
STATUTORY INSTRUMENTS

2012 No. 3013

**The Charitable Incorporated Organisations
(Insolvency and Dissolution) Regulations 2012**

PART 1

GENERAL

Citation and commencement

1. These Regulations may be cited as the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012 and come into force on the twenty eighth day after the day on which they are made.

Interpretation: general

2.—(1) In these Regulations—

“the 1986 Act” means the Insolvency Act 1986 ^{M1};

“the 2011 Act” means the Charities Act 2011;

[^{F1}“CIO” has the same meaning as set out in section 204 of the Charities Act 2011;]

“constitutional directions” means the directions included in the CIO's constitution in accordance with section 206(2)(c) of the 2011 Act.

(2) For the purposes of these Regulations “body corporate” includes a body incorporated outside the United Kingdom but does not include—

(a) a corporation sole; or

(b) a partnership that, whether or not a legal person, is not regarded as a body corporate under the law by which it is governed.

Textual Amendments

F1 Words in reg. 2(1) inserted (4.7.2018) by [The Insolvency of Registered Providers of Social Housing Regulations 2018 \(S.I. 2018/728\)](#), regs. 1, **3(2)**

Marginal Citations

M1 1986 c.45.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

PART 2

APPLICATION OF THE INSOLVENCY ACT 1986

Application of the Insolvency Act 1986 to CIOs^[F2]: general

3. ^[F3]Schedule 1] (which makes provision concerning the application to CIOs of the 1986 Act and subordinate legislation made under that Act) has effect.

Textual Amendments

- F2** Word in reg. 3 heading inserted (4.7.2018) by [The Insolvency of Registered Providers of Social Housing Regulations 2018 \(S.I. 2018/728\)](#), regs. 1, **3(3)(a)**
- F3** Words in reg. 3 substituted (4.7.2018) by [The Insolvency of Registered Providers of Social Housing Regulations 2018 \(S.I. 2018/728\)](#), regs. 1, **3(3)(b)**

^[F4]Application of the Insolvency Act 1986 to CIOs in housing administration

3A.—(1) Schedule 2 (which contains additional provision about the application of Schedule B1 and certain other legislation to housing administration orders in relation to CIOs) has effect.

(2) “Housing administration order” has the meaning given in section 95 of the Housing and Planning Act 2016.]

Textual Amendments

- F4** Reg. 3A inserted (4.7.2018) by [The Insolvency of Registered Providers of Social Housing Regulations 2018 \(S.I. 2018/728\)](#), regs. 1, **3(4)**

PART 3

DISSOLUTION OTHERWISE THAN UNDER THE INSOLVENCY ACT 1986

Dissolution by Commission on application of CIO

4.—(1) The Commission may, on the application of a CIO, dissolve the CIO by removing it from the register.

(2) Such an application is referred to in this Part as an application for dissolution and must be made in accordance with regulation 5.

Application for dissolution

5. An application for dissolution—

- (a) must be made on the CIO's behalf by the charity trustees or by a majority of them; and
- (b) must contain—
 - (i) a copy of the resolution passed in accordance with the procedure prescribed in regulation 6;
 - (ii) a declaration, made by or on behalf of the charity trustees of the CIO, that any debts and other liabilities of the CIO have been settled or otherwise provided for in full; and

- (iii) a statement, made by or on behalf of the charity trustees of the CIO, setting out the way in which any property vested in, or held on trust for, the CIO has been or is to be applied on dissolution in accordance with its constitutional directions.

Dissolution resolution

6.—(1) The resolution to make an application for dissolution (“a dissolution resolution”) must be passed by the members—

- (a) at a general meeting of the CIO—
 - (i) by a 75% majority of those voting (including those voting by proxy or by post, if voting that way is permitted); or
 - (ii) where the CIO's constitution permits the members to make decisions otherwise than by voting, by a decision taken without a vote and without any expression of dissent in response to the question put to the meeting; or
- (b) unanimously, otherwise than at a general meeting.

