



Friendly Societies Act 1992

1992 CHAPTER 40

PART V **U.K.**

REGULATION OF FRIENDLY SOCIETIES' BUSINESS

Powers of ^{F1}FCA and PRA

Textual Amendments

- F1** Words in s. 51 cross-heading substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 16](#) (with Sch. 12)

51 Power to forbid acceptance of new members. **U.K.**

- (1) Subject to the provisions of this section, if the Commission considers it expedient to do so in the interests of the members or potential members of a friendly society, it may give the society a direction forbidding it to accept any new members.
- (2) If the Commission proposes to give such a direction, it shall serve on the society a notice stating that it proposes to give a direction.
- (3) A notice under subsection (2) above shall specify the grounds for the proposed direction.
- (4) The Commission shall consider any representations made by the society within such period (not being less than one month) from the date on which the society is served with the notice as the Commission may allow and, if the society so requests, shall afford to it an opportunity of being heard by the Commission within that period.
- (5) The Commission may not give a direction unless all the grounds for giving it are those, or among those, which were specified in the notice served on the society under subsection (2) above.
- (6) On giving a direction, the Commission shall—

Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Cross Heading: Powers of FCA and PRA. (See end of Document for details)

- (a) serve notice of it on the society, specifying the grounds for making it;
 - (b) publish notice of it in one or more of the London, Edinburgh and Belfast Gazettes and in any such other ways as it considers appropriate; and
 - (c) send a copy of it to the central office.
- (7) A society which contravenes a direction given to it under this section shall be guilty of an offence and shall be liable—
- (a) on conviction on indictment, to a fine; and
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.
- (8) The central office shall keep a copy of a direction given to a friendly society under this section in the public file of the society.

Commencement Information

II S. 51 wholly in force; s. 51 not in force at Royal Assent see s. 126(2); s. 51 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; s. 51 in force for all remaining purposes at 28.4.1993 by S.I. 1993/1186, art. 2(2), Sch. 2

52 Applications to court. U.K.

- [^{F2}(1) If the FCA has reason to believe that any of the conditions mentioned in subsection (2) is satisfied, it may, after consulting the PRA if the society is a PRA-authorized person—
- (a) present a petition to the High Court for the winding up of the society under the applicable winding up legislation;
 - (b) make an application to the High Court for an order under subsection (5).
- (1A) If the PRA has reason to believe that any of the conditions mentioned in subsection (2) is satisfied in relation to a society which is a PRA-authorized person, it may, after consulting the FCA—
- (a) present a petition to the High Court for the winding up of the society under the applicable winding up legislation;
 - (b) make an application to the High Court for an order under subsection (5).]

(2) The conditions referred to in [^{F3}subsections (1) and (1A)] are—

 - (a) that a friendly society is carrying on activities that are not activities which such a society is permitted by this Act or the 1974 Act to carry on;
 - (b) that the society is not carrying on any activity falling within Schedule 2 to this Act;
 - [^{F4}(c) that the society is failing to satisfy any obligation to which it is subject by virtue of any provision of the law of any EEA State ^{F5}... which—
 - (i) gives effect to [^{F6}the Solvency 2 Directive]; or
 - (ii) is otherwise applicable to the insurance activities of the society in that State;]
 - ^{F7}(d)

and a court shall not make an order for the winding up of a society by virtue of this section unless it is satisfied that one or more of those conditions is satisfied.

^{F8}(3)

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- [^{F9}(4) A court may not make an order under subsection (5) unless it is satisfied that one or more of the conditions mentioned in subsection (2) are satisfied.]
- (5) An order under this subsection is an order directing the society to modify its business as directed in the order or to take such other steps as may be so directed ^{F10}....
- (6) Where a court makes an order under subsection (5) above, the [^{F11}[^{F12}FCA] shall keep a copy of the order in the public file of the society].
- (7) The power to present a petition or to make an application for an order under subsection (5) above is available to the [^{F13}FCA and the PRA whether or not either of them] has previously presented a petition or made an application for such an order, as the case may be.
- (8) In the application of this section to a friendly society whose registered office is in Scotland or Northern Ireland, references to the High Court shall be read as references to the Court of Session or, as the case may be, the High Court in Northern Ireland.
- (9) In this section “the applicable winding up legislation”, in relation to an incorporated friendly society, has the same meaning as in section 23 above and, in relation to a registered friendly society, means Part V of the ^{M1}Insolvency Act 1986 or (where the society’s registered office is in Northern Ireland) Part VI of the ^{M2}Insolvency (Northern Ireland) Order 1989.

