



Credit Unions Act 1979

1979 CHAPTER 34

Powers of registrar

17 Power to require information

- (1) In relation to a credit union, the powers of the appropriate registrar 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 in connection with the exercise of certain of his powers under that Act—
 - (a) shall apply also in connection with the exercise of his functions under this Act; and
 - (b) shall extend to the chief registrar in connection with the exercise of his functions under this Act;and subsections (2) and (3) of section 48 of the 1965 Act (penalties and defraying expenses) shall apply accordingly.
- (2) Without prejudice to section 39 of the 1965 Act (duty to furnish annual returns), the appropriate registrar may from time to time by notice in writing served on a credit union require it to furnish, within such period as may be specified in the notice, a financial statement or periodic financial statements in such form and containing such information as may be so specified.
- (3) If a credit union fails without reasonable excuse to comply with a notice under subsection (2) above it shall be guilty of an offence and liable on summary conviction to a fine not exceeding £200.

18 Power to appoint inspector and call meeting

- (1) Without prejudice to section 49 of the 1965 Act (appointment of inspector or calling of special meeting upon application of members of registered society), where the chief registrar is of the opinion that 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, he may, with the consent of the Treasury, 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 chief registrar shall direct.
- (3) Subsections (5) and (6) of the said section 49 (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.

19 Power to suspend operations of credit union

- (1) If, with respect to any credit union, the chief registrar considers it expedient to do so having regard to the interests of all the members of the credit union or in the interests of potential members of the credit union, he may, with the consent of the Treasury, give a direction prohibiting the credit union to such extent and subject to such conditions as may be specified in the direction from carrying on any one or more of the following activities, that is to say.—

- (a) borrowing money;
- (b) accepting a payment representing the whole or any part of an amount due by way of subscription for a share in the credit union other than a payment which fell due before the making of the order;
- (c) lending money ; and
- (d) repaying share capital;

and Schedule 2 to this Act shall have effect in relation to the giving of a direction under this section.

- (2) Nothing in any direction given under this section shall make it unlawful for a credit union to borrow from an authorised bank if the credit union has obtained the consent in writing of the chief registrar.
- (3) For the purposes of this section, and of any direction given under it, if any indebtedness of a member to a credit union is set off to any extent against the share capital credited to him, then, to that extent, the setting off shall be treated as a repayment of that share capital.
- (4) A direction given under this section may be revoked by the chief registrar with the consent of the Treasury and notice of the revocation shall be published in the same manner as notice of the giving of the direction.
- (5) Where a direction under this section is revoked, any obligation of any person to make a payment to the credit union which fell due at a time when the credit union was prohibited by the direction from accepting it shall be suspended for a period equal to the period for which the prohibition was in force.
- (6) Subject to subsection (5) above, any obligation to make to a credit union a payment which the credit union is prohibited from accepting by a direction under this section shall be wholly rescinded.
- (7) If a credit union contravenes a direction under this section it shall be guilty of an offence and liable on conviction on indictment or on summary conviction to a fine which on summary conviction shall not exceed the statutory maximum.

20 Cancellation or suspension of registration and petition for winding up

- (1) In subsection (1) of section 16 of the 1965 Act (grounds for cancellation of registration) as it applies to credit unions—
 - (a) in paragraph (c)(i) the reference to violation of any of the provisions of the 1965 Act shall be construed as including a reference to violation of any of the provisions of this Act; and
 - (b) in paragraph (c)(ii) the reference to the fact that neither of the conditions in section 1(2) of that Act is fulfilled shall be construed as a reference to the fact that there is no longer a common bond between the members of a credit union; and section 17(1) of that Act (suspension of registration on grounds which would justify cancellation) and section 18 of that Act (appeals) shall apply accordingly.
- (2) A petition for the winding up of a credit union may be presented to the court by the appropriate registrar if it appears to him 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 the Industrial and Provident Societies Acts 1965 to 1978 ; or
 - (c) there is no longer a common bond between the members of the credit union; or in any other case where it appears to him 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.