(2) Subject to paragraph (4), where a dissolution resolution is to be proposed at a general meeting of a CIO the person calling the meeting must give notice of not less than 14 days to—

- (a) all members of the CIO entitled to vote at the meeting or, where the CIO's constitution permits the members to make decisions otherwise than by voting, all members entitled to take part in the decision to be made as to whether to pass the resolution at the meeting; and
- (b) any charity trustee of the CIO who is not also a member of the CIO entitled to vote at the meeting or, where the CIO's constitution permits the members to make decisions otherwise than by voting, who is not also a member entitled to take part in the decision to be made as to whether to pass the resolution at that meeting;

and the notice must contain particulars of the dissolution resolution that is to be proposed.

(3) For the purpose of calculating the period of notice to be given under paragraph (2) the following are to be excluded—

- (a) the day of the meeting; and
- (b) the day on which notice is given.

(4) If a qualifying majority agrees, a dissolution resolution which is to be proposed at a general meeting may be passed without the notice provisions in paragraph (2) being satisfied.

(5) Where a dissolution resolution is passed otherwise than at a general meeting it is treated as having been passed on the date on which the last member agreed to it, unless the CIO's constitution provides that it is to be treated as having been passed on a later date.

(6) In this regulation—

“qualifying majority” means—

- (a) in relation to a CIO whose members take decisions by voting, a majority in number of the members having a right to attend and vote at the meeting, who together represent not less than the requisite percentage of the total voting rights at that meeting of all the members;
- (b) in relation to a CIO where the CIO's constitution permits the members to make decisions otherwise than by voting, all of the members having the right to attend the meeting and take part in the decisions to be made at the meeting;

“requisite percentage” means 90% or such higher percentage (not exceeding 95%) as may be specified in the CIO's constitution for the purposes of this regulation.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to *The Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012*. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

Notice to be given before dissolution

7.—(1) The Commission must not dissolve a CIO under regulation 4 until 3 months after the publication by the Commission, in such manner as it thinks fit, of a notice stating that it has received an application for dissolution from the CIO.

(2) The Commission must not dissolve the CIO if, within the period mentioned in subparagraph (1), any person has shown cause why the Commission should not dissolve the CIO.

Application not to be made if CIO procedures not completed

8.—(1) The charity trustees must not make an application for dissolution if—

- (a) the CIO has any debts or other liabilities which have not been settled or otherwise provided for in full; or
- (b) any decision which must be taken for the purpose of giving effect to the constitutional directions has not been taken.

(2) Subsections (5) to (7) of section 1004 of the Companies Act 2006 (offence of applying for a company to be struck off in contravention of requirements of that section)^{M2} apply in relation to an application by a charity trustee in contravention of paragraph (1) as they apply in relation to an application in contravention of that section.

(3) Section 1004(6) of that Act, in its application by virtue of paragraph (2), has effect as if for “that he did not know, and could not reasonably have known, of the existence of the facts that led to the contravention” there were substituted—

- “(a) if the CIO had outstanding debts or other liabilities at the time the application was made, that the accused reasonably believed all of the CIO's debts or other liabilities had been settled in full or otherwise provided for;
- (b) if a decision required to be taken for the purpose of the constitutional directions had not been taken, that the accused reasonably believed the necessary decision had been properly taken.”.

Marginal Citations

M2 2006 c.46.

Application not to be made if other procedures not completed

9.—(1) The charity trustees must not make an application for dissolution if—

[^{F5}(za) a moratorium is in force in relation to the CIO under Part A1 of the 1986 Act;]

- (a) a voluntary arrangement in relation to the CIO has been proposed under Part 1 of [^{F6}that Act] and the matter has not been finally concluded;
- (b) the CIO is in administration under Part 2 of that Act^{M3};
- (c) an interim moratorium is in effect in relation to the CIO under paragraph 44 of Schedule B1 to that Act^{M4};
- (d) the CIO is being wound up under Part 4 of that Act^{M5}, whether voluntarily or by the court, or a petition under that Part for the winding up of the CIO by the court has been presented and not been finally dealt with or withdrawn;
- (e) a receiver, manager or interim manager of the CIO's property has been appointed.

