



Credit Unions Act 1979

1979 CHAPTER 34

Operation of credit union

7 Shares.

- (1) All shares in a credit union shall be of £1 denomination and may, subject to the rules of the credit union, be subscribed for either in full or by periodical or other subscriptions but no share shall be allotted to a member until it has been fully paid in cash.
- (2) Shares in a credit union [^{F1}, other than deferred shares,] shall not be transferable and a credit union shall not issue to a member a certificate denoting ownership of a share.
- (3) Nothing in subsection (2) above shall affect the operation of section 24(1) of the 1965 Act (transfer in pursuance of nomination on death of nominator).
- (4) Subject to subsection (5) [^{F2}and section 11(1C)] below, shares in a credit union [^{F3}, other than deferred shares,] shall be withdrawable but a credit union shall not issue shares except on terms enabling it to require not less than sixty days' notice of withdrawal.
- [^{F4}(5) Where a credit union has made a loan to a member which is treated by virtue of section 11A(2) below as a secured loan, the member shall not be permitted to withdraw shares where his paid-up shareholding, excluding any deferred shares, in the credit union is, or following the withdrawal would be, less than his total liability (including contingent liability) to the credit union whether as borrower, guarantor or otherwise.]
- [^{F5}(6) If deferred shares are subscribed for in full, the credit union shall transfer a sum equal to the amount paid on those shares to its reserves.]

Textual Amendments

- F1** Words in s. 7(2) 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(1)(a)** (with arts. 25, 26)
- F2** Words in s. 7(4) 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), **18(1)(a)** (with arts. 25, 26)

Status: Point in time view as at 08/01/2012. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects
for the Credit Unions Act 1979, Section 7. (See end of Document for details)

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| F3 | Words in s. 7(4) 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(1)(b) (with arts. 25, 26) |
| F4 | S. 7(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), 18(1)(b) (with arts. 25, 26, 27) |
| F5 | S. 7(6) 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(1)(c) (with arts. 25, 26) |

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