



Credit Unions Act 1979

1979 CHAPTER 34

General and miscellaneous

- [^{F1}31A(1) In this Act, references to deferred shares are to a class of shares where—
- (a) the rights and obligations of the credit union and the member in respect of those shares are set out in a single document, or in a series of documents (“the issue documents”);
 - (b) each of the issue documents is provided to every applicant for the shares;
 - (c) one of the issue documents contains a prominent statement to the effect that the shares are deferred shares for the purposes of this Act;
 - (d) each of the issue documents contains a prominent statement stating whether the shares are, or are not, an investment covered by the Financial Services Compensation Scheme (see section 213 of the Financial Services and Markets Act 2000);
 - (e) any document evidencing title to the shares contains the statements required by paragraphs (c) and (d) above;
 - (f) one of the issue documents contains a term which prohibits the repayment of any principal to the shareholder except in Case A or Case B.
- (2) Case A is the winding up or dissolution of the credit union in circumstances where all sums due from the credit union to creditors claiming in the winding up or dissolution are paid in full.
- (3) Case B is where—
- (a) the credit union applies to the Authority for consent to repay principal to the shareholder,
 - (b) the credit union so applies otherwise than in consequence of a provision in any of the issue documents which requires it to apply, grants it any benefit for applying or imposes a sanction against failure to apply, and
 - (c) the Authority grants consent.
- (4) “Creditors” in subsection (2) above includes members holding shares, other than deferred shares, in the credit union, as regards the principal of those shares and any interest or dividend due on them.

Status: Point in time view as at 08/01/2012.

Changes to legislation: There are currently no known outstanding effects for the Credit Unions Act 1979, Section 31A. (See end of Document for details)

- (5) On any modification of the definition of “deferred shares” in the Building Societies Act 1986 or an instrument made under that Act, the Treasury may, by order, modify the meaning of deferred shares in this section so as to assimilate it to the modified definition.]

Textual Amendments

- F1** S. 31A 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), **17(4)** (with arts. 25, 26)

Status:

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Changes to legislation:

There are currently no known outstanding effects for the Credit Unions Act 1979, Section 31A.