(2) For the purposes of paragraph (1)(a), the matter is finally concluded if—

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to *The Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012*. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (a) no meetings are to be summoned under section 3 of the 1986 Act;
- (b) meetings summoned under that section fail to approve the arrangement;
- (c) an arrangement approved by meetings summoned under that section, or in consequence of a direction under section 6(4)(b) of that Act^{M6}, has been fully implemented; or
- (d) the court makes an order under section 6(5) of that Act revoking approval given at previous meetings and, if the court gives any directions under section 6(6) of that Act, the CIO has done whatever it is required to do under those directions.

(3) Subsections (4) to (6) of section 1005 of the Companies Act 2006 (offence of applying for a company to be struck off in contravention of requirements of that section) apply in relation to an application by a charity trustee in contravention of paragraph (1) as they apply in relation to an application in contravention of that section.

Textual Amendments

- F5** Reg. 9(1)(za) inserted (7.7.2020) by [The Charitable Incorporated Organisations \(Insolvency and Dissolution\) \(Amendment\) Regulations 2020 \(S.I. 2020/710\)](#), regs. 1, **3(2)** (with reg. 6); [Editorial note: The affecting legislation is revoked and this amendment is reversed (13.8.2020) by [The Charitable Incorporated Organisations \(Insolvency and Dissolution\) \(Amendment\) \(No. 2\) Regulations 2020 \(S.I. 2020/856\)](#), regs. 1(2), 2]
- F6** Words in reg. 9(1)(a) substituted (7.7.2020) by [The Charitable Incorporated Organisations \(Insolvency and Dissolution\) \(Amendment\) Regulations 2020 \(S.I. 2020/710\)](#), regs. 1, **3(3)** (with reg. 6); [Editorial note: The affecting legislation is revoked and this amendment is reversed (13.8.2020) by [The Charitable Incorporated Organisations \(Insolvency and Dissolution\) \(Amendment\) \(No. 2\) Regulations 2020 \(S.I. 2020/856\)](#), regs. 1(2), 2]

Marginal Citations

- M3** Part 2 of the 1986 Act was substituted by the Enterprise Act 2002, section 248(1).
- M4** Schedule B1 to the 1986 Act was inserted by the Enterprise Act 2002, section 248 and Schedule 16. It was amended by the [Courts Act 2003 \(c.39\)](#), **Schedule 8**, paragraph 299; by S.I. 2003/2096, **article 2**; by S.I. 2005/879, **regulation 2(4)**; by S.I. 2007/2974, **regulation 65(2)**; by S.I. 2008/1897, **regulation 4**; and by S.I. 2010/18, **article 4(2)**.
- M5** Part 4 of the 1986 Act was amended by the [Companies Act 1989 \(c.40\)](#), **section 60(3)**; by the Insolvency Act 2000, sections 10 and 11; by the Enterprise Act 2002, sections 252 and 253 and Schedule 17, paragraphs 14 to 18, and Schedule 26; by the Courts Act 2003, Schedule 8, paragraphs 295 and 296; by the [Civil Partnerships Act 2004 \(c.33\)](#), **Schedule 27**, paragraph 112; by the [Constitutional Reform Act 2005 \(c.4\)](#), **Schedule 4**, paragraph 186; by the [Companies Act 2006 \(c.46\)](#), **section 1282**; by S.I. 1986/1996, **Schedule**, Part 1; by S.I. 1994/2421, **article 14**; by S.I. 1999/1820, **Schedule 2**, paragraph 85; by S.I. 2001/1090, **Schedule 5**, paragraph 15; by S.I. 2002/1240, **regulation 8**; by S.I. 2002/1555, **article 15**; by S.I. 2006/3429, **regulation 7(1)**; by S.I. 2007/2194, **Schedule 4**, paragraph 40; by S.I. 2008/1897, **regulation 5(1)**; by S.I. 2009/864, **article 3**; by S.I. 2009/1941, **Schedule 1**, paragraph 75; and by S.I. 2010/18, **articles 5 to 7** and 10.
- M6** Section 6 of 1986 Act was amended by the Insolvency Act 2000, section 2(a) and Schedule 2, paragraph 7(6). There are further amendments to section 6 not relevant to these Regulations.

