Industrial and Provident Societies Act (Northern Ireland) 1969

1969 CHAPTER 24

PART I

SOCIETIES WHICH MAY BE REGISTERED

1 Societies which may be registered.

(1) The societies which may be registered under this Act are—

(a) subject to sections 2(1), 7(1) and 78(4), a society for carrying on any industry, business or trade (including dealings of any description with land), whether wholesale or retail, if

(i) it is shown to the satisfaction of the registrar that one of the conditions specified in subsection (2) is fulfilled; and

(ii) the society's rules contain provisions in respect of the matters mentioned in Part I of Schedule 1; and

(iii) the place which under those rules is to be the society's registered office is situate in Northern Ireland;

Para. (b) rep. with saving by 1985 NI 12

(2) The conditions referred to in subsection (1)(a)(i) are—

(a) that the society is a bona fide co-operative society;

[[F1](b) that the business of the society is being, or is intended to be, conducted for the benefit of the community.**]**

(3) In this section, the expression "co-operative society" does not include a society which carries on, or intends to carry on, business with the object of making profits mainly for the payment of interest, dividends or bonuses on money invested or deposited with, or lent to, the society or any other person.

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Changes to legislation: *Industrial and Provident Societies Act (Northern Ireland) 1969 is up to date with all changes known to be in force on or before 27 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

F1 S. 1(2)(b) substituted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), **3**; S.R. 2006/242, **art. 2**

PART II

REGISTERED SOCIETIES

REGISTRATION OF SOCIETIES

2 Registration of society.

(1) Subject to subsection (2)—

(a) no society shall be registered under this Act if the number of the members thereof is less than**[**F2 three**]**; and

(b) an application for the registration of a society under this Act shall be signed by**[**F2 three**]** members and the secretary of the society and shall be sent with two printed copies of the society's rules to the registrar.

[F2(2) A society whose members consist solely of two or more registered societies may be registered under this Act if the application for registration is signed by the secretary of each (or, if more than two, of each of any two) of the constituent societies and is accompanied by two printed copies of the rules of the society sought to be registered.**]**

(3) On being satisfied that a society has complied with the provisions of this Act as to registration thereunder, the registrar shall issue to the society an acknowledgement of registration in the prescribed form which shall be conclusive evidence that the society is duly registered under this Act unless it is proved that the registration of the society has been cancelled or is for the time being suspended.

F2 1997 NI 22

Modifications etc. (not altering text)

C1 S. 2(3) modified (31.7.2006) by Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006 (S.R. 2006/258), reg. 17, **Sch. 2 para 1(1)**

3 Registration to effect incorporation of society with limited liability.

A registered society shall by virtue of its registration be a body corporate by its registered name, by which it may sue and be sued, with perpetual succession and **F3**. . . limited liability; and that registration shall vest in the society all property for the time being vested in any person in trust for the society, and all legal proceedings pending by or against the trustees of the society may be brought or continued by or against the society in its registered name.

F3 Words in s. 3 repealed (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), 6(2), 11, **Sch.**; S.R. 2006/242, **art. 2**

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4 Existing societies deemed to be registered.

Any society which at the date immediately before the passing of this Act was registered or deemed to be registered under the Industrial and Provident Societies Act 1893 [M1] (in this Act referred to as "the Act of 1893"), being a society whose registered office was at that date in Northern Ireland, shall be deemed to be registered under this Act; and—

(a) any acknowledgment of registry of that society issued by virtue of section 5(4), 6 or 7(2) of the Act of 1893 shall be deemed to be an acknowledgment of the registration under this Act of that society and, by virtue of section 8 of this Act, of the rules of the society in force at the date of the acknowledgment;

(b) any acknowledgment of registry of an amendment of the society's rules issued by virtue of section 7(2) or 10(3) of the Act of 1893 shall be deemed to be an acknowledgment of the registration of that amendment under this Act;

(c) any change of the society's name duly made before the date of passing of this Act in accordance with section 52 of the Act of 1893 as in force at the time of the change, and any change in the situation of the society's registered office of which notice was duly given before that date under section 11 of that Act, shall be deemed for the purposes of this Act to be a duly registered amendment of the society's rules;

(d) any rules of that society which, having been made before 1st January 1894, continued in force immediately before the passing of this Act by virtue of section 3 of the Act of 1893 shall be deemed to be registered under this Act.

Marginal Citations

M1 1893 c. 39

NAME AND MAXIMUM SHAREHOLDING

5 Name of society.

(1) No society shall be registered under this Act under a name which in the opinion of the registrar is undesirable.

(2) Subject to subsection (5), the word "Limited" shall be the last word in the name of every society registered under this Act.

(3) A registered society may change its name in the following manner and in that manner only, that is to say—

(a) by a resolution for the purpose passed at a general meeting of the society after the giving of such notice as is required by the rules of the society for such a resolution or, if the rules do not make special provision as to notice of such a resolution, after the giving of such notice as is required by the rules for a resolution to amend the rules; and

(b) with the approval in writing of the registrar.

(4) No change in the name of a registered society shall affect any right or obligation of the society, or of any member thereof, and any pending legal proceedings may be continued by or against the society notwithstanding its new name.

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(5) If the registrar is satisfied that the objects of a society applying for registration under this Act or of a registered society are wholly charitable or benevolent, he may register the society by a name which does not contain the word "Limited" or, as the case may be, permit the society to change its name to one which does not contain that word; but if it subsequently appears to the registrar that the society, whether in consequence of a change in its rules or otherwise, is not being conducted wholly for charitable or benevolent objects, he may direct that the word "Limited" be added as the last word in the name of the society and shall notify the society accordingly.

(6) Every registered society shall cause its registered name to be painted or affixed, and to be kept painted or affixed, in a conspicuous position and in letters easily legible, on the outside of its registered office and every other office or place in which the business of the society is carried on, and shall have that name [F4]. . . mentioned in legible characters—

(a) in all notices, advertisements and other official publications of the society;

(b) in all business letters of the society;

(c) in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods, purporting to be signed by or on behalf of the society;

(d) in all bills, invoices, receipts, and letters of credit of the society.

(7) Any officer of a registered society, or any other person acting on such a society's behalf, who—

(a) [F5]. . . . . .

(b) issues or authorises the issue of any document such as is mentioned in subsection (6)(a) or (d) in which **[**[F6]the society's registered name**]** is not mentioned in legible characters; or

(c) signs or authorises to be signed on behalf of the society any document such as is mentioned in subsection (6)(c) in which that name is not so mentioned,

shall be guilty of an offence and liable on summary conviction to a fine not exceeding**[**[F7] level 3 on the standard scale**]** and, in the case of a conviction by virtue of paragraph (c), shall further be personally liable to the holder of any such document as is referred to in that paragraph for the amount specified in the document unless that amount is duly paid by the society.

F4 Words in s. 5(6) repealed (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), 6(3), 11, **Sch.**; S.R. 2006/242, **art. 2**

F5 S. 5(7)(a) repealed (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), 6(4)(a), 11, **Sch.**; S.R. 2006/242, **art. 2**

F6 Words in s. 5(7)(b) substituted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), **6(4)(b)**; S.R. 2006/242, **art. 2**

F7 1984 NI 3

6 Maximum shareholding in society.

(1) Where a society is, or is to be, registered under this Act, no member thereof other than—

(a) a registered society; or

(b) an authority which acquired the holding by virtue of section 14(2) of the Housing (Ireland) Act 1919 ;

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shall have or claim any interest in the shares of the society exceeding**[**F8 twenty thousand pounds**]**.

(2) Where in the case of a society to which section 4 applies—

(a) immediately before 9th January 1953 the rules of the society provided for the maximum amount of the interest in the shares of the society permitted to be held by a member (other than a registered society) to be two hundred pounds; and

(b) no amendment of the rules of the society has been registered since that date; and

(c) on or after that date and before 12th April 1963 the society's committee has by a resolution recorded in writing resolved that the said maximum amount shall be a specified amount greater than two hundred pounds but not greater than five hundred pounds,

then, subject to subsection (4), the registered rules of the society shall have effect subject to that resolution.

(3) Where in the case of a society to which section 4 applies—

(a) immediately before 12th April 1963 the rules of the society provided for the maximum amount aforesaid to be five hundred pounds; and

(b) no amendment of the society's rules has been registered since that date; and

(c) on or after that date and before 12th October 1964 the society's committee has by a resolution recorded in writing resolved that the said maximum amount shall be a specified amount greater than five hundred pounds but not greater than one thousand pounds,

then, subject to subsection (4), the registered rules of the society shall have effect subject to that resolution.

(4) Where subsection (2) or (3) applies to any society, the society's committee shall not have power to vary or revoke the resolution referred to in that subsection; but upon the registration after the passing of this Act under section 9 of any amendment of the society's rules the registered rules of the society shall have effect as if the resolution had not been passed, so, however, that this subsection shall not affect any interest in the shares of the society held by a member immediately before the date of that registration.

F8 SR 1991/375

OPERATIONS OF REGISTERED SOCIETY

7 Carrying on of banking by societies.

(1) A society which has any withdrawable share capital—

(a) shall not be registered with the object of carrying on, and

(b) if a registered society shall not carry on,

the business of banking.

(2) Every registered society which carries on the business of banking shall on the first Monday in February and August in each year make out, and until the next such Monday keep hung up in a conspicuous position in its registered office and in every

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other office or place of business belonging to the society where the business of banking is carried on, a statement in the form set out in Schedule 2 or as near thereto as the circumstances admit.

(3) The taking of deposits of not more than two pounds in any one payment and not more than fifty pounds for any one depositor, payable on not less than two clear days' notice, shall not be treated for the purposes of subsections (1) and (2) as carrying on the business of banking; but no society which takes such deposits shall make any payment of withdrawable capital while any payment due on account of any such deposit is unsatisfied.

(4) Where, in the case of a society to which section 4 applies, being a society registered under the Act of 1893 before 9th January 1953—

(a) no amendment of the society's registered rules has been registered since that date; and

(b) those rules permit the taking of deposits up to, but not in excess of, [F9 50p] in any one payment and twenty pounds for any one depositor; and

(c) the society's committee has since that date by a resolution recorded in writing, whether passed before or after the passing of this Act, resolved that there shall be substituted for the said limits of [F9 50p] and twenty pounds specified higher limits not exceeding two pounds and fifty pounds respectively,

then, subject to subsection (5), the society's registered rules shall have effect subject to that resolution.

(5) Where subsection (4) applies to any society, the society's committee shall not have power to vary or revoke any resolution such as is mentioned in paragraph (c) of that subsection; but upon the registration after the passing of this Act under section 9 of any amendment of the rules of the society—

(a) the registered rules of the society shall have effect as if any such resolution had not been passed; and

(b) if not already exercised, the power of the society's committee to pass such a resolution shall determine,

so, however, that paragraph (a) of this subsection shall not affect any sums standing deposited with the society immediately before the date of registration of the amendment.

(6) Any registered society which—

(a) carries on the business of banking in contravention of subsection (1); or

(b) fails to comply with subsection (2); or

(c) makes any payment of withdrawable capital in contravention of subsection (3),

shall be guilty of an offence and liable on summary conviction to a fine not exceeding**[**F10 level 1 on the standard scale**]**.

F9 1969 c. 19
F10 1984 NI 3

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[F11 Capacity of society and power of committee to bind it

F11 Ss. 7A-7E and preceding cross heading inserted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), **4**; S.R. 2006/242, **art. 2**

7A Capacity of society not limited by its rules

(1) The validity of an act done by a registered society shall not be called into question on the ground of lack of capacity by reason of anything in the society's registered rules.

(2) A member of a registered society may bring proceedings to restrain the doing of an act which but for subsection (1) would be beyond the society's capacity, but no such proceedings shall lie in respect of an act to be done in fulfilment of a legal obligation arising from a previous act of the society.

(3) It shall remain the duty of the members of the committee of a registered society to observe any limitations on their powers flowing from the society's registered rules; and action by the members of the committee which but for subsection (1) would be beyond the society's capacity may only be ratified by the society by special resolution.

(4) A resolution ratifying such action shall not affect any liability incurred by a member of the committee or any other person, and relief from any such liability may only be agreed to separately by special resolution.

(5) Section 7D shall have effect notwithstanding this section.

(6) In this section "special resolution" means a resolution passed by not less than three-fourths of such members of the society as (being entitled to do so) vote in person, or by proxy where the society's rules allow proxies, at a general meeting of which not less than 21 days' notice, specifying the intention to propose the resolution, has been duly given according to those rules.

(7) A copy of every special resolution for the purposes of this section signed by the chairman of the meeting at which the resolution was passed and countersigned by the secretary of the society shall be sent to the registrar and registered by him; and until that copy is so registered the special resolution shall not take effect.

7B Power of committee to bind society

(1) In favour of a person dealing with a registered society in good faith, the power of the committee to bind the society, or authorise others to do so, shall be deemed to be free of any limitation under the society's registered rules.

(2) For this purpose—

(a) a person "deals with" a society if he is a party to any transaction or other act to which the society is a party;

(b) a person shall not be regarded as acting in bad faith by reason only of his knowing that an act is beyond the powers of the committee under the society's registered rules; and

(c) a person shall be presumed to have acted in good faith unless the contrary is proved.

(3) The references in section 7A and this section to limitations on the powers of the committee under the society's registered rules include limitations deriving—

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(a) from a resolution of the society in general meeting or a meeting of any class of members; or

(b) from any agreement between the members of the society or of any class of members.

(4) Subsection (1) shall not affect any right of a member of the society to bring proceedings to restrain the doing of an act which is beyond the powers of the committee; but no such proceedings shall lie in respect of an act to be done in fulfilment of a legal obligation arising from a previous act of the society.

(5) Subsection (1) shall not affect any liability incurred by a member of the committee, or any other person, by reason of the committee's exceeding its powers.

(6) Section 7D shall have effect notwithstanding this section.

7C No duty to enquire as to capacity of society or authority of committee

A party to a transaction with a registered society shall not be bound to enquire as to whether it is permitted by the society's registered rules or as to any limitation on the powers of the committee to bind the society or authorise others to do so.**]**

7D Transactions with committee members and other persons in excess of powers

(1) This section applies where a registered society enters into a transaction to which the parties include—

(a) a member of the committee of the society, or

(b) a person connected with such a member or a company with whom such a member is associated,

and the committee of the society, in connection with the transaction, exceeds any limitation on its powers under the society's registered rules.

(2) The transaction shall be voidable at the instance of the society.

(3) Whether or not it is avoided, any such party to the transaction as is mentioned in subsection (1)(a) or (b), and any member of the committee who authorised the transaction, shall be liable—

(a) to account to the society for any gain which he has made directly or indirectly by the transaction; and

(b) to indemnify the society for any loss or damage resulting from the transaction.

(4) Nothing in this section shall be construed as excluding the operation of any other statutory provision or rule of law by virtue of which the transaction may be called in question or any liability to the society may arise.

