



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 sections 6(4) and 15(1) 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 appropriate registrar that the conditions specified in subsection (2) below are fulfilled;
 - (b) the rules of the society comply with section 4(1) below; and
 - (c) the place which under those rules is to be the society's registered office is situated in Great Britain; 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".
- (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
 - (b) that admission to membership of the society is restricted to persons all of whom fulfil a specific qualification which is stated in the rules and is appropriate to a credit union (whether or not any other qualifications 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.

- (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 ;
- and such other qualifications as are for the time being approved by the appropriate registrar.
- (5) In ascertaining whether a common bond exists between the members of a society, the appropriate registrar—
- (a) shall have regard to the nature of the qualification for admission to membership of the society, and
 - (b) may, if he 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 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.

2 Supplementary and transitional provisions as to registration

- (1) Section 1 of, and Schedule 1 to, the 1965 Act (societies which may be registered and matters to be provided for in their rules) shall not apply in relation to registration as a credit union.
- (2) In section 2(3) of the 1965 Act (acknowledgement of registration) as it applies to registration as a credit union the reference to compliance with the provisions of the 1965 Act shall be construed, subject to subsection (1) above, as a reference to compliance with the provisions as to registration of both that Act and this Act.
- (3) A society whose objects are wholly or substantially those of a credit union within the meaning of section 1(3) above shall not be registered under the 1965 Act otherwise than as a credit union and, except in the case of a registration made before the commencement of this Act, any such registration shall be void.
- (4) A society which at the commencement of this Act is registered under the 1965 Act but whose objects are wholly or substantially those of a credit union within the meaning of section 1(3) above shall take all reasonable steps to have its existing registration cancelled and become registered as a credit union.
- (5) Where in accordance with subsection (4) above a society's existing registration is cancelled on its registration as a credit union, the society shall, notwithstanding anything in section 16(7) or section 3 of the 1965 Act, be taken for all purposes to be the same body corporate before and after the change of registration.
- (6) If a society to which subsection (4) above applies does not become registered as a credit union within such reasonable period after the commencement of this Act as the

appropriate registrar may allow, the registrar may proceed to cancel or suspend its existing registration under section 16 or section 17 of the 1965 Act in the same way as in the case of a society which no longer fulfils one of the conditions specified in section 1(2) of that Act; and an appeal shall lie under section 18 of that Act where it would lie in such a case.

3 Use of name " credit union ", etc.

- (1) The name of every society registered as a credit union shall contain the words " credit union " .
- (2) Subject to subsection (3) below, a person shall not, unless registered as a credit union.
—
 - (a) use in reference to himself a name, title or descriptive expression containing the words " credit union " or any cognate term or any derivative of those words; or
 - (b) represent himself as being a credit union ;and any person who contravenes this subsection shall be guilty of an offence and liable on summary conviction to a fine not exceeding £500.
- (3) Subsection (2) above does not apply to—
 - (a) the use by an officer or employee of a credit union of a title or descriptive expression indicating his office or post with the credit union ; or
 - (b) the use with reference to an association or group of credit unions of a name which has been approved in writing by the chief registrar.
- (4) For the purposes of section 5(5) of the 1965 Act (societies which may be permitted to have a name which does not contain the word " limited ") the objects of a credit union shall not be regarded as wholly charitable or benevolent.