Restrictions following application for dissolution

- 10.** In any case where an application for dissolution has been made, the CIO must not—
- (a) engage in any activity except one which is necessary or expedient for the purposes of—
 - (i) proceeding with the application;
 - (ii) giving effect to any decision made under the constitutional directions; or

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (iii) complying with any statutory requirement; or
- (b) otherwise incur any debts or other liabilities.

Property received after making application for dissolution

11. If property is received by the CIO after the date on which the application for dissolution was made, the charity trustees must give notice to the Commission and either—

- (a) withdraw the application; or
- (b) send to the Commission a statement, made by or on behalf of the charity trustees of the CIO, setting out the way in which the property has been or is to be applied on dissolution in accordance with its constitutional directions.

Trustees to give notice of application for dissolution

12.—(1) The charity trustees who make an application for dissolution on behalf of a CIO must secure that, within 7 days beginning with the day on which the application is made, notice of it is given to every person who at any time on that day is—

- (a) a member of the CIO;
- (b) an employee of the CIO; or
- (c) a charity trustee of the CIO.

(2) Paragraph (1) does not require notice to be given to any charity trustee who is party to the application.

(3) The notice must state—

- (a) the date on which the application for dissolution is made;
- (b) the names of the charity trustees making the application.

(4) The duty imposed by this regulation ceases to apply if the application is withdrawn before the end of the period for giving notice.

(5) Subsections (4) to (7) of section 1006 of the Companies Act 2006 (offence of failing to comply with duty to provide copy of striking off application in respect of a company to members, employees etc) apply in relation to a failure by a charity trustee to perform the duty imposed by paragraph (1) as they apply in relation to a failure to perform the duty imposed by that section.

(6) Section 1006(7) of that Act, in its application by virtue of paragraph (5), has effect as if paragraph (b)(ii) were omitted.

Notice of application for dissolution: how to be given

13.—(1) The following provisions have effect for the purposes of regulation 12.

(2) Notice of an application for dissolution is treated as being given to a person (“P”) if it is—

- (a) delivered to P;
- (b) left at P’s proper address; or
- (c) sent by post to P at that address.

(3) For the purposes of paragraph (2) above and section 7 (service of documents by post) of the Interpretation Act 1978 ^{M7} as it applies in relation to that paragraph, the proper address of a person is—

- (a) in the case of a body corporate incorporated in the United Kingdom, its registered or principal office;

- (b) in the case of a body corporate incorporated outside the United Kingdom—
 - (i) if it has a place of business in the United Kingdom, its principal office in the United Kingdom; or
 - (ii) if it does not have a place of business in the United Kingdom, its registered or principal office;
- (c) in the case of an individual, that individual's last known address.

Marginal Citations

M7 1978 c.30.

Circumstances in which application must be withdrawn

14.—(1) This regulation applies if an application for dissolution has been made and before it is finally dealt with or withdrawn—

- (a) an application to the court for an administration order in respect of the CIO is made under paragraph 12 of Schedule B1 to the 1986 Act ^{M8};
- (b) an administrator is appointed in respect of the CIO under paragraph 14 or 22 of Schedule B1 to that Act or a copy of notice of intention to appoint an administrator of the CIO under either of those provisions is filed with the court;
- (c) there arise any of the circumstances in which, under section 84(1) of that Act ^{M9}, the CIO may be voluntarily wound up;
- (d) a petition is presented for the winding up of the CIO by the court under Part 4 of that Act;
- (e) a receiver, manager or interim manager of the CIO's property is appointed; or
- (f) the CIO incurs any liability contrary to regulation 10.

(2) A person who, at the end of the day on which any of the events mentioned in paragraph (1) occurs, is a charity trustee of the CIO must immediately notify the Commission that the event has occurred and withdraw the CIO's application.

(3) Subsections (5) to (7) of section 1009 of the Companies Act 2006 (offence of failing to withdraw striking off application in respect of a company) apply in relation to a failure by a charity trustee to perform the duty imposed by paragraph (2) as they apply in relation to a failure to perform the duty imposed by that section.

(4) Section 1009(6) of that Act, in its application by virtue of paragraph (3), has effect as if for “the company had made an application under section 1003” there were substituted “ an application for the dissolution of the CIO had been made under regulation 5 of the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012 ”.

