



Credit Unions Act 1979

1979 CHAPTER 34

Amalgamations, transfers of engagements and conversions

23 Conversion of company into credit union

- (1) In its application to the conversion of a company into a credit union, section 53 of the 1965 Act (conversion of company into registered society) shall have effect subject to the provisions of this section.
- (2) In subsection (1) of that section the words from " and for this purpose " to the end (which refer to the limitation on shareholdings applicable to societies other than credit unions) shall be omitted.
- (3) A company shall not be registered as a credit union in accordance with that section unless the appropriate registrar 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.;
 - (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 in the case of a member of a credit union; and
 - (c) that, except in a case where an exemption has been granted to the company under subsection (5) of section 6 above, the number of its members does not exceed the maximum for the time being provided for in subsection (2) of that section in relation to a credit union.