(5) The transaction shall cease to be voidable if—

(a) restitution of any money or other asset which was the subject matter of the transaction is no longer possible; or

(b) the society is indemnified for any loss or damage resulting from the transaction; or

(c) rights acquired bona fide for value and without actual notice of the committee's exceeding its powers by a person who is not party to the transaction would be affected by the avoidance; or

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(d) the transaction is ratified by the society in general meeting in such a way as the case may require.

(6) A person other than a member of the committee shall not be liable under subsection (3) if he shows that at the time the transaction was entered into he did not know that the committee was exceeding its powers.

(7) This section shall not affect the operation of section 7B in relation to any party to the transaction not within subsection (1)(a) or (b) of this section.

(8) But where a transaction is voidable by virtue of this section and valid by virtue of section 7B in favour of such a person, the court may, on the application of that person or of the society, make such order affirming, severing or setting aside the transaction, on such terms, as appear to the court to be just.

7E Definitions relating to section 7D

(1) In section 7D "transaction" includes any act; and the reference in subsection (1) of that section to limitations under the society's registered rules includes limitations deriving—

(a) from a resolution of the society in general meeting or a meeting of any class of members; or

(b) from any agreement between the members of the society or of any class of members.

(2) In section 7D(1) "company" has the same meaning as in the Companies (Northern Ireland) Order 1986 (NI 6).

(3) Article 354(2) to (8) of that Order (connected persons) shall apply for the purposes of references in section 7D(1) to a person's being "connected" with a member of the committee or to a member of the committee's being "associated with" a company, but shall so apply—

(a) as if any reference to a director of a company were a reference to a member of the committee of a registered society; and

(b) subject to such other adaptations and modifications as may be prescribed.

(4) In section 7D(8) "the court", in relation to a registered society, means the court having jurisdiction to wind up the society under the provisions of the Insolvency (Northern Ireland) Order 1989 (NI 19) as applied by section 64.

PROVISIONS AS TO RULES

8 Acknowledgment of registration of rules.

Without prejudice to section 62(3), an acknowledgment of the registration of a society issued under section 2(3) shall also constitute an acknowledgment, and be conclusive evidence, of the registration under this Act of the rules of that society in force at the date of the society's registration.

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9 Amendment of registered rules.

(1 F12 Subject to subsection (2), any amendment of a society's rules as for the time being registered under this Act shall not be valid until the amendment has been so registered, for which purpose there shall be sent to the registrar two copies of the amendment signed—

(a) in the case of a society for the time being consisting solely of registered societies, by the secretary of the society and by F13. . . the secretary of each **[**F13 (or, if more than two, of each of any two)**]** of the constituent societies;

(b) in any other case, by three members and the secretary of the society.

(2) Subsection (1) shall not apply to a change in the situation of a society's registered office or in the name of a society; but—

(a) notice of any change in the situation of a society's registered office shall be sent to the registrar; and

(b) where such a notice is duly sent, or where a change in the name of a registered society is made in accordance with section 5(3), the change in the situation of the society's registered office or, as the case may be, the change in the society's name shall be registered by the registrar as an amendment of the society's rules.

(3) Subject to subsection (6), the registrar, on being satisfied that any amendment of a society's rules is not contrary to the provisions of this Act, shall issue to the society in respect of that amendment an acknowledgment of registration in the prescribed form which shall be conclusive evidence that it is duly registered.

(4) Notwithstanding anything in the rules of any society, the committee of a registered society may by resolution passed during the appropriate period after the passing of this Act make such amendments of the rules of the society as may be consequential on the provisions of this Act.

(5) For the purposes of subsection (4) the appropriate period after the passing of this Act, in relation to any society, shall be whichever is the longer of the following two periods, that is to say—

(a) a period of one year beginning with the date of the passing of this Act, and

(b) a period beginning with the date of the passing of this Act and ending with the date on which an amendment of the rules of that society is first registered after that date under subsection (3).

(6) Notwithstanding anything in subsection (3), after the end of one year beginning with the date of the passing of this Act, the registrar shall not be required to register any amendment of a society's rules unless such consequential amendments of the rules of that society as are mentioned in subsection (4) either have been made before the application for registration of that amendment or are to be effected by that amendment.

F12 mod. by 1992 NI 15
F13 1997 NI 22

Modifications etc. (not altering text)
C2 S. 9(3) modified (31.7.2006) by Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006 (S.R. 2006/258), reg. 17, **Sch. 2 para. 1(2)**

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10 Rules as to fund for purchase of government securities.

(1) The rules of a society registered or to be registered under this Act may make provision for the setting up and administration by the society of a fund for the purchase on behalf of members contributing to the fund of defence bonds, national savings certificates, Ulster savings certificates or such other securities of the Government of the United Kingdom or the Government of Northern Ireland as may for the time being be prescribed by the Ministry for the purpose; and any such rules may make provision for enabling persons to become members of the society for the purpose only of contributing to that fund and without being entitled to any rights as members other than rights as contributors to that fund.

(2) Any rule which, immediately before the passing of this Act, was included among the registered rules of a registered society by virtue of section 7(3) of the Societies (Miscellaneous Provisions) Act (Northern Ireland) 1940 shall have effect as if it had been duly passed by the society.

11 Rules of agricultural, horticultural or forestry society.

Where a society registered or to be registered under this Act consists mainly of members who are producers of agricultural or horticultural produce or persons engaged in forestry, or organisations of such producers or persons so engaged, and the object or principal object of the society is the making to its members of advances of money for agricultural, horticultural or forestry purposes, registration under this Act of the rules of the society or any amendment thereof shall not be refused on the ground that the rules provide, or would as amended provide, for the making of such advances without security.

12 Supplementary provisions as to rules.

(1) The rules of a registered society or any schedule thereto may specify the form of any instrument necessary for carrying the purposes of the society into effect.

(2) The rules of a registered society may impose reasonable fines on persons who contravene or fail to comply with any of those rules.

(3) Any fine imposed by the rules of a registered society shall be recoverable on the summary conviction of the offender.

(4) Any provision of, or of any instrument made under, this or any other Act requiring or authorising the rules of a registered society to deal with particular matters shall be without prejudice to the power of such a society to make rules with respect to any other matter which are not inconsistent with any such provision or with any other provision of this or any other Act and which are not otherwise unlawful.

13 Rules to bind members.

(1) Subject to subsections (2) and (3), the registered rules of a registered society shall bind the society and all members thereof and all persons claiming through them respectively to the same extent as if each member had**[**F14 executed them as a deed**]** and there were contained in those rules a covenant on the part of each member and any person claiming through him to conform thereto subject to the provisions of this Act.

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(2) A member of a registered society shall not, without his consent in writing having been first obtained, be bound by any amendment of the society's rules registered after he became a member, being an amendment registered after 16th April 1929, if and so far as that amendment requires him to take or subscribe for more shares than the number held by him at the date of registration of the amendment, or to pay upon the shares so held any sum exceeding the amount unpaid upon them at that date, or in any other way increases the liability of that member to contribute to the share or loan capital of the society.

(3) In the case of a society to which section 4 applies which was a registered society under the Act of 1893 on 1st January 1894, the society or the members thereof may respectively exercise any power given by this Act and not made to depend on the provisions of the society's rules notwithstanding anything in any of those rules registered before 12th September 1893.

F14 2005 NI 7

14 Provision of copies of rules.

(1) A copy of the registered rules of any registered society shall be delivered by the society to any person who demands it, subject to payment by that person of such sum not exceeding [F15 50p] (or such larger sum as may from time to time be prescribed by the registrar) as the society may see fit to charge.

(2) If any person, with intent to mislead or defraud, gives to any other person—

(a) a copy of any rules other than rules for the time being registered under this Act on the pretence that they are the existing rules, or that there are no other rules, of a registered society; or

(b) a copy of the rules of a society which is not registered under this Act on the pretence that they are the rules of a registered society,

he shall be guilty of an offence and liable on summary conviction to a fine not exceeding**[**F16 level 1 on the standard scale**]**.

F15 SR 1974/317
F16 1984 NI 3

CANCELLATION, SUSPENSION OR REFUSAL OF REGISTRATION OF SOCIETY OR RULES

15 Cancellation of registration of society.

(1) Subject to the provisions of this section and section 17(1)(c), and without prejudice to sections 59(6), 60(3) and 61(4), the registrar may, by writing under his hand, cancel the registration of any registered society—

(a) if at any time it is proved to his satisfaction—

(i) that the number of members of the society has been reduced, in the case of a society for the time being consisting solely of registered societies, to less than two or, in any other case, to less than**[**F17 three**]**; or

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(ii) that an acknowledgment of registration has been obtained by fraud or mistake; or

(iii) that the society has ceased to exist;

(b) if he thinks fit, at the request of the society, to be evidenced in such manner as he shall from time to time direct;

(c) with the approval of the Ministry—

(i) on proof to his satisfaction that the society exists for an illegal purpose, or has wilfully and after notice from him violated any of the provisions of this Act or any enactment repealed thereby; or

(ii) if at any time it appears to him that neither of the conditions specified in section 1(2) is fulfilled in the case of that society; or

(iii) in the case of a society whose registered rules contain such a provision as is authorised by section 11, if it appears to him that the society no longer consists mainly of such members as are mentioned in that section or that the activities carried on by it do not mainly consist in making advances to its members for such purposes as are so mentioned.

(2) Subsection (1)(c)(ii) shall not authorise the cancellation of the registration of any society to which section 4 applies which was registered or deemed to be registered under the Act of 1893 before 26th July 1938 if no invitation to subscribe for or to acquire or offer to acquire securities, or to lend or deposit money, has been made on or after that date by or on behalf of the society.

(3) Not less than two months previous notice in writing specifying briefly the ground of the proposed cancellation shall be given by the registrar to a society before its registration is cancelled otherwise than—

(a) at its own request; or

(b) by virtue of section 59(6), 60(3) or 61(4);

and if before the expiration of the period of that notice the society duly lodges an appeal under section 17(1)(c), then, without prejudice to section 16(2), the society's registration shall not be cancelled before the date of the determination or abandonment of the appeal.

(4) Where the ground specified in any notice under subsection (3) is that referred to in subsection (1)(c)(ii)—

(a) the registrar shall consider any representations with respect to the proposed cancellation made to him by the society within the period of duration of the notice and, if the society so requests, afford it an opportunity of being heard by him before its registration is cancelled;

(b) if it appears to the registrar at any time after the expiration of one month from the date of the giving of the notice that there have not been taken the steps which by that time could reasonably have been taken for the purpose—

(i) of converting the society into, or transferring its engagements to, a company in accordance with section 61; or

(ii) of dissolving the society under section 64;

he may give such directions as he thinks fit for securing that the affairs of the society are wound up before cancellation of the registration takes effect.

(5) Any person who contravenes or fails to comply with any directions given by the registrar under subsection (4)(b) shall be guilty of an offence and liable on summary

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conviction to a fine not exceeding**[**F18 level 3 on the standard scale**]** or to imprisonment for a term not exceeding three months or to both.

(6) Notice of every cancellation under this section of a society's registration shall, as soon as practicable after it takes place, be published in the Belfast Gazette and in any other manner which the registrar considers necessary for bringing the cancellation to the notice of persons affected thereby.

(7) From the date of the publication in the Belfast Gazette under subsection (6) of a notice of the cancellation of a society's registration, the society shall absolutely cease to be entitled to any of the privileges of this Act as a registered society, but without prejudice to any liability actually incurred by the society which may be enforced against it as if the cancellation had not taken place.

F17 1997 NI 22
F18 1984 NI 3

Modifications etc. (not altering text)
C3 S. 15 applied (with modifications) (31.7.2006) by Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006 (S.R. 2006/258), reg. 17, **Sch. 2 para. 2**

16 Suspension of registration of society.

(1) Where under section 15(1)(c) the registrar might with the approval of the Ministry cancel the registration of a registered society, he may, by writing under his hand—

(a) subject to subsection (3), suspend the registration of that society for any term not exceeding three months; and

(b) with the approval of the Ministry, but subject to section 17(1)(d), from time to time renew any such suspension for the like period.

(2) Where before the expiration of the period of a notice under section 15(3) of the proposed cancellation of a society's registration, that society duly lodges an appeal from the proposed cancellation under section 17(1)(c), the registrar may by writing under his hand suspend the society's registration from the expiration of that period until the date of the determination or abandonment of the appeal.

(3) Not less than two months previous notice in writing specifying briefly the ground of the proposed suspension shall be given by the registrar to a society before its registration is suspended under subsection (1)(a).

(4) Notice of every suspension of a society's registration under subsection (1)(a) or (2) and of any renewal of a suspension under subsection (1)(b) shall, as soon as practicable after it takes place, be published in the Belfast Gazette and in any other manner which the registrar considers necessary for bringing the suspension to the notice of persons affected thereby.

(5) From the date of the publication in the Belfast Gazette of a notice under subsection (4) of the suspension of any society's registration under subsection (1)(a) or (2) until the period of that suspension and any renewal thereof under subsection (1)(b) ends (whether on the expiration of that period or on a sucessful appeal under section 17(1)(d) from such a renewal) the society shall not be entitled to any of the privileges of this Act as a registered society, but without prejudice to any liability actually incurred by the society which may be enforced against it as if the suspension had not taken place.

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17 Appeal from refusal, cancellation or suspension of registration of society or rules.

(1 [F19] A society may appeal to the High Court from any decision of the registrar—

(a) to refuse registration of the society (including a refusal by reason only of anything contained in or omitted from the society's rules) on any ground other than that he is not satisfied that either of the conditions specified in section 1(2) is fulfilled; or

(b) to refuse registration of any amendment of the society's rules; or

(c) to cancel the society's registration (being a cancellation of which notice is required under section 15(3), and not being a cancellation by virtue of section 15(1)(c)(ii)) if the appeal is lodged before the expiration of the period of notice of the proposed cancellation given under section 15(3); or

(d) to renew under section 16(1)(b) a suspension of the society's registration so far as that renewal provides for the suspension to continue more than three months from the original date of suspension.

(2) If any decision such as is mentioned in subsection (1)(a) or (b) is overruled on appeal, the registrar shall thereupon issue to the society an acknowledgment of registration of the society under section 2(3), or, as the case may be, of the amendment under section 9(3).

F19 1981 NI 3

MEMBERSHIP AND SPECIAL PROVISIONS AFFECTING MEMBERS

18 Bodies corporate as members of society.

(1) Shares in a registered society may be held by any other body corporate (if that body's regulations so permit) in its corporate name.

(2) Where a registered society is a member of another registered society, then, for the purposes of any enactment with respect to the making or signing of any application, instrument or document by members of a registered society, any reference therein to such a member shall, in relation to the first-mentioned society as a member of the second-mentioned society, be construed as a reference to two members of the committee and the secretary of the society.

19 Members under age of eighteen.

A person under the age of [F20 eighteen] years but above the age of sixteen years may be a member of a registered society unless provision to the contrary is made by the society's registered rules and may, subject to those rules and to the provisions of this Act, enjoy all the rights of a member and execute all instruments and give all receipts necessary to be executed or given under those rules, but shall not be a member of the committee, trustee, manager or treasurer of the society.

