



Credit Unions Act 1979

1979 CHAPTER 34

Registration as a credit union

1 [F¹ Registration .]

(1) [F² A society may be registered under the Co-operative and Community Benefit Societies Act 2014 (“ the 2014 Act ”) as a credit union if—]

(a) it is shown to the satisfaction of the [F³FCA] that the conditions specified in subsection (2) below are fulfilled;

[F⁴(aa) the society has at least 21 members;]

(b) the rules of the society comply with section 4(1) below; F⁵ . . .

(c) the place which under those rules is to be the society’s registered office is situated in Great Britain;

[F⁶(d) the society has made an application [F⁷ for permission under Part 4A] of the Financial Services and Markets Act 2000 (in this Act referred to as “the 2000 Act”) to accept deposits; F⁸ ...]

[F⁹(e) the FCA is satisfied that, once registered under [F¹⁰ the 2014 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 [F¹¹ the 2014 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.]

and a society which is so registered by virtue of this section F¹² ... is in this Act referred to as, a “credit union”.

[F¹³(1ZA) See section 4 of the 2014 Act for the prohibition on registering a society with withdrawable share capital with the object of carrying on the business of banking.]

[F¹⁴(1A) The PRA must notify the FCA if it is satisfied as mentioned in paragraph (f) of subsection (1).

(1B) The FCA must not [F¹⁵ register a society under the 2014 Act as a credit union] unless—

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- (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^{F16} registers a society as a credit union], 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.]
- (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
 - ^{F17}(b) that the requirements of section 1A (common bonds appropriate to a credit union) and, where applicable, section 1B (further requirements where common bond relates to locality) are met.]
- (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.
- ^{F18}(3ZA) In subsection (3) above references to members do not include corporate members.]
- ^{F19}(3A)
- ^{F19}(3B)
- ^{F19}(4)
- ^{F19}(5)
- ^{F19}(6)

Annotations:

Amendments (Textual)

- F1** S. 1 heading substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 2\(6\)](#) (with Sch. 5)
- F2** Words in s. 1(1) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 2\(2\)\(a\)](#) (with Sch. 5)
- F3** Word in s. 1(1)(a) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 6 para. 2\(2\)\(a\)](#) (with Sch. 12)
- F4** S. 1(1)(aa) inserted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 2\(2\)\(b\)](#) (with Sch. 5)
- F5** Word in s. 1(1)(b) omitted (2.7.2002) by virtue of [S.I. 2002/1501, arts. 1\(1\), 2\(2\)\(a\)\(ii\)](#)
- F6** S. 1(1)(d)(e) inserted (2.7.2002) by [S.I. 2002/1501, arts. 1\(1\), 2\(2\)\(a\)\(iii\)](#)

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- F7** Words in s. 1(1)(d) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 6 para. 2(2)(b)** (with Sch. 12)
- F8** Word in s. 1(1)(d) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 6 para. 2(2)(c)** (with Sch. 12)
- F9** S. 1(1)(e)(f) substituted (1.4.2013) for s. 1(1)(e) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 6 para. 2(2)(d)** (with Sch. 12)
- F10** Words in s. 1(1)(e) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 2(2)(c)** (with Sch. 5)
- F11** Words in s. 1(1)(f) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 2(2)(d)** (with Sch. 5)
- F12** Words in s. 1(1) omitted (1.8.2014) by virtue of Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 2(2)(e)** (with Sch. 5)
- F13** S. 1(1ZA) inserted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 2(3)** (with Sch. 5)
- F14** S. 1(1A)-(1D) substituted (1.4.2013) for s. 1(1A)(1B) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 6 para. 2(3)** (with Sch. 12)
- F15** Words in s. 1(1B) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 2(4)** (with Sch. 5)
- F16** Words in s. 1(1D) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 2(5)** (with Sch. 5)
- F17** S. 1(2)(b) 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), **12(2)** (with arts. 24, 25, 26)
- F18** S. 1(3ZA) 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), **12(3)** (with arts. 24, 25, 26)
- F19** S. 1(3A)-(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), **12(4)** (with arts. 24, 25, 26)

Changes to legislation:

There are currently no known outstanding effects for the Credit Unions Act 1979, Section 1.