Textual Amendments

- F2** S. 52(1)(1A) substituted for s. 52(1) (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 17(2)** (with Sch. 12)
- F3** Words in s. 52(2) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 17(3)** (with Sch. 12)
- F4** S. 52(2)(c) substituted (1.9.1994) by S.I. 1994/1984 reg. 12
- F5** Words in s. 52(2)(c) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, 3; 2020 c. 1, Sch. 5 para. 1(1)
- F6** Words in s. 52(2)(c)(i) substituted (1.1.2016) by The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 19(2)**
- F7** S. 52(2)(d) repealed (1.12.2001) by 2000 c. 8, ss. 334, 336, 338, Sch. 18 para. 15(2), **Sch. 22**, S.I. 2001/3538, art. 2(1)
- F8** S. 52(3) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 17(4)** (with Sch. 12)
- F9** S. 52(4) substituted (1.12.2001) by 2000 c. 8, ss. 334, 336, 338, **Sch. 18 para. 15(4)**, S.I. 2001/3538, art. 2(1)
- F10** Words in s. 52(5) repealed (1.12.2001) by 2000 c. 8, ss. 334, 336, 338, Sch. 18 para. 15(5), **Sch. 22**; S.I. 2001/3538, **art. 2(1)**
- F11** Words in s. 52(6) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 69(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F12** Word in s. 52(6) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 17(5)** (with Sch. 12)
- F13** Words in s. 52(7) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 17(6)** (with Sch. 12)

Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Cross Heading: Powers of FCA and PRA. (See end of Document for details)

Commencement Information

- I2** S. 52 wholly in force; s. 52 not in force at Royal Assent see s. 126(2); s. 52 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; s. 52 in force for all remaining purposes at 28.4.1993 by S.I. 1993/1186, art. 2(2), Sch. 2

Marginal Citations

- M1** 1986 c.45.
M2 S.I. 1989/2405 (N.I. 19).

^{F14}**52A** **U.K.**

Textual Amendments

- F14** Ss. 52A, 53 repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5)

^{F15}**53** **U.K.**

Textual Amendments

- F15** Ss. 52A, 53 repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538

54 **Supervision of activities of subsidiaries etc.** **U.K.**

- (1) In this section “friendly society group” means an incorporated friendly society, subsidiaries of that society and bodies jointly controlled by it.
- (2) If it appears to the [^{F16}FCA or the PRA] that the activities of subsidiaries of an incorporated friendly society or bodies jointly controlled by it are or may become disproportionate to those of the friendly society group as a whole, it may direct the society—
 - (a) to take or refrain from taking steps specified in the direction with a view to securing that the activities in question cease to be or do not become disproportionate; or
 - (b) to take steps so specified with a view to securing—
 - (i) that it ceases to have control or joint control of any subsidiary or jointly controlled body in question; or
 - (ii) that any such subsidiary or jointly controlled body is wound up.
- (3) If it appears to the [^{F16}FCA or the PRA] that any activity of a subsidiary of an incorporated friendly society or of a body jointly controlled by such a society is unsuitable for a member of a friendly society group, it may direct the society—
 - (a) to take steps specified in the direction with a view to securing that that activity ceases; or
 - (b) to take steps so specified with a view to securing—
 - (i) that it ceases to have control or joint control of the subsidiary or jointly controlled body; or