F20 1969 c. 28 (NI)

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20 Advances to members.

Without prejudice to any provision included by virtue of section 11, the rules of a registered society may provide for advances of money to members—

(a) on the security of real or personal property; or

(b) if the society is registered to carry on banking business, in any manner customary in the conduct of such business.

21 Remedy for debts from members.

(1) All moneys payable to a registered society by a member thereof shall be a debt due from that member to the society and shall be recoverable as such in the county court for the district within which the society's registered office is situate or within which the member resides, at the option of the society.

(2) A registered society shall have a lien on the shares of any member for any debt due to the society by that member, and may set off any sum credited to the member on those shares in or towards the payment of that debt.

22 Nomination to property in society.

(1) Subject to subsections (2) and (3), a member of a registered society may, by a written statement signed by him and delivered at or sent to the society's registered office during his lifetime or made in any book kept at that office, nominate a person or persons to become entitled at his death to the whole, or to such part or respective parts as may be specified in the nomination, of any property in the society (whether in shares, loans or deposits or otherwise) which he may have—

(a) in the case of a nomination made before 1st January 1914, at the date of the nomination; or

(b) in any other case, at the time of his death.

(2) The nomination by a member of a society under subsection (1) of a person who is at the date of the nomination an officer or servant of the society shall not be valid unless that person is the**[**F21 spouse, civil partner,**]** father, mother, child, brother, sister, nephew or niece of the nominator.

(3) For the purposes of the disposal of any property which is the subject of a nomination under subsection (1)—

(a) if the nomination was made before 1st January 1914 and at the date of the nomination the amount credited to the nominator in the society's books exceeded one hundred pounds, the nomination shall not be valid;

(b) if the nomination was made after 31st December 1913 and before 29th December 1955 and at the date of the nominator's death the amount of his property in the society comprised in the nomination exceeds one hundred pounds, the nomination shall be valid to the extent of one hundred pounds but not further or otherwise;

(c) if the nomination was made after 28th December 1955 and before 21st April 1967 and at the date of the nominator's death the amount of his property in the society comprised in the nomination exceeds two hundred pounds, the nomination shall be valid to the extent of two hundred pounds but not further or otherwise;

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(d) if the nomination was made after 20th April 1967 and at the date of the nominator's death the amount of his property in the society comprised in the nomination exceeds five hundred pounds[F22] (or such higher amount as may be substituted under section 6(1) of the Administration of Estates (Small Payments) Act (Northern Ireland) 1967), the nomination shall be valid to the extent of five hundred pounds (or such higher amount as aforesaid), but not further or otherwise.

(4) A nomination by a member of a society under subsection (1) may be varied or revoked by a subsequent nomination by him thereunder or by any similar document in the nature of a revocation or variation signed by the nominator and delivered at or sent to the society's registered office during his lifetime, but shall not be revocable or variable by the will of the nominator or by any codicil thereto.

(5) Every registered society shall keep a book in which the names of all persons nominated under subsection (1) and any revocation or variation of any nomination under that subsection shall be recorded.

(6) The**[**[F21] formation of a marriage or civil partnership by**]** a member of a society shall operate as a revocation of any nomination made by him before the marriage**[**[F21] or civil partnership was formed**]** and after 31st December 1913; but if any property of that member has been transferred by an officer of the society in pursuance of the nomination in ignorance of**[**[F21] the formation of a marriage or civil partnership**]** by the nominator subsequent to the date of the nomination, the receipt of the nominee shall be a valid discharge to the society and the society shall be under no liability to any other person claiming the property.

F21 2004 c.33
F22 Increased to £5,000 for nominations effected after 31.3.1985, SR 1985/9

23 Proceedings on death of nominator.

(1) Subject to subsection (2), where any member of a registered society has made a nomination under section 22, the committee of the society, on receiving satisfactory proof of the death of that member, and if and to the extent that the nomination is valid under subsections (2) and (3) of that section, shall in the case of each person entitled under the nomination either transfer to him, or pay him the full value of, any property to which he is so entitled.

(2) Where any of the property comprised in such a nomination as aforesaid consists of shares in the society, subsection (1) shall have effect notwithstanding that the rules of the society declare the shares therein not to be transferable; but if the transfer of any shares comprised in the nomination in the manner directed by the nominator would raise the share holding of any nominee beyond the maximum for the time being permitted in the case of that society, the committee of the society shall not transfer to that nominee more of those shares than will raise his share holding to that maximum and shall pay him the value of any of those shares not transferred.

(3) Where any sum falls to be paid under the foregoing provisions of this section to a nominee who is under sixteen years of age, the society may pay that sum to either parent, or to a guardian, of the nominee or to any other person of full age who will undertake to hold it on trust for the nominee or to apply it for his benefit and whom the society may think a fit and proper person for the purpose, and the receipt of that

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parent, guardian or other person shall be a sufficient discharge to the society for all moneys so paid.

24 Provision for small payments on death.

If any member of a registered society dies and at his death his property in the society (whether in shares, loans or deposits or otherwise) does not exceed in the whole five hundred pounds[F23] (or such higher amount as may be substituted under section 6(1) of the Administration of Estates (Small Payments) Act (Northern Ireland) 1967) and is not the subject of any nomination under section 22, then the committee of the society may, without letters of administration or probate of any will, distribute that property among such persons as appear to the committee on such evidence as it deems satisfactory to be entitled by law to receive it.

F23 Increased to £5,000 for deaths after 31.3.1985, SR 1985/9

25 Payments in respect of mentally incapable persons.

Where in the case of a member of a registered society or a person claiming through such a member the society's committee is satisfied after considering medical evidence that the member or person is incapable through disorder or disability of mind of managing his own affairs and is also satisfied that no person has been duly appointed to administer his property on his behalf, and it is proved to the satisfaction of the committee that it is just and expedient so to do, the society may pay the amount of any property (whether in shares, loans or deposits or otherwise) belonging to that member or person to any person whom it judges proper to receive it on his behalf, whose receipt shall be a good discharge to the society for any sum so paid.

26 Validity of payment to persons apparently entitled.

All payments or transfers made by the committee of a registered society under section 24 or 25 or any corresponding provision of any Act repealed by this Act to any person appearing to the committee at the time of the payment or transfer to be entitled thereunder shall be valid and effectual against any demand made upon the committee or society by any other person.

CONTRACTS, PROPERTY, ETC., OF SOCIETY

27 Promissory notes and bills of exchange.

A promissory note or bill of exchange shall be deemed to have been made, accepted or endorsed on behalf of any registered society if made, accepted or endorsed in the name of the society, or by or on behalf or account of the society, by any person acting under the authority of the society.

28 Contracts.

(1) Contracts may be made, varied or discharged on behalf of a registered society as follows:—

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(a) a contract which, if made between individuals, would be by law required to be**[**F24 executed as a deed**]** may be made, on behalf of the registered society in writing under the common seal of the society;

(b) a contract which, if made between individuals, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the society in writing by any person acting under the express or implied authority of the society;

(c) a contract which, if made between individuals, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the society by a person acting under the express or implied authority of the society;

(d) a contract made according to this subsection may be varied or discharged in the same manner in which it is authorised by this section to be made and a contract**[**F24 executed as a deed**]** which, if made between individuals, might be varied or discharged in writing not**[**F24 executed as a deed**]**, signed by any person interested therein, may be similarly varied or discharged on behalf of the society by a writing not under seal, signed by any person acting under the express or implied authority of the society.

(2) A signature purporting to be made by a person holding any office in a registered society attached to a writing whereby any contract purports to be made, varied or discharged by or on behalf of the society shall, until the contrary is proved, be taken to be the signature of a person holding that office at the time when the signature was made.

(3) A contract which may be or have been made, varied or discharged according to the provisions contained in this section shall be effectual in law and bind the society and its successors and all other parties thereto.

F24 2005 NI 7

[F25**28A Purported contracts, deeds and obligations**

(1) A contract which purports to be made by or on behalf of a registered society at a time when the society has not been registered under this Act shall have effect, subject to any agreement to the contrary, as one made with the person purporting to act for the society or as agent for it.

(2) A contract to which subsection (1) applies shall be treated—

(a) as imposing on that person all the obligations it purports to impose on the society; and

(b) as conferring on him all the rights it purports to confer on the society.

(3) Subsections (1) and (2) apply to the making of a deed as they apply to the making of a contract.**]**

F25 S. 28A inserted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), **5(1)**; S.R. 2006/242, **art. 2**

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[F26 28B Common seal

(1) Notwithstanding any statutory provision or rule of law, a registered society need not have a common seal.

(2) If a registered society has a common seal, the society shall have its registered name engraved on the seal in legible characters.

(3) If, after the coming into operation of subsection (1), a registered society decides to have a common seal, it shall not cause such a seal to be made unless the registered rules of the society contain provision for the custody and use of that seal.

(4) Section 71 shall not apply in respect of an offence committed by a registered society under section 70 where the offence consists of a failure to comply with subsection (2) or (3) of this section.

(5) Any officer of a registered society, or any other person acting on such a society's behalf, who uses or authorises the use of any seal purporting to be the common seal of the society which does not have the society's registered name engraved on it in legible characters shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

F26 Ss. 28B-28F inserted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)). arts. 1(3), {6(1)}; S.R. 2006/242, **art. 2**

28C Execution of documents

(1) The following provisions shall have effect with respect to the execution of documents by a registered society.

(2) A registered society may, if it has a common seal, execute a document by affixing that seal to it.

(3) A document—

(a) signed by a member of the committee of a registered society and the secretary of the society, or by two members of that committee, and

(b) expressed (in whatever form of words) to be executed by the society,

shall have the same effect as if it were executed under the common seal of the society.

(4) A document executed by a registered society which makes it clear on its face that it is intended by the person or persons making it to be a deed shall have effect, upon delivery, as a deed, and it shall be presumed, unless a contrary intention is proved, to be delivered upon its being so executed.

(5) In favour of a purchaser a document shall be deemed to have been duly executed by a registered society if it purports to be signed by a member of the committee of the society and the secretary of the society, or by two members of the committee, and, where it makes it clear on its face that it is intended by the person or persons making it to be a deed, to have been delivered upon its being executed.

(6) Subsections (3) to (5) shall apply whether or not the society has a common seal, and, in subsection (5), "purchaser" means a purchaser in good faith for valuable consideration and includes a lessee, mortgagee or other person who for valuable consideration acquires an interest in property.

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F26 Ss. 28B-28F inserted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)). arts. 1(3), {6(1)}; S.R. 2006/242, **art. 2**

28D Power of society to have official seal for use abroad

(1) This section shall apply to a registered society if—

(a) it has a common seal; and

(b) its objects require or comprise the transaction of business in foreign countries.

(2) The society may, if authorised by its registered rules, have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.

(3) An official seal is a facsimile of the society's common seal with the addition on its face of the name of every territory, district or place where it is to be used.

F26 Ss. 28B-28F inserted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)). arts. 1(3), {6(1)}; S.R. 2006/242, **art. 2**

28E Effect of use of official seal

The official seal of a registered society when duly affixed to a document shall have the same effect as the society's common seal.

F26 Ss. 28B-28F inserted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)). arts. 1(3), {6(1)}; S.R. 2006/242, **art. 2**

28F Authorisation of use of official seal

(1) If a registered society has an official seal, it may authorise any person appointed for the purpose as respects any territory, district or place appearing on the face of that seal to affix it to any deed or other document to which the society is party there.

(2) An authorisation for the purposes of subsection (1) shall be given by writing under the society's common seal.

(3) As between the society and a person dealing with such an agent, the agent's authority shall continue—

(a) if a period is mentioned in the authorisation, during that period; or

(b) if no period is there mentioned, until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(4) The person affixing the official seal shall certify in writing on the deed or other instrument to which the seal is affixed the date on which and the place at which it is affixed.**]**

F26 Ss. 28B-28F inserted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)). arts. 1(3), {6(1)}; S.R. 2006/242, **art. 2**

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29 Charges on assets of registered societies.

(1) An instrument which is executed after the passing of this Act by a registered society and which creates or is evidence of a fixed or floating charge on assets of the society shall not be a bill of sale for the purposes of the Bills of Sale (Ireland) Acts 1879 and 1883 or be invalidated by those Acts if an application for the recording of the charge is made in accordance with subsection (2).

(2) An application for the recording of a charge in pursuance of subsection (1) shall be made by delivering by post or otherwise to the registrar, within the period of**[**F27 twenty-one days**]** beginning with the date of execution of the instrument which creates or is evidence of the charge or within any extended period allowed under subsection (5),—

(a) a copy of the instrument authenticated in the prescribed manner and such additional particulars relating to the charge and so authenticated as may be prescribed; and

(b) such fee as may be prescribed.

(3) It shall be the duty of the registrar to secure—

(a) that an acknowledgment in the prescribed form of every application made for the purposes of this section is issued to the person by whom the application was made; and

(b) that the copy of the instrument included in such an application, a note of any prescribed particulars so included and a copy of the acknowledgment of the application issued in pursuance of paragraph (a) are filed in the prescribed manner and made available for inspection during office hours by members of the public on payment of such fee as may be prescribed;

and an acknowledgment issued in pursuance of this subsection shall be conclusive evidence that any document specified by the acknowledgment was delivered to the registrar on the date so specified.

(4) Without prejudice to the generality of the power to make regulations conferred by subsection (1) of section 97, regulations under that subsection may make provision for anything which is to be prescribed under this section and for the giving of notice to the registrar of any release, discharge or other transaction relating to any charge in respect of which an application has been made for the purposes of this section and for the filing in the prescribed manner of any such notice appearing to the registrar to relate to the charge.

(5) If in the case of such an instrument as is mentioned in subsection (1) it appears to the**[**F27 registrar**]**, on the application of the society which executed the instrument or of any other person claiming the benefit of the instrument, that by reason of inadvertence or other sufficient cause—

(a) an application for the recording of the charge to which the instrument relates was not made within the period of**[**F27 twenty-one days**]** mentioned in subsection (2); or

(b) any matters were omitted from or were mis-stated in such an application,

the**[**F27 registrar may, on such terms as he thinks fit, direct**]** that the period for making such an application shall be extended or, as the case may be, that the omission or mis-statement shall be rectified.

F27 1997 NI 22

Status: *Point in time view as at 01/10/2007.*
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30[F28] Holding of land.

A registered society may, unless its registered rules direct otherwise, acquire and hold in its own name any land and may dispose of any such land; and—

(a) no purchaser, assignee, mortgagee or tenant shall be bound to inquire as to the authority for any such dealing with the land by the society; and

(b) the receipt of the society shall be a discharge for all moneys arising from or in connection with any such dealing.

F28 1981 NI 3

31[F29] Investments.

