

Membership shares

44 (1) The rules of a credit union must provide, as a condition of admission as a member of the credit union, that each member subscribe and pay for a specified minimum number, not less than 5, of shares of a distinct class of equity shares having a par value of \$1 for each share.

(2) If the rules of a credit union provide as set out in subsection (1), the shares of the distinct class of equity shares referred to in that subsection are the membership shares in the credit union.

(3) If the rules of a credit union do not provide as set out in subsection (1), the rules of the credit union are deemed to be amended to contain the following:

"A distinct class of equity shares of the credit union is established consisting of an unlimited number of equity shares having a par value of \$1 each. As a condition of admission as a member or as a junior member a person is required to subscribe and pay for at least 5 membership shares."

and the shares of that distinct class of equity shares are the membership shares in that credit union.

(4) The membership shares in a credit union are redeemable as set out in section 64 (6) to (8).

(5) A membership share in a credit union

(a) must not be beneficially owned by, and

(b) is not assignable to

a person who is not a member of the credit union.

(6) A credit union must not

(a) issue its membership shares, or

(b) enter in its register of members and auxiliary members a transfer of membership shares

to any person who

(c) is not a member of the credit union, or

(d) will not become a member on the issue or transfer of the shares.

(7) A member of a credit union may not subscribe and pay for more than the maximum number of membership shares in the credit union specified in the rules of the credit union, which maximum number must be not greater than 1 000, and if in the rules of a credit union no such maximum number is specified, a member may not subscribe and pay for more than 1 000 membership shares in that credit union.

(8) A credit union must not attach rights or restrictions to its membership shares under its rules unless the rights or restrictions

(a) are consistent with the requirements of this section, and

(b) have first received the consent of the commission.

(9) If there is a conflict between this section and the constitution or rules of a credit union respecting membership shares, this section prevails.

(10) To the extent that rights or restrictions attached to membership shares in a credit union under the rules of the credit union are inconsistent with this section, the rules are ineffective and the rights or restrictions are unenforceable.

Membership ceases for failure to hold membership shares

45 (1) It is a condition of membership in every credit union that each member hold at least the minimum number of membership shares specified under the rules of the credit union.

(2) A member of a credit union who ceases to hold at least the minimum number of membership shares specified under the rules of the credit union immediately ceases to be a member of the credit union.