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- (ii) that the subsidiary or jointly controlled body is wound up.
- (4) A direction under this section may specify ^{F17}that the society is to comply with it—
- (a) immediately on receipt of a final notice in relation to the direction;
 - (b) before the end of such period as may be specified in the direction, beginning with the giving of a final notice in relation to the direction; or
 - (c) on the happening of an event subsequent to the giving of such a notice.]
- (5) A society given a direction under this section must—
- (a) comply with the direction; or
 - (b) convert itself into a company in accordance with Part VIII of this Act.
- ^{F18}(6) The ^{F19}[FCA or the PRA] may by written notice to the society—
- (a) vary a direction ^{F20}[issued by it] under this section at the request of the society; or
 - (b) revoke a direction ^{F20}[issued by it] under this section.]
- ^{F21}(6A) The FCA must consult the PRA before issuing a direction under this section to a PRA-
authorised person or varying such a direction.
- (6B) The PRA must consult the FCA before issuing or varying a direction under this
section.]
- ^{F22}(7) If a society requests the FCA or the PRA to notify the society as to whether, in the
opinion of that authority, it has complied with a direction issued by that authority, the
FCA or the PRA (as the case may be) must comply with the request.
- (7A) The PRA must send a copy to the FCA of any direction, notice, final notice or
notification it issues under this section.]
- ^{F23}(8)
- (9) The ^{F24}[^{F25}FCA] shall keep] a copy—
- (a) of a direction under this section;
 - (b) of a notice under subsection (6) above; or
 - ^{F26}(ba) of a final notice varying a direction under this section;]
 - (c) of a notification under subsection (7) above;
- ^{F27}. . . in the public file of the society.
- ^{F28}(10) "Final notice" means a final notice given under section 390 of the Financial Services
and Markets Act 2000, as applied by section 58A(6) below.]

Textual Amendments

- F16** Words in s. 54(2)(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 18\(2\)](#) (with Sch. 12)
- F17** S. 54(4): Words and paras. (a)-(c) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8(1), 13(1), [Sch. 3 para. 71\(b\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)
- F18** S. 54(6) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8(1), 13(1), [Sch. 3 para. 71\(c\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)
- F19** Words in s. 54(6) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 18\(3\)\(a\)](#) (with Sch. 12)

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- F20** Words in s. 54(6) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 18(3)(b)** (with Sch. 12)
- F21** S. 54(6A)(6B) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 18(4)** (with Sch. 12)
- F22** S. 54(7)(7A) substituted for s. 54(7) (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 18(5)** (with Sch. 12)
- F23** S. 54(8) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5)
- F24** Words in s. 54(9) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 71(e)(i)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F25** Word in s. 54(9) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 18(6)** (with Sch. 12)
- F26** S. 54(9)(ba) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 71(e)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F27** Words in s. 54(9) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5)
- F28** S. 54(10) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 71(f)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

Commencement Information

- I3** S. 54 wholly in force; s. 54 not in force at Royal Assent see s. 126(2); s. 54 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; s. 54 in force for all remaining purposes at 28.4.1993 by S.I. 1993/1186, art. 2(2), **Sch. 2**

55 Supervision of group insurance business. **U.K.**

- (1) This section applies where a friendly society carries on any group insurance business providing benefits for or in respect of a group of persons who are not members of the society.
- (2) If it appears to the [^{F29}FCA or the PRA] that the business so carried on is or may become disproportionate to the other activities of the society (including any group insurance business carried on for the provision of benefits for or in respect of persons who are members of the society), it may direct the society to take or refrain from taking steps specified in the direction with a view to securing that the group business in question ceases to be or does not become disproportionate.
- (3) Subsections (4) to (9) of section 54 above shall apply in relation to a direction under this section as they apply to a direction under that section.

Textual Amendments

- F29** Word in s. 55(2) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 19** (with Sch. 12)

Commencement Information

- I4** S. 55 wholly in force; s. 55 not in force at Royal Assent see s. 126(2); s. 55 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; s. 55 in force for all remaining purposes at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**

[^{F30}55A Supervision of controllers. **U.K.**

^{F31}(1)

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(2) In this Act–

“controller”, in relation to a friendly society to which section 37(2) or (3) of this Act applies, means a person who, either alone or with any associate or associates–

- (a) is entitled to exercise or control the exercise of 10 per cent. or more of the voting power at any general meeting of the society; or
- (b) is able to exercise a significant influence over the management of the society by virtue of an entitlement to exercise, or to control the exercise of, the voting power at any general meeting of the society;

F32
.....

F33 (3)]

Textual Amendments

- F30** S. 55A added (1.9.1994) by S.I. 1994//1984 reg. 14(1)
- F31** S. 55A(1) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F32** Definition of “notifiable voting rights” in s. 55A(2) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F33** S. 55A(3) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

F34 56 U.K.

Textual Amendments

- F34** Ss. 56, 57, 57A repealed (1.12.2001) by S.I. 2001/2617, art. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

Changes to legislation:

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