A registered society may invest any part of its funds in or upon any security authorised by its registered rules, and also, unless those rules direct otherwise—

(a) in or upon any mortgage, bond, debenture, debenture stock, corporation stock, annuity, rentcharge, rent or other security (not being securities payable to bearer) authorised by or under any Act of any**[**[F30] district council or joint committee constituted by two or more such councils or local authority within the meaning of**]** section 34 of the Local Loans Act 1875 ;

(b) in the shares or on the security of any other registered society, of any**[**[F31] building society within the meaning of the Building Societies Act 1986**]**, or of any company registered under the Companies Acts or incorporated by Act or by charter, being a society or company with limited liability;

[[F32](c) in any investments in which trustees may invest under—

(i) the general power of investment in section 3 of the Trustee Act (Northern Ireland) 2001 (as restricted by sections 4 and 5 of that Act); or

(ii) section 8(1)(a) of that Act (land);**]**

F29 1971 c. 29
F30 1983 NI 1
F31 1986 c. 53
F32 2001 c. 14 (NI)

32 Proxy voting by societies.

(1) A registered society which has invested any part of its funds in the shares or on the security of any other body corporate may appoint as proxy any one of its members notwithstanding that he is not personally a shareholder of that other body corporate.

(2) Any member of the society so appointed shall during the continuance of his appointment be taken by virtue thereof as holding the number of shares held by the society for all purposes other than the transfer of any such share or the giving of a receipt for any dividend thereon.

Status: *Point in time view as at 01/10/2007.*
Changes to legislation: *Industrial and Provident Societies Act (Northern Ireland) 1969 is up to date with all changes known to be in force on or before 27 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

33 Discharge of mortgages.

(1) Where, in the case of any mortgage to a registered society of any property, a receipt in full for all moneys secured thereby on that property is endorsed on or annexed to the mortgage or other assurance, being a receipt—

(a) signed by two members of the committee and countersigned by the secretary of the society or, if the society is in liquidation, signed by the liquidator or liquidators for the time being, described as such; and

(b) in the form set out in Schedule 3, or in any other form specified in the rules of the society or any schedule thereto,

then, that receipt shall be fully effective to vacate the mortgage and vest in the mortgagor the estate of and in the property comprised in the mortgage.

(2) If the mortgage is registered in accordance with the Registration of Deeds Acts, the Registrar under those Acts shall—

(a) on production of the receipt mentioned in subsection (1), make an entry in the margin of the registry-book against the registry of the memorial of the mortgage that the mortgage is satisfied; and

(b) grant a certificate, either on the mortgage or separately, that the mortgage is satisfied.

(3) The certificate granted under subsection (2)(b) shall—

(a) be received in all courts and proceedings without further proof; and

(b) have the effect of clearing the register of the mortgage.

(4) In this section "mortgage" includes a further charge, and "mortgagor" , in relation to a mortgage, means the person for the time being entitled to the equity of redemption.

34 Receipt on payment of moneys secured to a society.

On payment of all moneys intended to be secured to a registered society on the security of any property, the debtor or his successor or representatives shall be entitled to a receipt in the form set out in Schedule 3, or in any other form specified in the rules of the society or any schedule thereto.

ACCOUNTS, ETC.

35 Books of account, etc.

(1) Every registered society shall—

(a) cause to be kept proper books of account with respect to its transactions and its assets and liabilities, and

(b) establish and maintain a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances.

(2) For the purposes of paragraph (a) of subsection (1), proper books of account shall not be taken to be kept with respect to the matters mentioned in that paragraph if there are not kept such books as are necessary to give a true and fair view of the state of the affairs of the society and to explain its transactions.

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36 Form in which books of account may be kept.

(1) Any book of account to be kept by a registered society may be kept either by making entries in bound books or by recording the matters in question in any other manner.

(2) Where any such book of account is not kept by making entries in a bound book but by some other means, the society shall take adequate precautions for guarding against falsification and facilitating its discovery.

37 General provisions as to accounts and balance sheets of registered societies.

(1) Every revenue account of a registered society shall give a true and fair view—

(a) if it deals with the affairs of the society as a whole, of the income and expenditure of the society as a whole, or

(b) if it deals with a particular business conducted by the society, of the income and expenditure of the society in respect of that business,

for the period to which the account relates.

(2) Every registered society shall, in respect of each year of account, cause to be prepared either—

(a) a revenue account which deals with the affairs of the society as a whole for that year, or

(b) two or more revenue accounts for that year which deal separately with particular businesses conducted by the society.

(3) In a case falling within subsection (2)(b), without prejudice to the application of subsection (1)(b) to each revenue account dealing with a particular business conducted by the society, the revenue accounts in question, when considered together, shall give a true and fair view of the income and expenditure of the society as a whole for the year of account to which they relate.

(4) Every balance sheet of a registered society shall give a true and fair view of the state of the affairs of the society as at the date of the balance sheet.

Subs. (5) rep. by 1997 NI 22

(6) If in relation to any revenue account, revenue accounts or balance sheet of a society a member of the committee of the society fails to take all reasonable steps to secure compliance—

(a) with the provision of subsection (1) or subsection (4) which is applicable in that case, or

(b) in a case falling within subsection (2)(b), with subsection (3),

he shall be guilty of an offence and liable on summary conviction to a fine not exceeding**[**[F33] level 1 on the standard scale**]**, unless he proves that he had reasonable grounds to believe, and did believe, that a competent and reliable person was charged with the duty of seeing that the relevant provision was complied with and was in a position to discharge that duty.

(7) In the case of a society to which this subsection applies, the preceding provisions of this section shall not have effect in relation to—

(a) any revenue account of that society for a period ending before the last day of the year of account in respect of which the provisions of section 38(1) or section 38(4) (as the case may be) first apply to that society; and

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(b) any balance sheet of that society relating to its affairs as at a date before that day.

(8) Subsection (7) applies in the case of any society which is registered under the Act of 1893 at the date of the passing of this Act, or which is first registered under this Act before 1st January 1970.

F33 1984 NI 3

[F34 37A Publication of accounts and balance sheets of registered societies.

(1) A registered society shall not publish any revenue account or balance sheet unless it has been signed by the secretary of the society and by two members of the committee of the society acting on behalf of that committee.

(2) Where at the end of a registered society's year of account no disapplication under section 38A(1) is in force in relation to the year, the society shall not publish a year end revenue account or balance sheet unless—

(a) it has been previously audited by the auditor or auditors last appointed to audit the accounts and balance sheet of the society, and

(b) it incorporates a report by the auditor or auditors stating whether in their opinion it complies with subsection (1) or, as the case may be, subsection (4) of section 37.

(3) Where at the end of a registered society's year of account a disapplication under section 38A(1) is in force in relation to the year and the society's turnover in the preceding year of account exceeded £90,000, the society shall not publish a year end revenue account or balance sheet unless—

(a) it is one on which the society has obtained from a person appointed under subsection (2) of section 43A a report which meets the requirements of subsection (3) of that section, and

(b) it incorporates so much of the report as relates to it.

(4) Where at the beginning of a year of account (in this subsection referred to as "the current year of account") a registered society is subject to subsection (2) in relation to the publication of a year end revenue account or balance sheet for the preceding year of account, it shall not publish any interim revenue account or balance sheet for the current year of account—

(a) if a disapplication under section 38A(1) is in force in relation to that year, unless it incorporates a report by an appropriate person stating whether in his opinion it complies with subsection (1) or (4), as the case may be, of section 37; and

(b) if no disapplication under section 38A(1) is in force in relation to that year, unless paragraphs (a) and (b) of subsection (2) are met in relation to it.

(5) Where at the beginning of a year of account (in this subsection referred to as "the current year of account") a registered society is subject to subsection (3) in relation to the publication of a year end revenue account or balance sheet for the preceding year of account, it shall not publish any interim revenue account or balance sheet for the current year of account unless it incorporates a report by an appropriate person stating—

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(a) whether, in his opinion, the revenue account or, as the case may be, the balance sheet, is in agreement with the books of account kept by the society under section 35, and

(b) whether, in his opinion, on the basis of the information contained in those books of account, the revenue account or, as the case may be, the balance sheet complies with the requirements of this Act.

(6) Where a registered society's year of account is one in relation to which a direction under section 43C has effect, the society shall not publish any year end or interim revenue account or balance sheet, unless it incorporates a report by the auditor or auditors appointed in pursuance of the direction stating whether in their opinion it complies with subsection (1) or (4), as the case may be, of section 37.

(7) Subsection (3) shall cease to apply in relation to a year of account if a direction under section 43C is made in relation to it.

(8) Section 43B shall apply in relation to a person appointed for the purposes of subsection (4) or (5) as it applies in relation to a person appointed under section 43A(2).

(9) In subsection (4) references to a disapplication under section 38A(1) being in force in relation to a year of account shall, where the year of account has ended, be construed as references to a disapplication under that provision being in force at the end of the year.

(10) Subject to subsection (11), in subsections (4) and (5) references to an appropriate person are to a person who is—

(a) a qualified auditor for the purposes of this Act, and

(b) not ineligible by virtue of section 42(1) to be appointed as auditor of the society.

(11) In relation to the application of subsection (4) to a society which—

(a) was an exempt society in respect of the preceding year of account, and

(b) appointed persons who were not qualified auditors to audit its accounts and balance sheet for that year,

subsection (10) shall, if the year is not one in relation to which the registrar has given a direction under section 38(6)(a), have effect with the omission of paragraph (a) of that subsection.

(12) In this section—

"interim balance sheet", in relation to a year of account, means a balance sheet relating to the position at a time in the year other than the end;

"interim revenue account", in relation to a year of account, means a revenue account for any period falling within the year of account, other than one ending at the end of the year;

"turnover" has the same meaning as in section 38A;

"year end balance sheet", in relation to a year of account, means a balance sheet relating to the position at the end of the year; and

"year end revenue account", in relation to a year of account, means a revenue account for the year or for any period falling within the year of account and ending at the end of the year.**]**

F34 1997 NI 22

Status: *Point in time view as at 01/10/2007.*
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38 Obligation to appoint auditors.

(1) Subject to the following provisions of this section**[**[F35] and section 38A(1)**]**, every registered society shall in each year of account beginning on or after 1st January 1970 appoint a qualified auditor or qualified auditors to audit its accounts and balance sheet for that year.

(2) Subsection (1) shall not apply to any registered society if—

(a) the receipts and payments of that society in respect of the preceding year of account when added together did not exceed five thousand pounds;

(b) the number of its members at the end of that year did not exceed five hundred; and

(c) the value of its assets at the end of that year did not in the aggregate exceed five thousand pounds.

(3) A registered society to which, by virtue of subsection (2), subsection (1) does not apply in respect of any year of account is in this Act referred to as an exempt society in respect of that year of account.

(4) Subject to any direction given by the registrar under subsection (5), every society which is an exempt society in respect of the current year of account shall in that year appoint at its option either—

(a) a qualified auditor or qualified auditors, or

(b) two or more persons who are not qualified auditors,

to audit its accounts and balance sheet for that year.

(5) The registrar may give a direction in the case of any particular society which is an exempt society in respect of the current year of account requiring it to appoint a qualified auditor to audit its accounts and balance sheet for that year.

(6) The registrar may give a direction in the case of any particular society which was an exempt society in respect of any year of account before the year of account in which that direction is given and did not appoint a qualified auditor or qualified auditors to audit its accounts and balance sheet for that year—

(a) requiring it to appoint a qualified auditor to audit those accounts and that balance sheet, and

(b) in a case where that society has sent to him its annual return for that year before the date of the direction, requiring it after its accounts and balance sheet have been audited by a qualified auditor to send to him within three months from receipt of the direction a further annual return complying with the requirements of this Act (other than that as to time of sending).

(7) Regulations made by the registrar with the consent of the Ministry may—

(a) substitute for any sum or number for the time being specified in subsection (2) such sum or number as may be specified in the regulations; and

(b) prescribe what receipts and payments of a society shall be taken into account for the purposes of that subsection.

F35 1997 NI 22

Status: *Point in time view as at 01/10/2007.*
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[F36 38A Power of registered societies to disapply section 38.

(1) Subject to subsections (3) and (4), a registered society may disapply section 38 in relation to any year of account beginning on or after the day on which the Deregulation (Northern Ireland) Order 1997 comes into operation if—

(a) the value of its assets at the end of the preceding year of account did not in the aggregate exceed £1,400,000, and

(b) its turnover for that year did not exceed £350,000.

(2) The power conferred by subsection (1) shall be exercisable by resolution passed at a general meeting at which—

(a) less than 20 per cent. of the total votes cast are cast against the resolution, and

(b) less than 10 per cent. of the members of the society for the time being entitled under the society's rules to vote cast their votes against the resolution.

(3) Subsection (1) shall not apply to a registered society which—

(a) is registered in the register of housing associations maintained by the Department of the Environment,

(b) is, or has, a subsidiary,

(c) prepares accounts under the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations (Northern Ireland) 1994, or

(d) holds, or has, at any time since the end of the preceding year of account, held, a deposit[F37]. . . , other than a deposit in form of withdrawable share capital.

[F37(3A) In paragraph (3)(d), the reference to a deposit must be read with—

(a) section 22 of the Financial Services and Markets Act 2000;

(b) any relevant order under that section; and

(c) Schedule 2 to that Act.]

(4) The registrar may by notice to a registered society disapply subsection (1) in relation to the year of account of the society in which the notice is given.

(5) Where a registered society exercises the power conferred by subsection (1), the disapplication shall cease to have effect if, at any time before the end of the year of account to which it relates—

(a) the society becomes one to which subsection (3) applies, or

(b) the registrar gives the society notice under subsection (4).

(6) In the case of a registered society which is a charity within the meaning of the Charities Act (Northern Ireland) 1964, subsection (1) shall have effect with the substitution for paragraph (b) of—

"(b) its gross income for that year did not exceed £250,000.".

(7) For a period which is a registered society's year of account, but not in fact a year, the maximum figure in subsection (1)(b) (including that provision as it has effect by virtue of subsection (6)) shall be proportionately adjusted.

(8) In this section, "turnover", in relation to a registered society, means the amounts derived from the provision of goods and services falling within the society's activities, after deduction of—

(a) trade discounts,

(b) value added tax, and

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(c) any other taxes based on the amounts so derived.**]**

F36 1997 NI 22
F37 SI 2002/1555

39 Re-appointment and removal of qualified auditors.

(1) A qualified auditor appointed to audit the accounts and balance sheet of a registered society for the preceding year of account shall be re-appointed as auditor of the society for the current year of account unless—

[F38(a) a resolution has been passed at a general meeting of the society—

(i) appointing somebody instead of him, or

(ii) providing expressly that he shall not be appointed, or

(iii) disapplying section 38 in relation to the current year of account,

or**]**

(b) he has given to the society notice in writing of his unwillingness to be re-appointed, or

(c) he is ineligible for appointment as auditor of the society for the current year of account, or

(d) he has ceased to act as auditor of the society by reason of incapacity;

but, where notice is given of an intended resolution to appoint some person or persons in place of a retiring auditor and the resolution cannot be proceeded with at the meeting because of the death or incapacity of that person or those persons, or because he is or they are ineligible for appointment as auditor or auditors of the society for the current year of account (as the case may be), the retiring auditor shall not be automatically re-appointed by virtue of this subsection.

