

SCHEDULES

SCHEDULE 1

REGISTERED SOCIAL LANDLORDS: REGULATION

PART I

CONTROL OF PAYMENTS TO MEMBERS, &C

Payments by way of gift, dividend or bonus

- 1 (1) A registered social landlord shall not make a gift or pay a sum by way of dividend or bonus to—
- (a) a person who is or has been a member of the body,
 - (b) a person who is a member of the family of a person within paragraph (a), or
 - (c) a company of which a person within paragraph (a) or (b) is a director,
- except as permitted by this paragraph.
- (2) The following are permitted—
- (a) the payment of a sum which, in accordance with the constitution or rules of the body, is paid as interest on capital lent to the body or subscribed by way of shares in the body;
 - (b) the payment by a fully mutual housing association to a person who has ceased to be a member of the association of a sum which is due to him either under his tenancy agreement with the association or under the terms of the agreement under which he became a member of the association.
- (3) Where an industrial and provident society or a company registered under the Companies Act 1985 pays a sum or makes a gift in contravention of this paragraph, the society or company may recover the sum or the value of the gift, and proceedings for its recovery shall be taken if the Corporation so directs.