
Changes to legislation: There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Part 1. (See end of Document for details)

SCHEDULES

SCHEDULE 4

CONSEQUENTIAL AMENDMENTS

PART 1

AMENDMENTS OF THE CREDIT UNIONS ACT 1979

- 1 The Credit Unions Act 1979 is amended as follows.
- 2 (1) Section 1 (registration) is amended as follows.
- (2) In subsection (1)—
- (a) for the words before paragraph (a) substitute “ A society may be registered under the Co-operative and Community Benefit Societies Act 2014 (“the 2014 Act”) as a credit union if— ”;
 - (b) after paragraph (a) insert—
“(aa) the society has at least 21 members;”
 - (c) in paragraph (e) for “the 1965 Act” substitute “ the 2014 Act ”;
 - (d) in paragraph (f) for “the 1965 Act” substitute “ the 2014 Act ”;
 - (e) in the words after paragraph (f) omit “shall be registered as, and”.
- (3) After subsection (1) insert—
- “(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.”
- (4) In subsection (1B) for “issue an acknowledgement of registration under section 2(3) of the 1965 Act to a credit union” substitute “ register a society under the 2014 Act as a credit union ”.
- (5) In subsection (1D) for “issues an acknowledgement of registration to a credit union under that section” substitute “ registers a society as a credit union ”.
- (6) For the heading substitute “ Registration ”.
- 3 (1) Section 2 (supplementary provisions as to registration) is amended as follows.
- (2) For subsections (1) and (2) substitute—
- “(1) The following provisions of the 2014 Act do not apply in relation to registration as a credit union—
- (a) section 2 (societies that may be registered);
 - (b) section 4(2) (taking of certain deposits not to be regarded as carrying on the business of banking);
 - (c) section 14 (content of a society's rules).

Changes to legislation: There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Part 1. (See end of Document for details)

- (2) Section 3(2) of the 2014 Act (registration) applies to registration as a credit union as if the reference to compliance with the requirements of that Act were, subject to subsection (1) of this section, to compliance with the provisions as to registration of that Act and this Act.”
- (3) In subsection (3) for “the 1965 Act” substitute “ the 2014 Act ”.
- 4 (1) Section 3 (use of name “credit union” etc) is amended as follows.
- (2) In subsection (3D)(b)(ii) for “the 1965 Act” substitute “ the 2014 Act ”.
- (3) In subsection (4) for “section 5(5) of the 1965 Act” substitute “ section 10(3) and (4) of the 2014 Act ”.
- 5 (1) Section 4 (rules) is amended as follows.
- (2) For subsection (3) substitute—
- “(3) In section 16(4) of the 2014 Act (registration of amendment of rules where not contrary to that Act) as it applies to credit unions, the reference to that Act is to be read as a reference to that Act and this Act.”
- (3) For subsection (5) substitute—
- “(5) Section 21 and paragraph 5 of Schedule 3 of the 2014 Act (rules as to fund for purchase of government securities) do not apply to credit unions.”
- 6 (1) Section 6 (minimum number of members) is amended as follows.
- (2) In subsection (1), omit the words from “and, accordingly” to the end.
- (3) After that subsection insert—
- “(1A) Accordingly, references in the following provisions to 3 members are to be read as 21 members—
- (a) section 3(1)(a)(i) of the 2014 Act as it applies to an application for registration as a credit union;
- (b) section 5(3)(b) of that Act as it applies to the cancellation of a credit union's registration;
- (c) section 115(2) as it applies to the conversion of a company into a credit union.”
- 7 In section 7(3) (shares) for “section 24(1) of the 1965 Act” substitute “ section 39(2) of the 2014 Act ”.
- 8 (1) Section 7A (power to issue interest-bearing shares) is amended as follows.
- (2) In subsection (1)(c), for “section 9 of the Friendly and Industrial and Provident Societies Act 1968” substitute “ section 87 of the 2014 Act ”.
- (3) In subsection (5) for “section 3A of the Friendly and Industrial and Provident Societies Act 1968” substitute “ section 82 of the 2014 Act ”.
- 9 (1) Section 18 (power to appoint inspector and call meeting) is amended as follows.
- (2) In subsection (1)—
- (a) for “section 49 of the 1965 Act” substitute “ section 106 of the 2014 Act ”;
- (b) for “the 1965 Act” (in the second place where it occurs) substitute “ the 2014 Act ”.

Changes to legislation: There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Part 1. (See end of Document for details)

