



Co-operative and Community Benefit Societies Act (Northern Ireland) 1969

1969 CHAPTER 24

PART II

REGISTERED SOCIETIES

[^{F1}Capacity of society and power of committee to bind it

[^{F1}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 ^{F2}. . . ,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—

Changes to legislation: There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, Section 7D. (See end of Document for details)

- (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
 - (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.]

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| <p>F1 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</p> <p>F2 Words in s. 7D(1)(b) omitted (1.10.2009) by virtue of Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 2(1), Sch. 1 para. 21(2) (with art. 10)</p> |
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