



Credit Unions Act 1979

1979 CHAPTER 34

Rules and membership

4 Rules.

- (1) The rules of a credit union shall be in such form as the [^{F1}FCA] may determine and shall contain—
- (a) provision with respect to the matters mentioned in Schedule 1 to this Act; and
 - (b) such additional provision as the [^{F1}FCA] may determine.
- [^{F2}(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.]
- (2) The rules of a credit union may not be amended except by a resolution passed by not less than two-thirds of the members present at a general meeting called for the purpose after the giving of such notice as is by the rules required for such a resolution.
- [^{F3}(3) In section 16(4) of the 2014 Act (registration of amendment of rules where not contrary to that Act) as it applies to credit unions, the reference to that Act is to be read as a reference to that Act and this Act.]
- [^{F4}(4)
- [^{F5}(5) Section 21 and paragraph 5 of Schedule 3 of the 2014 Act (rules as to fund for purchase of government securities) do not apply to credit unions.]

Textual Amendments

- F1** Word in s. 4(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 6 para. 6\(2\)](#) (with Sch. 12)
- F2** S. 4(1A) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 6 para. 6\(3\)](#) (with Sch. 12)
- F3** S. 4(3) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 5\(2\)](#) (with Sch. 5)
- F4** S. 4(4) repealed (3.7.2002) by [S.I. 2002/1555](#), art. 7(2)

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

- F5** S. 4(5) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 5(3)** (with Sch. 5)

5 Membership and voting rights.

^{F6}(1)

- (2) A person shall not be a member of a credit union unless he holds at least one fully paid-up share in that credit union, but the rules of the credit union shall not require a person to hold more than £5 in fully paid-up shares as a condition of membership.

^{F7}(3)

^{F7}(4)

^{F7}(4A)

- (5) A member of a credit union who [^{F8}ceases to fall within a common bond and as a result would not qualify for admission to membership] shall be entitled, subject to subsection (6) below, to retain his membership unless the rules of the credit union provide otherwise; and^{F9}... in this Act the expression “non-qualifying member”, in relation to a credit union, means a person who remains a member of the credit union by virtue of this sub-section.

^{F10}(6)

- (7) Non-qualifying members of a credit union shall be left out of account in determining for any purpose [^{F11}whether the requirements of section 1B are met].

- (8) A non-qualifying member of a credit union shall be entitled, except so far as the rules of the credit union may provide otherwise, to purchase shares and^{F12}..., to receive loans.

- (9) Subject to any provision in the rules of a credit union as to voting by a chairman who has a casting vote, on every matter which is determined by a vote of members of a credit union every member shall be entitled to vote and shall have one vote only.

^{F7}(10)

Textual Amendments

- F6** S. 5(1) omitted (8.1.2012) by virtue of The Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2011 (S.I. 2011/2687), arts. 1(1)(b), **15(1)** (with arts. 25, 26)
- F7** S. 5(3)(4)(4A)(10) omitted (2.7.2002) by virtue of S.I. 2002/1501, **arts. 1(1), 2(4)**
- F8** Words in s. 5(5) 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(1)(a)** (with arts. 25, 26)
- F9** Words in s. 5(5) omitted (8.1.2012) by virtue of The Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2011 (S.I. 2011/2687), arts. 1(1)(b), **16(a)** (with arts. 25, 26)
- F10** S. 5(6) omitted (8.1.2012) by virtue of The Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2011 (S.I. 2011/2687), arts. 1(1)(b), **16(b)** (with arts. 25, 26)
- F11** Words in s. 5(7) 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(1)(b)** (with arts. 25, 26)
- F12** Words in s. 5(8) repealed (1.9.1996) by S.I. 1996/1189, **art. 6(b)**

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[^{F13}5A. Corporate members

- (1) A credit union may admit bodies corporate as members if its rules so provide.
- (2) The number of corporate members of a credit union shall not at any time exceed ten per cent of the total number of members of the credit union or such higher percentage as may be specified.
- (3) The number of shares allotted to corporate members of a credit union shall not at any time exceed twenty-five per cent of the total shares allotted to all members of the credit union or such higher percentage as may be specified.
- (4) For the purpose of subsection (3) above, the total shares allotted to all members of the credit union shall be that found in the most recent year-end balance sheet submitted to the [^{F14}appropriate authority].
- (5) In this section—
 - (a) “specified” means specified by order made by the Treasury;
 - (b) “shares” means shares other than deferred shares.
- (6) In this Act “corporate member”, in relation to a credit union, means—
 - (a) a body corporate which is a member of the credit union;
 - (b) an individual who is a member of the credit union in his capacity as a partner in a partnership; or
 - (c) an individual who is a member of the credit union in his capacity as an officer or member of the governing body of an unincorporated association.]

Textual Amendments

F13 S. 5A inserted (8.1.2012) by [The Legislative Reform \(Industrial and Provident Societies and Credit Unions\) Order 2011 \(S.I. 2011/2687\)](#), arts. 1(1)(b), **15(2)** (with arts. 25, 26)

F14 Words in s. 5A(4) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 6 para. 7](#) (with Sch. 12)

6 Minimum and maximum number of members.

- (1) The minimum number of members of a credit union shall be twenty-one ^{F15}....

[^{F16}(1A) Accordingly, references in the following provisions to 3 members are to be read as 21 members—

- (a) section 3(1)(a)(i) of the 2014 Act as it applies to an application for registration as a credit union;
- (b) section 5(3)(b) of that Act as it applies to the cancellation of a credit union's registration;
- (c) section 115(2) as it applies to the conversion of a company into a credit union.]

^{F17}(2)

^{F17}(3)

^{F17}(4)

^{F17}(5)

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F17(6)

Textual Amendments

- F15** Words in s. 6(1) omitted (1.8.2014) by virtue of Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 6(2)** (with Sch. 5)
- F16** S. 6(1A) inserted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 6(3)** (with Sch. 5)
- F17** S. 6(2)-(6) repealed (2.7.2002) by 2000 c. 8, ss. 338(4), 432(3), Sch. 18 Pt. V para. 21, **Sch. 22**; S.I. 2001/3538, **art. 2(5)**

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