Marginal Citations

M8 Paragraph 12 of Schedule B1 was amended by the Enterprise Act 2002, Schedule 16 (as amended by [S.I. 2003/2096, article 2\(2\)](#)), and by the Courts Act 2003, Schedule 8, paragraph 299.

M9 Section 84(1)(c) was repealed by [S.I. 2007/2194, Schedule 4, paragraph 39\(2\)](#) and Schedule 5.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Offences under the Companies Acts

15.—(1) The following provisions of Part 36 of the Companies Act 2006 (offences under the Companies Act)^{M10} apply to an offence under that Act committed by virtue of regulation 8, 9, 12 or 14 as they apply to an offence under the Companies Acts—

- (a) section 1127 (summary proceedings: venue);
 - (b) section 1128 (summary proceedings: time limit for proceedings);
 - (c) section 1129 (legal professional privilege);
 - (d) section 1131 (imprisonment on summary conviction in England and Wales: transitory provision); and
 - (e) section 1132 (production and inspection of documents where offence suspected).
- (2) In their application to CIOs those sections have effect as if—
- (a) for references to a company there were substituted references to a CIO;
 - (b) for references to an officer of a company there were substituted references to a charity trustee of a CIO;
 - (c) provisions relating only to Scotland or Northern Ireland were omitted;
 - (d) references to the Secretary of State were omitted.

(3) In its application to CIOs section 1132(3)(b) has effect as if for “the secretary of the company, or such other officer of it” there were substituted “such charity trustee of the CIO”.

Marginal Citations

M10 2006 c.46.

Dissolution of CIO which is not in operation

16.—(1) If the Commission has reasonable cause to believe that a CIO is not in operation it must send the CIO a letter inquiring whether the CIO is in operation.

(2) If it does not receive an answer within 1 month after the date of the letter the Commission must, no later than 2 months after the date of the letter, send the CIO a second letter inquiring whether the CIO is in operation.

(3) The second letter must refer to the first letter and state that, if an answer is not received to either letter within 1 month after the date of the second letter, the Commission will publish notice of its intention to dissolve the CIO.

- (4) If the Commission—
- (a) receives an answer to either letter to the effect that the CIO is not in operation; or
 - (b) has, after 1 month beginning with the date of the second letter, not received any answer to either letter,

the Commission must publish, in such manner as it thinks fit, notice of its intention to dissolve the CIO after 3 months from the date of the notice unless it is shown that the CIO is in operation or will be in operation within a reasonable period of time.

(5) The Commission must send the CIO a copy of the notice published under paragraph (4).

(6) No earlier than 3 months after the publication of the notice of intention the Commission must dissolve the CIO by removing it from the register, unless it is satisfied that—

- (a) the CIO is in operation; or

- (b) the CIO will be in operation within a reasonable period of time.
- (7) In this regulation the date of a letter is the date on which it is sent.

Dissolution of CIO which is no longer a charity

17.—(1) If the Commission no longer considers a CIO to be a charity it must publish, in such manner as it thinks fit, notice of its intention to dissolve the CIO after 3 months beginning with the date of the notice unless cause is shown to the contrary.

(2) The Commission must send the CIO a copy of the notice published under paragraph (1).

(3) No earlier than 3 months after the publication of the notice of intention the Commission must, unless cause has been shown to the contrary, dissolve the CIO by removing it from the register.

Dissolution of CIO which is being wound up

18.—(1) If a CIO is being wound up and—

- (a) the Commission has reasonable cause to believe that no liquidator is acting or that the affairs of the CIO are fully wound up; and
- (b) the returns required to be made by the liquidator have not been made for a period of 6 consecutive months,

the Commission must publish, in such manner as it thinks fit, notice of its intention to dissolve the CIO after 3 months beginning with the date of the notice unless cause is shown to the contrary.

(2) The Commission must send the CIO and the liquidator (if any) a copy of the notice published under paragraph (1).

(3) No earlier than 3 months after the publication of the notice of intention the Commission must, unless cause has been shown to the contrary, dissolve the CIO by removing it from the register.

Procedure for dissolution: delivery of letters and notices

19.—(1) This regulation applies for the purpose of determining the manner of delivery of letters and notices to be sent under regulation 16, 17 or 18.

