7) Condition F is that the credit union's permission under Part 4A of the Financial Services and Markets Act 2000 has been cancelled or the credit union has received a warning notice under section 55Z of that Act.”]

[<sup>F12</sup>(1B) The FCA must not cancel the registration of a credit union [<sup>F13</sup> by virtue of condition F in section 5 of the 2014 Act ] 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. ]

[<sup>F14</sup>(1C) Section 7 of the 2014 Act (cancellation of registration: additional procedure in certain cases) applies in relation to credit unions as if references to condition D included condition F.

(1D) Section 9 of the 2014 Act (appeals) applies in relation to credit unions as if the reference to condition D included condition F (accordingly, no appeal may be made against a decision to cancel a credit union's registration on the ground that condition F is met).]

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- [<sup>F15</sup>(1E) If the credit union is a PRA -authorised person, the FCA must consult the PRA before cancelling the registration of the credit union [<sup>F16</sup> by virtue of condition F in section 5 of the 2014 Act ]. ]
- (2) A petition for the winding up of a credit union may be presented to the court by the [<sup>F17</sup>FCA or the PRA] if it appears to [<sup>F18</sup>the [<sup>F17</sup>FCA or the PRA]] that—
- (a) the credit union is unable to pay sums due and payable to its members, or is able to pay such sums only by obtaining further subscriptions for shares or by defaulting in its obligations to creditors; or
  - (b) there has been, in relation to that credit union, a failure to comply with any provision of, or of any direction given under, this Act or [<sup>F19</sup> the 2014 Act ]; or
- [<sup>F20</sup>(c) the rules of a credit union provide for one or more common bonds involving a connection with a locality and the requirements of section 1B are no longer met;]
- or in any other case where it appears to [<sup>F18</sup>the [<sup>F17</sup>FCA or the PRA]] that the winding up of the credit union is in the public interest or is just and equitable having regard to the interests of all the members of the credit union.
- [<sup>F21</sup>(3) The FCA and the PRA must each consult the other before presenting a petition under subsection (2). ]

#### Textual Amendments

- F11** S. 20(1)(1ZD) substituted (1.8.2014) for s. 20(1)-(1A) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 10\(2\)](#) (with Sch. 5)
- F12** S. 20(1A)(1B) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 6 para. 13\(2\)](#) (with Sch. 12)
- F13** Words in s. 20(1B) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 10\(3\)](#) (with Sch. 5)
- F14** S. 20(1C)(1D) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 10\(4\)](#) (with Sch. 5)
- F15** S. 20(1E) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 6 para. 13\(4\)](#) (with Sch. 12)
- F16** Words in s. 20(1E) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 10\(5\)](#) (with Sch. 5)
- F17** Words in s. 20(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 6 para. 13\(5\)](#) (with Sch. 12)
- F18** Words in s. 20(2) substituted (1.12.2001) by [S.I. 2001/2617, arts. 2\(b\), 13\(1\), Sch. 3 Pt. IV para. 285](#) (with [art. 13\(3\)](#)); [S.I. 2001/3538, art. 2\(1\)](#)
- F19** Words in s. 20(2)(b) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 10\(6\)](#) (with Sch. 5)
- F20** S. 20(2)(c) 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\(2\)\(b\)](#) (with arts. 25, 26)
- F21** S. 20(3) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 6 para. 13\(6\)](#) (with Sch. 12)

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