(2) For the purposes of subsection (1), a person is ineligible for appointment as auditor of a society for the current year of account if, but only if—

(a) his appointment in relation to the society is prohibited by section 42, or

(b) (in the case of a society which is not an exempt society in respect of that year of account) he is not a qualified auditor at the time when the question of his appointment falls to be considered.

F38 1997 NI 22

40 Provisions as to resolutions relating to appointment and removal of auditors.

(1) Subject to subsection (5), a resolution at a general meeting of a registered society—

(a) appointing another person as auditor in place of a retiring qualified auditor, or

(b) providing expressly that a retiring qualified auditor shall not be re-appointed,

shall not be effective unless notice of the intention to move it has been given to the society not less than twenty-eight days before the meeting at which it is moved.

(2) Where notice of the intention to move any such resolution has been given under subsection (1) to a society which is required by its rules to give notice to its members of the meeting at which the resolution is to be moved, the society shall if it is practicable to do so give them notice of the resolution at the same time and in the same manner as it gives notice of the meeting.

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(3) Where notice of the intention to move any such resolution has been given to any society under subsection (1), and that society does not give notice of the resolution under subsection (2), it shall give notice of the resolution to its members not less than fourteen days before the meeting at which the resolution is to be moved, either by advertisement in a newspaper having an appropriate circulation or in any other way allowed by the rules of the society.

(4) Where—

(a) for any of the reasons mentioned in section 39(1) an intended resolution to appoint some person or persons in place of a retiring qualified auditor cannot be proceeded with at the meeting, and

(b) by the rules of the society an auditor can only be appointed by a resolution passed at a general meeting after notice of the intended resolution has been given to the society before the meeting,

a resolution passed at that meeting re-appointing the retiring auditor or appointing an auditor in place of the retiring auditor shall be effective notwithstanding that no notice of that resolution has been given to the society under its rules.

(5) On receipt by a society of notice given under subsection (1) of an intended resolution, it shall forthwith send a copy of the notice to the retiring auditor.

(6) On receipt of a copy of such a notice, the retiring auditor may at any time before the date of the general meeting make representation in writing to the society (not exceeding a reasonable length) with respect to the intended resolution, and, without prejudice to the preceding provision, the retiring auditor may—

(a) notify the society that he intends to make such representations, and

(b) request that notice of his intention, or of any such representations made by him and received by the society before notice of the intended resolution is given to its members, shall be given to members of the society.

(7) Subject to subsection (8), a society which receives representations or a notification of intended representations under subsection (6) before the date when notice of the intended resolution is required by subsection (2) or subsection (3) (as the case may be) to be given to its members shall—

(a) in any notice of the resolution given to its members, state that it has received those representations or that notification (as the case may be),

(b) in any such notice, state that any member may receive on demand made before the date of the general meeting a copy of any representations which have been or may be received by the society before that date, and

(c) send a copy of any representations received by the society before the date of the meeting to any member on demand made before that date;

but without prejudice either to the preceding provisions of this subsection or to his right to be heard orally, the retiring auditor may also require that any representations made by him before the date of the general meeting shall be read out at the meeting.

(8) Copies of any such representations need not be sent out, and the representations need not be read out at the meeting if, on the application either of the society or of any other person, the High Court is satisfied that the rights conferred by this section are being abused to secure needless publicity for defamatory matter; and the Court may order the costs of the society on an application under this section to be paid, in whole or in part, by the auditor, notwithstanding that he is not a party to the application.

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(9) Any provision in this section which requires notice to be given to the members of a society or confers any right upon a member (as the case may be) shall be construed in the case of a meeting of delegates appointed by members as requiring the notice to be given to the delegates so appointed or conferring the right upon a delegate (as the case may be).

41 Qualified auditors.

(1 F39 Subject to subsection (2), no person shall be a qualified auditor for the purposes of this Act unless**[**F40 he is eligible for appointment as a company auditor under Article 28 of the Companies (Northern Ireland) Order 1990.**]**

(2 F39 Subject to subsection (3), for the purposes of any provision (except subsections (5) and (6) of section 38) a person who is not a qualified auditor under subsection (1) shall nevertheless be a qualified auditor in relation to any particular society if—

(a) he is at the passing of this Act an approved auditor for the purposes of the Act of 1893, and

(b) he audited the accounts and balance sheet of that society for the year of account immediately preceding the year of account in which this Act is passed and for every year of account, if any, since the first-mentioned year until the current year of account.

(3) The registrar may at any time direct that a person who is a qualified auditor in relation to a particular society or particular societies by virtue of subsection (2) shall cease to be so qualified from the date of that direction.

F39 1981 NI 3
F40 SR 1993/67

42 Restrictions on appointment of auditors.

(1) None of the following persons shall be appointed as auditor of a registered society—

(a) an officer or servant of the society; or

(b) a person who is a partner of or in the employment of, or who employs, an officer or servant of the society; or

Para. (c) rep. by SR 1993/67

(d) a person whose appointment as auditor of any other registered society—

(i) which is a subsidiary of that society, or

(ii) of which that society is a subsidiary, or

(iii) which is a subsidiary of the society of which that society is a subsidiary,

is prohibited by virtue of paragraph (a) or (b); or

[F41(e) a person who is by virtue of Article 30 of the Companies (Northern Ireland) Order 1990 ineligible for appointment as auditor of a company which is a subsidiary of that society.**]**

(2) Any appointment made by a society in contravention of subsection (1) shall not be an effective appointment for the purposes of this Act.

Subs. (3) rep. by SR 1993/67

Status: *Point in time view as at 01/10/2007.*
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(4) In this section "company" has the same meaning as in section 47 and references to an officer or servant shall be construed as not including an auditor.

F41 SR 1993/67

43 Auditors' report and right of access to books and to attend and be heard at meetings.

(1) The auditors of a registered society shall make a report to the society on the accounts examined by them, and on the revenue account or accounts and the balance sheet of the society for the year of account in respect of which they are appointed.

(2) The report shall state whether the revenue account or accounts and the balance sheet for that year comply with the requirements of this Act and whether, in the opinion of the auditors—

(a) the revenue account or accounts give a true and fair view in accordance with section 37 of the income and expenditure of the society as a whole for that year of account and, in the case of each such account which deals with a particular business conducted by the society, a true and fair view in accordance with that section of the income and expenditure of the society in respect of that business for that year, and

(b) the balance sheet gives a true and fair view in accordance with that section of the state of the affairs of the society as at the end of that year of account.

(3) Without prejudice to the provisions of subsection (2), where the report of the auditors relates to any accounts other than the revenue account or accounts for the year of account in respect of which they are appointed that report shall state whether those accounts give a true and fair view of any matter to which they relate.

(4) It shall be the duty of the auditors of a registered society, in preparing their report under this section, to carry out such investigations as will enable them to form an opinion as to the following matters, that is to say—

(a) whether the society has kept proper books of account in accordance with the requirements of section 35(1)(a);

(b) whether the society has maintained a satisfactory system of control over its transactions in accordance with the requirements of section 35(1)(b); and

(c) whether the revenue account or accounts, the other accounts, if any, to which the report relates, and the balance sheet are in agreement with the books of account of the society;

and if the auditors are of opinion that the society has failed to comply with section 35(1)(a) or (b), or if the revenue account or accounts, the other accounts, if any, and the balance sheet are not in agreement with the books of account of the society, the auditors shall state that fact in their report.

(5) Every auditor of a society—

(a) shall have a right of access at all times to the books, deeds and accounts of the society, and to all other documents relating to its affairs, and

(b) shall be entitled to require from the officers of the society such information and explanations as he thinks necessary for the performance of the duties of the auditors.

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(6) If the auditors fail to obtain all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their audit, they shall state that fact in their report.

(7) The auditors of a society shall be entitled—

(a) to attend any general meeting of the society, and to receive all notices of and other communications relating to any general meeting which any member of the society is entitled to receive, and

(b) to be heard at any meeting which they attend on any part of the business of the meeting which concerns them as auditors.

(8) The preceding provisions of this section shall not have effect so as to impose any duties or confer any rights upon auditors appointed in respect of any year of account of a registered society beginning before 1st January 1970.

[F42 43A Duty to obtain accountant's reports where section 38 applied.

(1) Subsection (2) applies where—

(a) at the end of a registered society's year of account a disapplication under section 38A(1) is in force in relation to the year, and

(b) the society's turnover in the preceding year of account exceeded £90,000.

(2) The society shall, before the end of the period of twenty-eight days beginning immediately after the end of the year of account, appoint an appropriate person to make—

(a) a report on the society's accounts and balance sheet for the year which meets the requirements of subsection (3), and

(b) a report relating to the preceding year of account which meets the requirement of subsection (4).

(3) A report for the purposes of subsection (2)(a) shall—

(a) state whether, in the opinion of the person making the report, the revenue account or accounts, the other accounts (if any) to which the report relates, and the balance sheet are in agreement with the books of account kept by the society under section 35, and

(b) state whether, in that person's opinion, on the basis of the information contained in those books of account, the revenue account or accounts and the balance sheet comply with the requirements of this Act.

(4) A report for the purposes of subsection (2)(b) shall state whether in the opinion of the person making the report the financial criteria for the exercise of the power conferred by section 38A(1) were met in relation to the year.

(5) In subsection (2) the reference to an appropriate person is to a person who is—

(a) a qualified auditor for the purposes of this Act,

(b) not ineligible by virtue of section 42(1) to be appointed as auditor of the society.

(6) In this section, "turnover" has the same meaning as in section 38A.**]**

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43B Rights of person appointed under section 43A(2).

(1) A person appointed under section 43A(2) shall, for the purposes of his appointment—

(a) have a right of access at all times to the books, deeds and accounts of the relevant society, and to all other documents relating to its affairs, and

(b) be entitled to require from the officers of the relevant society such information and explanations as he thinks necessary.

(2) If a person appointed under section 43A(2) fails to obtain all the information and explanations which, to the best of that person's knowledge and belief, are necessary for the purposes of doing what he has been appointed to do, that fact shall be stated in his report.

(3) A person appointed under section 43A(2) shall be entitled—

(a) to receive notice of, and attend, any general meeting of the relevant society at which any relevant matter is discussed, and

(b) to be heard at any such general meeting which he attends on any part of the business of the meeting which relates to any relevant matter.

(4) For the purposes of subsection (3), the following are relevant matters, namely—

(a) any report of the person appointed under subsection (2) of section 43A, and

(b) any matter which is relevant to what that person has been appointed under that subsection to do.

(5) In this section, references to the relevant society, in relation to a person appointed under section 43A(2) are to the registered society responsible for his appointment under that provision.

43C Registrar's power to require accounts for past years to be audited.

(1) The registrar may give a direction to a registered society in respect of any relevant year of account of the society preceding that in which the direction is given—

(a) requiring it to appoint a qualified auditor or qualified auditors to audit its accounts and balance sheet for that year, and

(b) where it has sent to him its annual return for that year before the date of the direction, requiring it after its accounts and balance sheet have been audited by a qualified auditor or qualified auditors to send to him within three months from receipt of the direction a further annual return complying with the requirements of this Act (other than that as to time of sending).

(2) For the purposes of this section, a year of account of a registered society is a relevant year of account if it is one at the end of which there is in force in relation to it a disapplication under section 38A(1).

44 Remuneration of qualified auditors.

(1) The registrar may, with the consent of the Ministry, prescribe the maximum rates of remuneration to be paid by all registered societies or such registered societies as may be specified for the audit of their accounts and balance sheets by qualified auditors**[**[F43] or for the making of a report for the purposes of section 37A(4)(a) or (5) or 43A(2)(a) or (b).**]**.

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(2) **[**F43where a maximum rate of remuneration has been prescribed under subsection (1), no auditor or reporting accountant**]** shall, in respect of his services to that society, ask for, receive or be entitled to receive remuneration in excess of the rate so prescribed.

[F43(3) In this section, "reporting accountant" means a person appointed to make a report for the purposes of section 37A(4)(a) or (5) or 43A(2)(a) or (b).**]**

F43 1997 NI 22

45 Group accounts.

(1) Subject to the provisions of section 46, where at the end of a year of account of a registered society beginning on or after 1st January 1970 the society has subsidiaries, it shall cause to be prepared accounts for that year (in this Act referred to as "group accounts") dealing as mentioned in the following provisions of this section with the state of affairs and income and expenditure of the society and its subsidiaries.

(2) The group accounts of a registered society shall give a true and fair view of the state of affairs and income and expenditure of the society and the subsidiaries dealt with thereby as a whole, so far as concerns members of the society.

(3) Without prejudice to the provisions of subsection (2), the group accounts shall comprise such accounts and contain such particulars as the registrar may, with the consent of the Ministry, prescribe.

(4) Where the year of account of a subsidiary does not coincide with that of the society of which it is a subsidiary, the group accounts shall, unless the registrar on the application or with the consent of the committee of the society otherwise directs, deal with the subsidiary's state of affairs as at the end of its year of account ending with or last before that of the society, and with the subsidiary's income and expenditure for that year of account.

(5) A registered society which has caused group accounts to be prepared in accordance with subsection (1) shall submit those accounts for audit to the auditors appointed to audit the accounts and balance sheet of the society for that year of account; and those auditors shall make a report to the society on the group accounts, stating whether those accounts have been properly prepared in accordance with the requirements of this Act and regulations made thereunder and whether in their opinion they give a true and fair view of the state of affairs and income and expenditure of the society and its subsidiaries in accordance with subsection (2).

(6) A registered society shall send its group accounts and a copy of the report of the auditors under subsection (5) to the registrar together with its annual return for the year of account to which those group accounts relate.

(7) The latest group accounts of a registered society shall be supplied free of charge, together with the latest annual return of the society, to every member or person interested in the funds of the society who applies under section 48(6) for a copy of the latest annual return.

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46 Exemption from requirements in respect of group accounts.

(1) Section 45 shall not require group accounts to be prepared by a registered society where that society is at the end of its year of account the wholly owned subsidiary of another body corporate incorporated in Northern Ireland.

(2) The group accounts of a registered society prepared under that section need not deal with a subsidiary of the society if in the opinion of the committee of the society, approved by the registrar—

(a) it is impracticable, or would be of no real value to members of the society, in view of the insignificant amounts involved, or would involve expense or delay out of proportion to the value to members of the society; or

(b) the result would be misleading, or harmful to the business of the society or any of its subsidiaries; or

(c) the business of the society and that of the subsidiary are so different that they cannot reasonably be treated as a single undertaking.

(3) If in respect of each subsidiary of a registered society the committee of the society is of any such opinion as is mentioned in subsection (2) and that opinion is approved by the registrar, then that society shall not be required to cause group accounts to be prepared under section 45.