(2) The letter or notice must be sent to the CIO at its principal office as it appears on the register of charities.

(3) If the Commission has reasonable grounds to believe that sending the letter or notice to the CIO's principal office as it appears on the register of charities is unlikely to bring it to the attention of the charity trustees, the Commission must also send it to any other address the Commission has for the CIO.

(4) If the Commission has reasonable grounds to believe that sending the letter or notice to any other address it has for the CIO is unlikely to bring it to the attention of the charity trustees, the Commission must also send it to each charity trustee of the CIO for whom the Commission has an address.

(5) If there are no charity trustees for whom the Commission has an address, the Commission must also send the letter or notice to any member of the CIO for whom the Commission has an address.

(6) A notice to be sent to a liquidator may be addressed to the liquidator at the liquidator's last known place of business.

(7) The Commission may send a letter (other than a letter under regulation 16(3)) or notice by electronic means to an electronic address if the intended recipient has agreed that the Commission may send documents or other information by electronic means to that address.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to *The Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012*. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

(8) In this regulation “electronic means” has the meaning given by regulation 4 of the Charitable Incorporated Organisations (General) Regulations 2012 ^{M11}.

Marginal Citations

M11 [S.I. 2012/3012](#).

Date of dissolution

20. If the Commission removes a CIO from the register under this Part, it is dissolved on the date on which it is removed.

Notice to be given of dissolution

21.—(1) If the Commission dissolves a CIO under this Part the Commission must publish a notice stating the date on which the CIO was dissolved.

(2) The notice under paragraph (1) must be published by the Commission in the same manner as any notice published in relation to the CIO under regulation 7, 16, 17 or 18 (as the case may be).

Liabilities and powers unaffected by dissolution

22. Despite the dissolution of a CIO under this Part—

- (a) the liability (if any) of every charity trustee and member of the CIO continues and may be enforced as if the CIO had not been dissolved; and
- (b) the court continues to have the power to wind up the CIO.

PART 4

APPLICATION OF PROPERTY ON DISSOLUTION UNDER PART 3

Vesting of property to official custodian on dissolution

23.—(1) On the dissolution of a CIO under Part 3, all relevant property vests in the official custodian.

(2) For the purposes of this regulation “relevant property” includes any property and rights whatsoever (including leasehold property) vested in or held on trust for the CIO immediately before its dissolution.

(3) But “relevant property” does not include—

- (a) any property held by the CIO on trust for any other person;
- (b) any property held by the CIO on trust for any special purposes of the CIO;
- (c) any property vested in or held on trust for the CIO if—
 - (i) the CIO, or the charity trustees (as the case may be) had, before its dissolution, complied with the constitutional directions in respect of that property; but
 - (ii) in accordance with those directions, the transfer or other disposition of that property would only take effect on the dissolution of the CIO.

(4) Subject to regulation 25, any property which vests in the official custodian under this regulation is held by the official custodian on trust for the charitable purposes of the CIO immediately before its dissolution.

Disposal of property vested in official custodian

24. The official custodian may not dispose of any property which vests in him under regulation 23 otherwise than—

- (a) in accordance with an order of the Commission under regulation 26; or
- (b) by disclaiming title to it under regulation 27.

Power of Commission to specify charitable purposes etc.

25.—(1) The Commission may by order specify the charitable purposes, charity or charities (as the case may be) for which the official custodian holds the property of a CIO on trust.

(2) In determining what charitable purposes, charity or charities to specify the Commission must have regard to—

- (a) the constitutional directions included in the CIO's constitution immediately before its dissolution;
- (b) the desirability of securing that the property of the CIO is applied for charitable purposes which are close to the charitable purposes of the CIO immediately before its dissolution; and
- (c) the need for the property to be applied for charitable purposes which are suitable and effective in the light of current social and economic circumstances.

(3) The Commission may not make an order under this regulation until 3 months after the date on which the CIO was dissolved.

(4) Section 88 of the 2011 Act (publicity relating to schemes) applies to an order under this regulation as it applies to an order under that Act to establish a scheme for the administration of a charity.

(5) The Commission may determine that either or both of the publicity requirements in section 88(2) of the 2011 Act is or are not to apply if it is satisfied that compliance with the requirement or requirements is unnecessary in a particular case.

