



# Credit Unions Act 1979

## 1979 CHAPTER 34

### *Amalgamations, transfers of engagements and conversions*

#### **23 Conversion of company into credit union.**

<sup>F1</sup>(1) .....

<sup>F2</sup>(2) .....

(3) A company shall not be registered as a credit union in accordance with [<sup>F3</sup> section 115 of the 2014 Act (conversion of company into a registered society) ] unless the [<sup>F4</sup>FCA] is satisfied—

(a) that either there are no outstanding deposits by members with the company or that, in the case of every such outstanding deposit, the member concerned has consented in writing to the deposit being converted into an equivalent amount of shares in the credit union immediately upon the company being registered as a credit union; [<sup>F5</sup>and]

(b) that in no case does the nominal value of the company's shares held by any member, together with the amount of any deposit of his which is to be converted as mentioned in paragraph (a) above, exceed the maximum shareholding for the time being permitted by section 5(3) above [<sup>F6</sup>any applicable rules <sup>F7</sup>...] in the case of a member of a credit union; <sup>F8</sup>...

<sup>F9</sup>(c) .....

[<sup>F10</sup>(4) In subsection (3), “applicable rules” are—

(a) if the credit union is a PRA -authorised person, rules made by the PRA or the FCA under the 2000 Act; and

(b) if the credit union is not a PRA -authorised person, rules made by the FCA under the 2000 Act. ]

[<sup>F11</sup>(5) Section 116 of the 2014 Act (member's shareholding in company exceeds maximum permitted amount) does not apply in relation to the conversion of a company into a credit union.]

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**Changes to legislation:** There are currently no known outstanding effects for the Credit Unions Act 1979, Section 23. (See end of Document for details)

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### Textual Amendments

- F1** S. 23(1) omitted (1.8.2014) by virtue of Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 13(2)** (with Sch. 5)
- F2** S. 23(2) omitted (1.8.2014) by virtue of Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 13(2)** (with Sch. 5)
- F3** Words in s. 23(3) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 13(3)** (with Sch. 5)
- F4** Word in s. 23(3) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 6 para. 15(2)(a)** (with Sch. 12)
- F5** Word in s. 23(3)(a) inserted (2.7.2002) by S.I. 2002/1501, **arts. 1(1)**, 2(17)(a)
- F6** Words in s. 23(3)(b) substituted (2.7.2002) by S.I. 2002/1501, **arts. 1(1)**, 2(17)(b)
- F7** Words in s. 23(3)(b) 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. 15(2)(b)** (with Sch. 12)
- F8** Word in s. 23(3)(b) omitted (2.7.2002) by virtue of S.I. 2002/1501, **arts. 1(1)**, 2(17)(c)
- F9** S. 23(3)(c) omitted (2.7.2002) by virtue of S.I. 2002/1501, **arts. 1(1)**, 2(17)(d)
- F10** S. 23(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. 15(3)** (with Sch. 12)
- F11** S. 23(5) inserted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 13(4)** (with Sch. 5)

**Changes to legislation:**

There are currently no known outstanding effects for the Credit Unions Act 1979, Section 23.