[F44(3A) In relation to any year of account of a registered society, a subsidiary of the society shall be disregarded for the purposes of section 45 if—

(a) the society's previous year of account was one in relation to which the subsidiary was not required to be dealt with in group accounts of the society for that year,

(b) the reason for that was subsection (2) or (3) or this subsection, and

(c) the auditors of the society include in the appropriate report a certificate to the effect that they agree with the committee of the society that—

(i) the reason given by the committee in their last opinion in respect of the subsidiary to have been approved by the registrar under subsection (2) or (3), and

(ii) the grounds so given by them for that reason,

continued to apply throughout the year of account.

(3B) For the purposes of subsection (3A)(c), the appropriate report is—

(a) where the year of account is one in relation to which the registered society is subject to the obligation under subsection (1) of section 45, the report required to be made under subsection (5) of that section by the society's auditors, and

(b) where it is not, the report required to be made by them under section 43(1).

(3C) A certificate shall be disregarded for the purposes of subsection (3A)(c) if contained in a report made after the date which, in relation to the year to which the certificate relates, is the last date for making the annual return.**]**

(4) For the purposes of this section a registered society shall be deemed to be the wholly owned subsidiary of another body corporate if it has no members except that other body corporate and the wholly owned subsidiaries of that body and its or their nominees.

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47 Meaning of "subsidiary" .

(1) For the purposes of this Act, a company shall, subject to the provisions of subsection (4), be deemed to be a subsidiary of a registered society if, but only if, that society either—

(a) is a member of the company and controls the composition of its board of directors; or

(b) holds at least half in nominal value of the company's equity share capital.

(2) For the purposes of subsection (1)(a), the composition of a company's board of directors shall be deemed to be controlled by a registered society if, but only if, that society by the exercise of some power exercisable by it without the consent or concurrence of any other person can appoint or remove the holders of all or a majority of the directorships.

(3) A society shall be deemed for the purposes of subsection (2) to have power to appoint to a directorship if either—

(a) a person cannot be appointed thereto without the exercise in his favour by that society of such a power as is mentioned in that subsection; or

(b) a person's appointment thereto follows necessarily from his appointment as a member of the committee of that society; or

(c) the directorship is held by that society itself.

(4) In determining whether a company is a subsidiary of a registered society—

(a) any shares held or power exercisable by that society in a fiduciary capacity shall be treated as not held or exercisable by it;

(b) subject to paragraphs (c) and (d), any shares held or power exercisable by any person as a nominee for that society (except where that society is concerned only in a fiduciary capacity) shall be treated as held or exercisable by that society;

(c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of the company or of a trust deed for securing any issue of such debentures shall be disregarded; and

(d) any shares held or power exercisable by, or by a nominee for, that society (not being held or exercisable as mentioned in paragraph (c)) shall be treated as not held or exercisable by that society if the ordinary business of that society includes the lending of money and the shares are held or power is exercisable as mentioned above by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

(5) For the purposes of this Act, a registered society shall be deemed to be a subsidiary of another such society if, but only if, that other society either—

(a) is a member of the first mentioned society and controls the composition of its committee; or

(b) can exercise at least half of the votes to which members of the first-mentioned society are entitled under its rules.

(6) For the purposes of subsection (5)(a), the composition of a society's committee shall be deemed to be controlled by another society if, but only if, either—

(a) that other society by the exercise of some power exercisable by it without the consent or concurrence of any other person can appoint and remove the members or a majority of the members of that committee; or

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(b) that other society is itself a member of that committee and by the exercise of such a power as is mentioned in paragraph (a) can either appoint and remove the remaining members of that committee or appoint and remove such number of members of that committee as, together with itself, would constitute a majority of the members of that committee.

(7) A society shall be deemed for the purposes of subsection (6) to have power to appoint a person to membership of the committee of another society if either—

(a) he cannot be appointed without the excercise in his favour by the first-mentioned society of such a power as is mentioned in paragraph (a) of that subsection; or

(b) his appointment follows necessarily from his appointment as a member of the committee of the first-mentioned society.

(8) Subsection (4) shall apply with the necessary modifications in determining whether a registered society is a subsidiary of another such society as it applies in determining whether a company is a subsidiary of such a society.

(9) In this section "company" includes any body corporate other than a registered society, and "equity share capital" means, in relation to a company, its issued share capital excluding any part thereof which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.

48 Annual returns.

[F45(1) Every registered society shall, within the period of seven months beginning immediately after the end of the period required by this section to be included in the return, send to the registrar a return relating to its affairs for that period together with—

(a) where the period required to be included in the return is one at the end of which there is in force in relation to the period a disapplication under section 38A(1), the documents mentioned in subsection (1A), and

(b) where it is not, the documents mentioned in subsection (1B).

(1A) The documents referred to in subsection (1)(a) are—

(a) copies of the reports, if any, which the society is required, because of the disapplication, to obtain under section 43A; and

(b) a copy of each balance sheet made during the period included in the return.

(1B) The documents referred to in subsection (1)(b) are—

(a) a copy of the report of the auditor or auditors on the society's accounts for the period included in the return; and

(b) a copy of each balance sheet made during that period and of any report of the auditor or auditors on that balance sheet.**]**

(2) The said return shall—

(a) contain the revenue account or accounts of the society prepared in accordance with section 37(2) in respect of the year of account to which the return relates, and a balance sheet as at the end of that year, and

(b) not contain any accounts other than the revenue account or accounts for that year unless those other accounts have been examined by the auditors of the society under section 43**[**F45 or been the subject of a report for the purposes of section 43A(2)(a)**]**, and

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(c) subject to subsections (4) and (5), be made up for the period beginning with the date of the society's registration under this Act or with the date to which the society's last annual return was made up whichever is the later, and ending—

(i) with the date of the last balance sheet published by the society before the appropriate date; or

(ii) if the date of that balance sheet is earlier than 31st August immediately preceding the appropriate date or later than 31st January of the year in which the appropriate date falls, with 31st December immediately preceding the appropriate date.

(3) For the purposes of subsection (2)(c), "the appropriate date" , in relation to an annual return of a society, is 31st March of the year in which that return is required by subsection (1) to be sent to the registrar or the date on which that return is so sent, whichever is the earlier.

(4) If the registrar is of opinion that special circumstances exist he may allow a society to make a return under this section up to a date other than that specified in subsection (2)(c)(i) or (ii),[F45]. . . .

(5) The last return under this section by a registered society which is being terminated by an instrument of dissolution under section 64(b) shall be made up to the date of the instrument of dissolution.

(6) Every registered society shall supply free of charge to every member or person interested in the funds of the society who applies for it a copy of the latest return of the society under this section and shall so supply with every such copy a copy of the report of the auditors on the accounts and balance sheet contained in the return.

[[F45](6A) Where the year of account to which an annual return relates is one at the end of which there is in force in relation to the year a disapplication under section 38A(1), subsection (6) shall have effect as if for the reference to the report of the auditors on the accounts and balance sheet contained in the return there were substituted a reference to any report which the society is required, because of the disapplication, to obtain under section 43A(2)(a).**]**

(7) The preceding provisions of this section shall not have effect where the annual return or the balance sheet, as the case may be, relates to a year of account beginning before 1st January 1970.

F45 1997 NI 22

49 Display of latest balance sheet.

Every registered society shall keep a copy of the latest balance sheet of the society[F46]. . . hung up at all times in a conspicuous position at the registered office of the society.

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50 Security by officers.

(1) Every officer of a registered society having receipt or charge of money shall, if the rules of the society so require, before entering upon the execution of his office give security in such sum as the society's committee may direct conditioned for his rendering a just and true account of all moneys received and paid by him on account of the society at such times as its rules appoint or as the society or its committee requires him so to do and for the payment by him of all sums due from him to the society.

(2) An officer of a registered society shall give security in accordance with subsection (1) either—

(a) by becoming bound, either with or without a surety as the society's committee may require, in a bond in one of the forms set out in Schedule 4 or such other form as the society's committee may approve; or

(b) by giving the security of a guarantee society.

51 Duty of officers of society to account.

(1) Every officer of a registered society having receipt or charge of money, and every servant of such a society in receipt or charge of money who is not engaged under a special agreement to account, shall—

(a) at such times as he is required so to do by the rules of the society; or

(b) on demand; or

(c) on notice in writing requiring him so to do given or left at his last or usual place of residence,

render an account as may be required by the society or its committee to be examined and allowed or disallowed by it, and shall, on demand or on such notice as aforesaid, pay over all moneys and deliver all property for the time being in his hands or custody to such person as the society or committee may appoint.

(2) Any duty imposed by subsection (1) on an officer or servant of a society shall, after his death, be taken to be imposed on his personal representatives.

(3) In case of any neglect or refusal to comply with the foregoing provisions of this section, the society—

(a) may sue on any bond or security given under section 50; or

(b) may apply to the county court or to a court of summary jurisdiction and the order of that county court or court of summary jurisdiction shall be final and conclusive.

52 Duties of receiver or manager of society's property.

Every receiver or manager of the property of a registered society who has been appointed under the powers contained in any instrument shall—

(a) within one month from the date of his appointment, notify the registrar of his appointment; and

(b) within one month (or such longer period as the registrar may allow) after the expiration of the period of six months from that date, and of every subsequent

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period of six months, deliver to the registrar a return showing his receipts and his payments during that period of six months; and

(c) within one month after he ceases to act as receiver or manager, notify the registrar of that fact and deliver to the registrar a return showing his receipts and his payments during the final period and the aggregate amount of his receipts and of his payments during all preceding periods since his appointment.

REGISTERS, BOOKS, ETC.

53 Register of members and officers.

(1) Every registered society shall keep at its registered office a register and enter therein the following particulars:—

(a) the names and addresses of its members;

(b) a statement of the number of shares held by each member and of the amount paid or agreed to be considered as paid on the shares of each member;

(c) a statement of other property in the society, whether in loans, deposits or otherwise, held by each member;

(d) the date at which each person was entered in the register as a member, and the date at which any person ceased to be a member;

(e) the names and addresses of the officers of the society, with the offices held by them respectively, and the dates on which they assumed office.

(2) The said register may be kept either by making entries in bound books or by recording the matters in question in any other manner; but, where it is not kept by making entries in a bound book but by some other means, adequate precautions shall be taken for guarding against falsification and facilitating its discovery.

(3) Every registered society shall either—

(a) keep at its registered office a duplicate register, containing the particulars in the register kept under subsection (1) other than those entered under paragraph (b) or (c) of that subsection; or

(b) so construct the register kept under subsection (1) that it is possible to open to inspection the particulars therein other than the particulars entered under the said paragraph (b) or (c) without exposing those last-mentioned particulars.

(4) The registrar or a person acting on his behalf may at all reasonable hours inspect any particulars in any register or duplicate register kept under this section.

(5) A registered society's register or duplicate register kept under this section, or any other register or list of members or shares kept by the society, shall be prima facie evidence of any of the following particulars entered therein, that is to say—

(a) the names, addresses and occupations of the members;

(b) the number of shares respectively held by the members, the distinguishing numbers of those shares, if they are distinguished by numbers, and the amount paid or agreed to be considered as paid on any of those shares;

(c) the date at which the name of any person, company or society was entered in that register or list as a member;

(d) the date at which any such person, company or society ceased to be a member.

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54 Restriction on inspection of books.

(1) Save as provided by this Act, no member or other person shall have any right to inspect the books of a registered society.

(2) In the case of a society to which section 4 applies, subsection (1) shall have effect notwithstanding anything relating to such inspection in any rules of the society made before 12th September 1893.

55 Inspection of books by members, etc.

(1) Subject to any regulations as to the time and manner of inspection which may be made from time to time by the general meetings of a registered society, any member, and any person having an interest in the funds, of the society shall be allowed to inspect at all reasonable hours—

(a) his own account; and

(b) all the particulars contained in the duplicate register kept under section 53(3)(a) or, if no duplicate register is so kept, all the particulars in the register kept under section 53(1) other than those entered under paragraph (b) or (c) thereof.

(2) A registered society may by its rules (not being rules made earlier than 12th September 1893) authorise, in addition to any inspection in pursuance of subsection (1), the inspection of such of the society's books upon such conditions as may be specified in the rules, but no person who is not an officer of the society or specially authorised by a resolution of the society shall be authorised by the rules to inspect the loan or deposit account of any other person without that other person's written consent.

56 Inspection of books by order of registrar.

(1) Subject to subsection (2), the registrar may, if he thinks fit, on the application of ten members of a registered society each of whom has been a member of the society for not less than twelve months immediately preceding the date of the application, appoint an accountant or actuary to inspect the books of the society and to report thereon.

(2) The members making an application under subsection (1) shall deposit with the registrar as security for the costs of the proposed inspection such sum as he may require; and all expenses of and incidental to the inspection shall be defrayed by the applicants, or out of the funds of the society, or by the members or officers, or former members or officers, of the society, in such proportions as the registrar shall direct.

(3) A person appointed under this section shall have power to make copies of any books of the society, and to take extracts therefrom, at all reasonable hours at the society's registered office or at any other place where those books are kept.

(4) The registrar shall communicate the results of any inspection under this section to the applicants and to the society.

57 Production of documents and provision of information for certain purposes.

(1) The registrar may at any time, by notice in writing served on a registered society or on any person who is or has been an officer of such a society, require that society or person to produce to the registrar such books, accounts and other documents relating to the business of the society, and to furnish to him such other information relating to that business, as the registrar considers necessary for the exercise of any of the

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powers which he has by virtue of section 15(1)(c)(ii), 15(4) or 65; and any such notice may contain a requirement that any information to be furnished in accordance with the notice shall be verified by a statutory declaration.

(2) Any society or other person failing to comply with the requirements of a notice under subsection (1) shall be guilty of an offence and liable on summary conviction to a fine not exceeding**[**F47 level 3 on the standard scale**]** or to imprisonment for a term not exceeding three months or to both.

(3) The registrar may, if he considers it just, direct that all or any of the expenses incurred by him in exercising his powers under subsection (1) in relation to any society shall, either wholly or to such extent as he may determine, be defrayed out of the funds of the society or by the officers or former officers thereof or any of them; and any sum which any society or other person is required by such a direction to pay shall be a debt due to the registrar from that society or person.

F47 1984 NI 3

Modifications etc. (not altering text)

C4 S. 57 applied (with modifications) (31.7.2006) by Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006 (S.R. 2006/258), reg. 17, **Sch. 2 para. 3**

58 Appointment of inspectors and calling of special meetings.

(1) Upon the application of one-tenth of the whole number of members of a registered society or, in the case of a society with more than one thousand members, of one hundred of those members, the registrar may, with the consent of the Ministry—

(a) appoint an inspector or inspectors to investigate and report on the affairs of the society; or

(b) call a special meeting of the society.

(2) An application under this section shall be supported by such evidence for the purpose of showing that the applicants have good reason for requiring the investigation or meeting and are not actuated by malicious motives, and such notice of the application shall be given to the society, as the registrar shall direct.

(3) The registrar may, if he thinks fit, require the applicants to give security for the costs of the proposed investigation or meeting before appointing any inspector or calling the meeting.