- (3) In subsection (3) for “Subsections (5) and (6) of the said section 49” substitute “Section 107 of the 2014 Act”.
- 10 (1) Section 20 (cancellation or suspension of registration etc) is amended as follows.
- (2) For subsections (1) and (1A) substitute—
- “ (1) Section 5 of the 2014 Act (grounds for cancellation of registration) applies in relation to a credit union as if it were modified as specified in subsections (1ZA) to (1ZD).
- (1ZA) Subsection (1) applies as if for “any of conditions A to E” there were substituted “ any of conditions A to F ”.
- (1ZB) Subsection (4)(b) (condition C) applies as if after “this Act” there were inserted “ or the Credit Unions Act 1979 ”.
- (1ZC) The section applies as if for subsection (5) (condition D) there were substituted—
- “ (5) Condition D is that it appears to the FCA that the credit union's rules provide for one or more common bonds involving a connection with a locality and the requirements of section 1B of the Credit Unions Act 1979 are no longer met.”
- (1ZD) The section applies as if after subsection (6) there were inserted—
- “ (7) Condition F is that the credit union's permission under Part 4A of the Financial Services and Markets Act 2000 has been cancelled or the credit union has received a warning notice under section 55Z of that Act.””
- (3) In subsection (1B) for “under section 16 of the 1965 Act by virtue of subsection (1A)” substitute “ by virtue of condition F in section 5 of the 2014 Act ”.
- (4) For subsections (1C) and (1D) substitute—
- “ (1C) Section 7 of the 2014 Act (cancellation of registration: additional procedure in certain cases) applies in relation to credit unions as if references to condition D included condition F.
- (1D) Section 9 of the 2014 Act (appeals) applies in relation to credit unions as if the reference to condition D included condition F (accordingly, no appeal may be made against a decision to cancel a credit union's registration on the ground that condition F is met).”
- (5) In subsection (1E) for “by virtue of subsection (1A)” substitute “ by virtue of condition F in section 5 of the 2014 Act ”.
- (6) In subsection (2)(b) for “the Industrial and Provident Societies Acts 1965 to 1978” substitute “ the 2014 Act ”.
- 11 (1) Section 21 (amalgamations and transfers of engagements) is amended as follows.
- (2) In subsection (1) for “sections 50 and 51 of the 1965 Act” substitute “ sections 109 to 111 of the 2014 Act ”.
- (3) In subsection (3)—

Changes to legislation: There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Part 1. (See end of Document for details)

- (a) for “section 50 or section 51 of the 1965 Act” substitute “ section 109 or 110 of the 2014 Act ”;
 - (b) in paragraph (a) for “of the Industrial and Provident Societies Acts 1965 to 1978” substitute “ the 2014 Act ”.
- (4) In subsection (3A)(a) for “section 50 or section 51 of the 1965 Act” substitute “ section 109 or 110 of the 2014 Act ”.
- 12 In section 22 (no conversion of credit union into company etc) for “Section 52 of the 1965 Act” substitute “ Sections 112 to 114 of the 2014 Act ”.
- 13 (1) Section 23 (conversion of company into credit union) is amended as follows.
- (2) Omit subsections (1) and (2).
 - (3) In subsection (3) for “that section” substitute “ section 115 of the 2014 Act (conversion of company into a registered society) ”.
 - (4) After subsection (4) insert—
 - “(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.”
- 14 In section 26 (prohibition on subsidiaries) for the words from “section 15” to the end substitute “ Part 7 of the 2014 Act ”.
- 15 (1) Section 28 (provisions as to offences) is amended as follows.
- (2) For subsection (1) substitute—
 - “(1) In Part 10 of the 2014 Act (offences) as it applies to credit unions, references to that Act include this Act.”
 - (3) In subsection (3)—
 - (a) for “the 1965 Act” substitute “ the 2014 Act ”;
 - (b) for “section 66(2) of that Act” substitute “ section 132(4) of that Act ”.
 - (4) In subsection (4) for “section 62 of the 1965 Act” substitute “ section 128 of the 2014 Act ”.
- 16 (1) Section 31 (interpretation etc) is amended as follows.
- (2) In subsection (1)—
 - (a) insert (as the first definition)—
 - ““the 2014 Act” means the Co-operative and Community Benefit Societies Act 2014;”;
 - (b) in the definition of “credit union” for “the 1965 Act” insert “ the 2014 Act ”.
 - (3) In subsection (2) for the words from the beginning to “the 1965 Act” substitute “ Sections 141, 143 to 146, 148 and 149 of the 2014 Act ”.
 - (4) In subsection (3)—
 - (a) for “the 1965 Act” substitute “ the 2014 Act ”;
 - (b) for “sections 6, 12, 19, 21, 30 and 31.” substitute “ sections 22, 24, 26, 27, 32, 33 and 34 and paragraph 6 of Schedule 3. ”
 - (5) In subsection (4)—

Changes to legislation: There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Part 1. (See end of Document for details)

- (a) for the words from the beginning to “the 1965 Act” substitute “ The following provisions of the 2014 Act ”;
 - (b) at the end insert “—
 - (a) section 67(1) (society with withdrawable share capital not to carry on the business of banking);
 - (b) sections 77 and 78 (year of account);
 - (c) section 81 (duty to display latest balance sheet);
 - (d) section 89 (annual returns);
 - (e) section 90 (duty to provide copy of annual return).”
- 17 (1) Section 32 (Northern Ireland) is amended as follows.
- (2) In subsection (1) for “section 76 of the 1965 Act” substitute “ section 142 of the 2014 Act ”.
 - (3) In subsection (2) for “the Industrial and Provident Societies Acts 1965 to 1978” (in both places) substitute “ the 2014 Act ”.
- 18 (1) Schedule 1 (rules) is amended as follows.
- (2) In paragraph 1 for “subsections (1) and (2) of section 5 of the 1965 Act” substitute “ section 10(1) and (2) of the 2014 Act ”.
 - (3) For paragraph 11 substitute—
 - “11 Provision for the audit of accounts in accordance with Part 7 of the 2014 Act.”

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