



# Friendly Societies Act 1974

## 1974 CHAPTER 46

### *Investment, funds and property*

#### **50 Loans of surplus funds to registered society or branch of different description.**

- (1) Subject to the provisions of this section and of section 51 below, a registered society or branch (other than a benevolent society or branch thereof) may, if its rules so provide, make advances by way of loan to a registered society or registered branch of a society which is not of the same description and may take such part in the government and control of the society or branch to which any such advance is made or agreed to be made as may be provided by the rules of that society or branch.
- (2) An advance shall not be made by a society or branch by virtue of this section unless the rule of its assets showed a surplus over the amount of its liabilities according to the last valuation under section 41 above or, in the case of a society or branch of which the assets and liabilities are not valued under that section, according to its last annual return under section 43 above; and—
  - (a) no advance shall be so made to an amount greater, with any amounts outstanding in respect of previous advances so made, than the amount for the time being unapplied of that surplus;
  - (b) for any purpose other than the purposes of paragraph (a) above, in determining the amount so unapplied there shall be deducted any amounts outstanding in respect of advances so made after the date to which the valuation or return relates.

[<sup>F1</sup>(2A) Subsection (2) above does not apply to advances made by a registered friendly society or a branch of such a society.]

- (3) An advance under this section may be interest free.
- (4) Nothing in this section shall be taken to prejudice the power of a registered society or branch under section 52(2) below to contribute to the funds and take part in the management of another registered society or branch of the same description.
- (5) For the purposes of this section a society or branch shall be deemed to be of the same description as another society or branch if, but only if, they are both registered

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*Status: Point in time view as at 01/08/2014.*

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1974, Section 50. (See end of Document for details)*

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by virtue of the same paragraph of section 7(1) above and, where each of them is a specially authorised society or branch, they are both established for the same purpose or purposes.

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**Textual Amendments**

- F1** S. 50(2A) inserted (1.1.1994) by Friendly Societies Act 1992 (c. 40), s. 95, Sch. 16 para.17 (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, Sch. 6.

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