(4) All expenses of and incidental or preliminary to any such investigation or meeting shall be defrayed by the members applying for it, or out of the funds of the society, or by the members or officers, or former members or officers, of the society, in such proportions as the registrar shall direct.

(5) An inspector appointed under this section may require the production of all or any of the books, accounts, securities and documents of the society and may examine on oath its officers, members, agents and servants in relation to its business, and may for that purpose administer oaths.

(6) The registrar may direct at what time and place a special meeting under this section is to be held, and what matters are to be discussed and determined at the meeting; and the meeting shall have all the powers of a meeting called according to the rules of the

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society, and shall have power to appoint its own chairman notwithstanding any rule of the society to the contrary.

AMALGAMATIONS, TRANSFERS OF ENGAGEMENTS AND CONVERSIONS

59 Amalgamation of societies.

(1) Any two or more registered societies may by special resolution of each of those societies become amalgamated together as one society, with or without any dissolution or division of the funds of those societies or any of them; and the property of each of those societies shall become vested in the amalgamated society without the necessity of any form of conveyance other than that contained in the special resolution.

(2) In this section the expression "special resolution" means a resolution which is—

(a) passed by not less than two-thirds of such members of the society for the time being entitled under the society's rules to vote as may have voted in person, or by proxy where the rules allow proxies, at any general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to those rules; and

(b) confirmed by a majority of such members of the society for the time being entitled as aforesaid as may have voted as aforesaid at a subsequent general meeting of which notice has been duly given held not less than fourteen days nor more than one month from the day of the meeting at which the resolution was passed in accordance with paragraph (a).

(3) At any such meeting as aforesaid, a declaration by the chairman that the resolution has been carried shall be deemed conclusive evidence of that fact.

(4) A copy of every special resolution for the purposes of this section signed by the chairman of the meeting at which the resolution was confirmed and countersigned by the secretary of the society shall be sent to the registrar and registered by him; and until that copy is so registered the special resolution shall not take effect.

(5) It shall be the duty of a registered society to send a copy of any special resolution for registration in accordance with subsection (4) within fourteen days from the day on which the resolution is confirmed under subsection (2)(b), but this subsection shall not invalidate registration after that time.

(6) If registered societies become amalgamated together under this section without the dissolution of any one or more of them, the registration of any such society not dissolved shall thereupon become void and, subject to section 68(2), be cancelled by the registrar.

Modifications etc. (not altering text)

C5 S. 59 applied (with modifications) (31.7.2006) by Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006 (S.R. 2006/258), reg. 17, **Sch. 2 para. 4**

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60 Transfer of engagements between societies.

(1) Any registered society may by special resolution transfer its engagements to any other registered society which may undertake to fulfil those engagements; and if that resolution approves the transfer of the whole or any part of the society's property to that other society, the whole or, as the case may be, that part of the society's property shall vest in that other society without any conveyance or assignment.

(2) Subsections (2) to (5) of section 59 shall have effect for the purposes of this section as they have effect for the purposes of that section.

(3) If a registered society transfers all its engagements under subsection (1), the registration of that society shall thereupon become void and, subject to section 68(2), be cancelled by the registrar.

Modifications etc. (not altering text)

C6 S. 60 applied (with modifications) (31.7.2006) by Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006 (S.R. 2006/258), reg. 17, **Sch. 2 para. 5**

61[F48] Conversion into, or transfer of engagements to, company.

(1) A registered society may by special resolution determine to convert itself into a company to be formed and registered under the**[**[F49] Companies (Northern Ireland) Order 1986**]** or transfer its engagements to a company formed and registered under the**[**[F49] that Order**]**.

(2) If a special resolution for converting a registered society into a company contains the particulars required by the**[**[F49] Companies (Northern Ireland) Order 1986**]** to be contained in the memorandum of association of a company and a copy thereof has been registered by the registrar, a copy of that resolution bearing the signature of the registrar, shall have the same effect as a memorandum of association duly signed and attested under the said**[**[F49] Order of 1986**]**.

[[F50](3) In this section "special resolution" means a resolution—

(a) which is passed at a general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to the rules of the society ("the rules");

(b) which is passed by not less than three-fourths of such of the qualifying members of the society as may have voted in person or, where the rules allow proxies, by proxy;

(c) on which not less than half of the qualifying members of the society voted either in person or, where the rules allow proxies, by proxy; and

(d) which is confirmed by a majority of such of the qualifying members of the society as may have voted in person or, where the rules allow proxies, by proxy at a subsequent general meeting of which notice has been duly given held not less than 14 days nor more than one month from the day of the meeting at which the resolution was passed in accordance with paragraphs (a) to (c),

and references to the qualifying members of a society are references to the members of the society who are for the time being entitled under the society's rules to vote.

(3A) At any such meeting, a declaration by the chairman that—

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(a) all reasonably practicable steps have been taken to ascertain the number of qualifying members of the society; and

(b) the resolution has been carried,

shall be deemed conclusive evidence of those facts.

(3B) Subsections (4) and (5) of section 59 shall have effect for the purposes of this section as they have effect for the purposes of that section but as if in subsection (5) of that section for the reference to subsection (2)(b) of that section there were substituted a reference to subsection (3)(d) of this section.**]**

(4) Subject to subsection (6), if a registered society is converted into, or transfers all its engagements to, a company under this section, the registration of that society under this Act shall thereupon become void and, subject to section 68(2), be cancelled by the registrar.

(5) If a registered society is converted into, or transfers its engagements to, a company under this section, the property of the society, or so much of the property of the society as is included in the transfer, shall vest in the company without any conveyance or assignment.

(6) Registration of a registered society as a company shall not affect any right or claim for the time being subsisting against the society or any penalty for the time being incurred by the society; and—

(a) for the purpose of enforcing any such right, claim or penalty, the society may be sued and proceeded against in the same manner as if it had not become registered as a company; and

(b) every such right or claim, or the liability to any such penalty, shall have priority as against the property of the company over all other rights or claims against or liabilities of the company.

F48 1981 NI 3
F49 1986 NI 9
F50 S. 61(3)-(3B) substituted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), **7**; S.R. 2006/242, **art 2**

Modifications etc. (not altering text)
C7 S. 61 applied (with modifications) (31.7.2006) by Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006 (S.R. 2006/258), reg. 17, **Sch. 2 para. 6**

62 Conversion of company into registered society.

(1) A company formed and registered under the**[**F51 Companies (Northern Ireland) Order 1986**]** may,**[**F52 by special resolution**]**, determine to convert itself into a registered society; and for this purpose, in any case where the nominal value of the company's shares held by any member other than a registered society exceeds [F53 the maximum for the time being permitted by section 6(1)], the resolution may provide for the conversion of the shares representing that excess into a transferable loan stock bearing such rate of interest as may be fixed, and repayable on such conditions only as are determined by the resolution.

(2) Any such resolution as aforesaid shall be accompanied by a copy of the rules of the society therein referred to and shall appoint**[**F54 three**]** persons, being members of the company, who, together with the secretary, shall sign the rules and who may either—

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(a) be authorised to accept any alterations made by the registrar therein without further consulting the company; or

(b) be required to lay any such alterations before the company in general meeting for acceptance as the resolution may direct.

(3) A copy of the resolution aforesaid shall be sent with a copy of the rules aforesaid to the registrar who, upon the registration of the society under this Act, shall give to it, in addition to an acknowledgment of registration under section 2(3), a certificate that the rules of the society referred to in the resolution have been registered.

(4) A copy of any such resolution as aforesaid under the seal of the company together with the certificate issued as aforesaid by the registrar shall be sent for registration to the registrar of companies within the meaning of the**[**F51 Companies (Northern Ireland) Order 1986**]** and, upon his registering the copy of the resolution and the certificate, the conversion shall take effect and the property of the company shall vest in the society without any conveyance or assignment.

(5) The name under which any company is registered under this section as a registered society shall not include the word "company" .

(6) Subject to subsection (7), upon the conversion of a company into a registered society under this section, the registration of the company under the**[**F51 Companies (Northern Ireland) Order 1986**]** shall become void and the registrar of companies shall thereupon strike the name of the company off the register.

(7) The registration of a company as a registered society shall not affect any right or claim for the time being subsisting against the company or any penalty for the time being incurred by the company; and—

(a) for the purpose of enforcing any such right, penalty or claim the company may be sued and proceeded against in the same manner as if it had not been registered as a society;

(b) any such right or claim and the liability to any such penalty shall have priority as against the property of the registered society over all other rights or claims against or liabilities of the society.

F51 1986 NI 9
F52 Words in s. 62(1) substituted (1.10.2007) by Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), arts. 1(3)(a), 10(1), **Sch. 4 para. 30** (with saving in art. 12)
F53 1976 NI 7
F54 1997 NI 22

63 Saving for rights of creditors.

An amalgamation or transfer of engagements in pursuance of section 59, 60 or 61 shall not prejudice any right of a creditor of any registered society which is a party thereto.

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DISSOLUTION OF SOCIETY

64 Dissolution of registered society.

Subject to section 68, a registered society may be dissolved—

(a) on its being wound up in pursuance of an order or resolution made as is directed in regard to companies by the**[**F55 Insolvency (Northern Ireland) Order 1989**]**, the provisions whereof shall apply to that order or resolution as if the society were a company, but any reference in those provisions to the registrar within the meaning of**[**F56 that Order**]** shall for the purposes of the society's winding-up be construed as a reference to the registrar within the meaning of this Act;

(b) in accordance with section 67, by an instrument of dissolution to which not less than three-fourths of the members of the society have given their consent testified by their signatures to the instrument.

F55 1989 NI 19
F56 1986 NI 9

65 Power of registrar to petition for winding-up.

In the case of a society to which section 4 applies which was registered or deemed to be registered under the Act of 1893 before 26th July 1938, a petition for the winding-up of the society may be presented to the court by the registrar if it appears to the registrar—

(a) that neither of the conditions specified in section 1(2) is fulfilled in the case of that society; and

(b) that it would be in the interests of persons who have invested or deposited money with the society or of any other person that the society should be wound up.

66 Liability of members in winding-up.

Where a registered society is wound up by virtue of section 64(a), the liability of a present or past member of the society to contribute for payment of the debts and liabilities of the society, the expenses of winding-up, and the adjustment of the rights of contributories amongst themselves, shall be qualified as follows, that is to say—

(a) no person who ceased to be a member not less than one year before the beginning of the winding-up shall be liable to contribute;

(b) no person shall be liable to contribute in respect of any debt or liability contracted after he ceased to be a member;

(c) no person who is not a member shall be liable to contribute unless it appears to the court that the contributions of the existing members are insufficient to satisfy the just demands on the society;

(d) no contribution shall be required from any person exceeding the amount, if any, unpaid on the shares in respect of which he is liable as a past or present member;

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(e) in the case of a withdrawable share which has been withdrawn, a person shall be taken to have ceased to be a member in respect of that share as from the date of the notice or application for withdrawal.

67 Instrument of dissolution.

(1) The following provisions of this section shall have effect where a society is to be dissolved by an instrument of dissolution under section 64(b).

(2) The instrument of dissolution shall set forth—
(a) the liabilities and assets of the society in detail;
(b) the number of the members and the nature of their respective interests in the society;
(c) the claims of creditors, if any, and the provision to be made for their payment; and
(d) unless stated in the instrument of dissolution to be left to the award of the registrar, the intended appropriation or division of the funds and property of the society.

(3) Alterations in the instrument of dissolution may be made by the consent of not less than three-fourths of the members of the society testified by their signatures to the alteration.

(4) The instrument of dissolution shall be sent to the registrar accompanied by a statutory declaration made by three members and the secretary of the society that all relevant provisions of this Act have been complied with; and any person knowingly making a false or fraudulent declaration in the matter shall be guilty of an offence and liable to the penalties provided by [F57 Article 10 of the Perjury (Northern Ireland) Order 1979].

(5) The instrument of dissolution and any alterations thereto shall be registered in like manner as an amendment of the rules of the society and shall be binding upon all the members of the society, but shall not be so registered until the registrar has received such a final return from the society as is referred to in section 48(5).

(6) The registrar shall cause notice of the dissolution to be advertised at the expense of the society in the Belfast Gazette and in any other manner which the registrar considers necessary for bringing such notice to the attention of persons affected thereby; and unless—
(a) within three months from the date of the Belfast Gazette in which that advertisement appears a member or other person interested in or having any claim on the funds of the society commences in the county court for the district where the registered office of the society is situate proceedings to set aside the dissolution of the society; and
(b) that dissolution is set aside accordingly,
then, subject to subsection (7), the society shall be legally dissolved from the date of the advertisement and the requisite consents to the instrument of dissolution shall be deemed to have been duly obtained without proof of the signatures thereto.

(7) If the certificate referred to in section 68(1) has not been lodged with the registrar by the date of the advertisement referred to in subsection (6) of this section, the society shall be legally dissolved only from the date when that certificate is so lodged.

(8) Notice of any proceedings to set aside the dissolution of a society shall be sent to the registrar by the person taking those proceedings not later than seven days after they are

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commenced or not later than the expiration of the period of three months referred to in subsection (6), whichever is the earlier; and notice of any order setting the dissolution aside shall be sent by the society to the registrar within seven days after the making of the order.

(9) In the application of this section to a society which for the time being consists solely of two registered societies, the reference in subsection (4) to three members shall be construed as a reference to both members.

F57 1979 NI 19

SPECIAL RESTRICTION ON DISSOLUTION, ETC.

68 Restriction on dissolution or cancellation or registration of society.

(1) Where a registered society is to be dissolved under section 64, the society shall not be dissolved until there has been lodged with the registrar a certificate that all property vested in the society has been duly conveyed or transferred to the persons entitled and such certificate shall be signed, where the society is to be dissolved under section 64(a), by the liquidator or, where the society is to be dissolved under section 64(b), by the secretary or other officer of the society approved by the registrar.

(2) The registration of a society shall not be cancelled by the registrar under section 59(6), 60(3) or 61(4) until there has been lodged with the registrar a certificate signed by the secretary or other officer of the society approved by the registrar that all property vested in the society has been duly conveyed or transferred by the society to the persons entitled.

Modifications etc. (not altering text)
C8 S. 68 applied (with modifications) (31.7.2006) by Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006 (S.R. 2006/258), reg. 17, **Sch. 2 para. 7**

DISPUTES, OFFENCES AND LEGAL PROCEEDINGS

69 Decision of disputes.

(1) Subject to subsections (2), (4) and (5), every dispute between a registered society or an officer thereof and—

(a) a member of the society; or

(b) any person aggrieved who has ceased to be a member of the society not more than six months previously; or

(c) any person claiming through a member of the society or any such person aggrieved; or

(d) any person claiming under the rules of the society;

shall, if the society's rules give directions as to the manner in which such disputes are to be decided, be decided in that manner.

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(2) Unless the rules of the society expressly forbid it, the parties to a dispute in a registered society may by consent refer the dispute to the registrar who shall hear and determine the dispute.

(3) A decision made under subsection (1) or (2) on any dispute shall be binding and conclusive on all parties without appeal; and—

(a) the decision shall not be removable into any court of law or restrainable by injunction; and

(b) application for the enforcement of the decision may be made to the county court.

(4) Subject to subsection (5), any dispute directed by the rules of a registered society to be referred to justices shall be determined by a court of summary jurisdiction.

(5) Where, whether by virtue of subsection (4) or otherwise, a dispute is cognisable under the rules of a registered society by a court of summary jurisdiction, the parties to the dispute may by agreement refer the dispute to the county court, which may hear and determine it.

(6) Where the rules of a registered society contain no direction as to disputes, or where no decision is made on a dispute within forty days after application to the society for a reference under its rules, any person such as is mentioned in subsection (1)(a) to (d) who is a party to the dispute may apply either to the county court or to a court of summary jurisdiction, which may hear and determine the matter in dispute.

(7) For the purposes of the hearing or determination of a dispute under this section[F58]. . .

(a) **[**[F58]without prejudice to any powers exercisable by virtue of Part I of the Arbitration Act 1996**]** the registrar may administer oaths and require the attendance of all parties concerned and of witnesses and the production of all books and documents relating to the matter in question, and shall have power to order the expenses of determining the dispute to be paid either out of the funds of the society or by such parties to the dispute as he shall think fit; and any person refusing to attend, or to produce any documents, or to give evidence, before the registrar shall be guilty of an offence and liable on summary conviction to a fine not exceeding**[**[F59] £200**]**:

(b) [F58]. . . a court of summary jurisdiction may grant to either party such discovery as to documents and otherwise, or such inspection of documents, being, in the case of discovery to be made on behalf of the society, discovery by such officer of the society as the[F58]. . . court may determine,**[**[F58] as might be granted by the registrar**]**.

[[F58](8) The court or registrar to whom any dispute is referred under subsections (2) to (6) may at the request of either party state a case on any question of law arising in the dispute for the opinion of the High Court.**]**

(9) Anything which under this section is required or authorised to be done by, to or before the registrar may be done by, to or before such person as he may, with the approval of the Minister, appoint for the purpose and subsection (8) shall apply to such a person in like manner as it applies to the registrar.

F58 1996 c. 23
F59 1984 NI 3

Status: *Point in time view as at 01/10/2007.*
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70 General offences by societies, etc.

If any registered society, or any officer or member thereof, or any other person—

(a) fails to give any notice, send any return or other document, do anything or allow anything to be done which that society, officer, member or other person is by this Act required to give, send, do or allow to be done, as the case may be; or

(b) wilfully neglects or refuses to do any act, or to furnish any information, required for the purposes of this Act by the registrar or by any other person authorised under this Act, or does anything forbidden by this Act; or

(c) makes a return required by this Act, or wilfully furnishes information so required, which is in any respect false or insufficient,

that society, officer, member or other person, as the case may be, shall be guilty of an offence and liable on summary conviction to a fine not exceeding**[**F60 £200**]**.

F60 1984 NI 3

71 Offences by societies to be also offences by officers, etc.

Every offence committed by a registered society under this Act shall be deemed to have been also committed by every officer of that society bound by the society's rules to fulfil the duty of which that offence is a breach or, if there is no such officer, by every member of the society's committee who is not proved to have been ignorant of, or to have attempted to prevent, the commission of that offence.

72 Continuing offences.

Every act or default under this Act constituting an offence shall, if continued, constitute a new offence in every week during which it continues.

73 Punishment of fraud or misappropriation.

(1) Subject to subsection (2), any person who obtains possession by false representation or imposition of any property of a registered society, or having any such property in his possession withholds or misapplies it or wilfully applies any part of it to purposes which are not authorised by the rules of the society or which are not in accordance with this Act, shall be guilty of an offence and liable on summary conviction to a fine not exceeding**[**F61 level 2 on the standard scale**]** with costs or expenses and to be ordered to deliver up that property or to repay all moneys improperly applied and, in default of such delivery or repayment or of the payment of any such fine, to be imprisoned for a term not exceeding three months; but nothing in this subsection shall prevent any such person from being proceeded against by way of indictment for any offence if he has not previously been convicted in respect of the same matters under this subsection.

(2) If on proceedings under subsection (1) it is not proved that the person charged acted with any fraudulent intent, he may be ordered to deliver up any property belonging to the society or to repay any money improperly applied, with costs or expenses, but shall not be liable to conviction under that subsection.

F61 1984 NI 3

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74 Penalty for falsification.

If any person, with intent to falsify it or to evade any of the provisions of this Act, wilfully makes, or orders or allows to be made, any entry or erasure in, or omission from, any balance sheet of a registered society, or any contribution or collecting book, or any return or document required to be sent, produced or delivered for the purposes of this Act, or any account or balance sheet authorised by this Act to be displayed, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding**[**F62 level 3 on the standard scale**]**.

F62 1984 NI 3

75 Institution of proceedings.

(1) Proceedings for the recovery of a fine which under this Act is recoverable on the summary conviction of the offender may be instituted by, and only by, the following persons, that is to say—

(a) in the case of proceedings by virtue of section 73(1)—

(i) the registered society concerned; or

(ii) any member of that society authorised by the society or its committee or by the registrar; or

(iii) the registrar;

(b) in the case of proceedings by virtue of section 12(3), the registered society concerned;

(c) in any other case, the registrar or any person aggrieved.

(2) Notwithstanding any limitation on the time for the taking of proceedings contained in any Act, any proceedings such as are mentioned in subsection (1) which are instituted by the registrar may be brought at any time within one year of the first discovery of the offence by the registrar, but not in any case more than three years after the commission of the offence.

(3) Where proceedings are taken against a registered society for the recovery of any fine under this Act, the summons or other process shall be sufficiently served by leaving a true copy thereof at the registered office of the society or if that office is closed, by posting that copy on the outer door of that office.

76 Recovery of costs, etc.

Any costs or expenses ordered or directed by the registrar to be paid by any person under this Act shall be recoverable summarily as a civil debt.

77 Application of Part II to credit unions.

This Part shall in its application to credit unions be subject to the provisions of Part III.

Pt III (ss. 78-96) rep. by 1985 NI 12

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PART IV

MISCELLANEOUS AND GENERAL

97 Regulations.

(1) The Ministry may make regulations—

(a) respecting registration and procedure under this Act and the forms to be used for such registration;

(b) respecting the functions of the registrar under this Act;

(c) respecting the inspection, and furnishing of copies, of documents in the custody of the registrar under this Act;

(d) prescribing the scale of fees to be paid for the inspection, or the furnishing of copies, of documents in the custody of the registrar or in connection with the exercise by the registrar of any of his functions under this Act;

(e) prescribing anything which may be or is to be prescribed by the Ministry under this Act;

and generally for carrying this Act into effect.

(2) Any such regulations may impose reasonable fines on persons who contravene or fail to comply with any of those regulations; and any such fine shall be recoverable on the summary conviction of the offender.

(3) The registrar may make regulations prescribing anything which under this Act is to be or may be prescribed by him.

(4) Any regulations made under this Act shall be subject to negative resolution.

98 Form, deposit and evidence of documents.

(1) Without prejudice to section 48(2)(a) and (b) and subject to any regulations made under this Act, every return and other document required for the purposes of this Act shall be made in such form and shall contain such particulars, and shall be deposited and registered or recorded with or without observations thereon, in such manner, as the registrar may direct.

(2) Every document purporting to be signed by the registrar, including in particular any document purporting to be a copy or extract of a registered society's rules or of any other instrument or document whatsoever, and every document purporting to be signed by any inspector under this Act shall, in the absence of any evidence to the contrary, be received in evidence without proof of the signature.

99 Exercise of functions of registrar.

Anything which is required or authorised to be done by or to the registrar under this Act may be done by or to the assistant registrar.

100 Annual reports by registrar.

The registrar shall each year make a report to the Minister of his proceedings under this Act and the Minister shall lay the report before Parliament.

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101 Interpretation.

(1) In this Act—

"Act" means an Act of the Parliament of Northern Ireland or of the Parliament of the United Kingdom;

"Act of 1893" means the Industrial and Provident Societies Act 1893 ;

"amendment", in relation to the rules of a registered society, includes a new rule, and a resolution rescinding a rule, of the society;

"annual return" means the annual return which a registered society is required by section 48 to send to the registrar;

"board of directors", in relation to a credit union, means the committee of management or other directing body of a credit union;

Definition rep. by 1986 c. 53

"committee", in relation to a society, means the committee of management or other directing body of the society;

"Companies Acts" means the Companies Act (Northern Ireland) 1960 , any earlier enactment for the like purposes which has been repealed, and any law for the like purposes which is or has been in force in Great Britain;

Definition rep. by 1985 NI 12

"exempt society" has the meaning assigned to it by section 38(3);

"group accounts" has the meaning assigned to it by section 45;

"meeting", in relation to a society, includes, where the rules of that society so allow, a meeting of delegates appointed by members;

"member of the family" means father, mother, grandfather, grandmother, step-father, step-mother, father-in-law, mother-in-law,**[**[F63] spouse, civil partner,**]** son, daughter, grandson, granddaughter, step-son, step-daughter, brother, sister, half-brother, half-sister, uncle, aunt, nephew, niece, first cousin, son-in-law or daughter-in-law, and in deducing any relationship for the purposes of this definition a person adopted under the Adoption Act (Northern Ireland) 1967 or any enactment repealed by that Act or by any enactment so repealed or under an order authorising an adoption made anywhere in Great Britain, the Isle of Man or any of the Channel Islands shall be treated as the legitimate offspring of the adopter or adopters;

"the Minister" and "the Ministry" mean respectively the Minister and Ministry of Commerce;

"officer", in relation to a registered society, includes any treasurer, secretary, member of the committee, manager or servant of the society other than a servant appointed by the society's committee, but does not include an auditor appointed by the society in accordance with the requirements of this Act;

"persons claiming through a member", in relation to a registered society, includes the heirs, executors or administrators and assignees of a member and, where nomination is allowed, his nominee;

"prescribed" means prescribed by regulations under this Act;

"property" includes all real, personal or heritable and moveable estate, including books and papers;

"registered", in relation to the name or an office of a society, means for the time being registered under this Act;

"registered rules", in relation to a registered society, means the rules of the society registered or deemed to be registered under this Act as for the time being in force after any amendment thereof so registered;

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Changes to legislation: *Industrial and Provident Societies Act (Northern Ireland) 1969 is up to date with all changes known to be in force on or before 27 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

"registered society" means, subject to section 102, a society registered or deemed to be registered under this Act;

"registrar" means the officer appointed to perform in Northern Ireland the functions of a registrar of**[**F64 credit unions**]**, and "assistant registrar" means the officer appointed to assist the registrar in the performance of those functions;

"subsidiary" has the meaning assigned to it by section 47;

"year of account", in relation to a registered society, means any period required by section 48 to be included in an annual return of that society.

(2) In this Act "the current year of account" , in relation to the appointment of an auditor or auditors, means the year of account in which the question of that appointment arises, and "the preceding year of account" means the year of account immediately preceding the current year of account.

F63 2004 c.33
F64 1992 c. 40

102 Great Britain societies.

(1) In this section "registered Great Britain society" means a society which is registered in Great Britain under the law for the time being in force in Great Britain for purposes corresponding to those of this Act and which carries on or intends to carry on business in Northern Ireland.

(2) Subject to subsection (8), the registrar shall record copies of the registered rules of a registered Great Britain society which are sent to him for the purpose and any registered amendment of those rules so sent.

(3 F65 Where copies of the rules of a registered Great Britain society are recorded under subsection (2), then, for the purposes of the operation of this Act, references to a registered society in such, but such only, of the provisions of this Act as are specified in subsection (4) shall, subject to subsection (6), include a reference to that society, and for the purposes of those provisions that society, those rules and any amendment of those rules registered and recorded as aforesaid shall be deemed to be a society, rules or an amendment duly registered under this Act.

(4) The provisions of this Act referred to in subsection (3) are sections 2(2), 3, 5(4), (6) and (7), 6(1)(a), 7(1)(b), (2), (3) and (6), 9(1)(a), 12(3), 13, 14, 15(1)(a)(i), 18(2), 21, 24, 25 to 28 **[**F66, 28B, 28C**]** , 30, 31(b), 32 to 34, 48(6), 50, 51, 53(5), 54(1), 60, 61(6), 63, 69 to 71, 73 to 75 and 98.

[F67(4A) In section 28A(1)—

(a) the reference to a registered society includes a reference to a society registered under the law for the time being in force in Great Britain for purposes corresponding to those of this Act; and

(b) the reference to this Act includes a reference to that law.**]**

(5) In the application of section 75(3) to a registered Great Britain society, the reference to the registered office of the society shall be construed as including a reference to the principal office in Northern Ireland of the society.

(6) Nothing in this section shall confer any power or impose any obligation or liability with respect to the taking or refraining from taking of, or a failure to take, any action

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outside Northern Ireland; and in the application of section 54(1) by virtue of this section the reference therein to this Act shall be construed as a reference to the law for the time being in force in Great Britain for purposes corresponding to those of this Act.

(7) Article 22 of the Government of Ireland (Companies, Societies, &c.) Order 1922 shall cease to have effect in relation to a registered Great Britain society.

(8) Subsection (2) shall not apply to a registered Great Britain society the objects of which are wholly or substantially those set out in section 78(1).

F65 1981 NI 3
F66 Words in s. 102(4) inserted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), **6(5)**; S.R. 2006/242, **art. 2**
F67 S. 102(4A) inserted (1.7.2006) by Industrial and Provident Societies (Northern Ireland) Order 2006 (S.I. 2006/314 (N.I. 3)), arts. 1(3), **5(2)**; S.R. 2006/242, **art. 2**

103 Repeals, savings and transitional provisions.

(1) Schedule 5 shall have effect for the purpose of the transition to the provisions of this Act from the law in force before the commencement of those provisions.

Subs. (2), with Schedule 6, effects repeals

(3) Without prejudice to section 4, any regulations, application or notice made or given and any other thing whatsoever done under or in pursuance of any of the enactments repealed by this Act shall be deemed for the purposes of this Act to have been made, given or done, as the case may be, under or in pursuance of the corresponding provision of this Act; and anything begun under any of the said enactments may be continued under this Act as if begun under this Act.

(4) So much of any document as refers expressly or by implication to any enactment repealed by this Act shall, if and so far as the context permits, be construed as referring to this Act or the corresponding enactment therein.

(5) Nothing in section 4 or in this section shall be taken as affecting the general aplication of sections 28 and 29 of the Interpretation Act (Northern Ireland) 1954 with regard to the effect of repeals and substituting provisions.

104 Short title and commencement.

(1) This Act may be cited as the Industrial and Provident Societies Act (Northern Ireland) 1969.

(2) *Commencement*

Status:
Point in time view as at 01/10/2007.

Changes to legislation:
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