Power of Commission to make vesting order

26.—(1) Where property is held by the official custodian in accordance with an order made under regulation 25, the Commission may by order make provision for the vesting of all or any of that property—

- (a) in a charity or, in such shares as it considers appropriate, in any two or more of the charities specified in the order made under regulation 25; or
- (b) in a charity or, in such shares as it considers appropriate, in any two or more charities which, in the Commission's view, further the charitable purposes specified in the order made under regulation 25.

(2) An order under this regulation may be made at the same time as an order under regulation 25.

(3) Any order made under paragraph (1) may give such directions as the Commission thinks necessary or expedient in consequence of the provision made by the order.

(4) A person acting in conformity with an order made under this regulation, or giving effect to anything done in pursuance of such an order, is not liable for any loss occasioned by so acting.

(5) A person is not excused from acting in conformity with an order made under this regulation by reason of the order having been in any respect improperly obtained.

Disclaimer of property by official custodian

27.—(1) Where property vests in the official custodian under regulation 23 the official custodian may by notice disclaim title to any or all of that property.

(2) A notice for the purposes of this regulation—

- (a) may be in such form as the official custodian thinks fit; but
- (b) must be signed by, or on behalf of, the official custodian.

(3) The official custodian may disclaim property under this regulation whether or not the Commission has made an order under regulation 25.

(4) The right to disclaim property under this regulation may be waived by or on behalf of the official custodian by an express waiver or by the official custodian taking possession of the property.

(5) A notice of disclaimer is not effective unless it is signed within 3 years after—

- (a) the date on which the fact that the property may have vested in the official custodian under regulation 23 first comes to the notice of the official custodian; or
- (b) if ownership of the property is not established at that date, the end of the period reasonably necessary for the official custodian to establish ownership of the property.

(6) If an application in writing is made to the official custodian by a person interested in the property requiring the official custodian to decide whether or not to disclaim, a notice of disclaimer is not effective unless it is signed within 12 months after the application is made or such further period as may be allowed by the court.

(7) The official custodian must within 14 days after signing a notice of disclaimer—

- (a) send a copy of it to—
 - (i) the Commission; and
 - (ii) any person who has given notice to the official custodian claiming to be interested in the property; and
- (b) publish it in such manner as the official custodian thinks fit having regard in particular to the manner in which the Commission published any notice relating to the CIO under any provision of Part 3 of these Regulations.

Effect of a disclaimer by official custodian

28.—(1) Where any property is disclaimed, it is treated as not having vested in the official custodian under regulation 23.

(2) A disclaimer operates so as to terminate, from the date the notice of disclaimer is signed, the rights, interests and liabilities of the CIO in or in respect of the disclaimed property.

(3) A disclaimer does not, except so far as is necessary for the purpose of releasing the CIO from any liability, affect the rights or liabilities of any other person.

Disclaimer of leaseholds

29.—(1) A disclaimer of property of a leasehold character does not take effect unless a copy of the notice under regulation 27 has been served (so far as the official custodian is aware of their addresses) on every person claiming under the CIO as underlessee or mortgagee and either—

- (a) no application under regulation 30 is made with respect to that property within 14 days of the day on which the copy of the notice was served; or
- (b) where such an application has been made, the court directs that the disclaimer shall take effect.

(2) If the court directs that the disclaimer shall take effect, it may make such order as it thinks fit with respect to fixtures, tenant's improvements and other matters arising out of the lease.

Power of court to make vesting order

30.—(1) The court may make an order under paragraph (2), on such terms as it thinks fit, on the application of a person who—

- (a) claims an interest in the disclaimed property; or
- (b) is under a liability in respect of the disclaimed property that is not discharged by the disclaimer.

(2) An order under this paragraph is an order to vest the disclaimed property in, or require its delivery to—

- (a) a person entitled to it (or a trustee for such a person); or
- (b) a person subject to a liability as is mentioned in paragraph (1)(b) (or a trustee for such a person).

(3) An order under paragraph (2)(b) may only be made where it appears to the court that it would be just to do so for the purpose of compensating the person subject to the liability in respect of the disclaimed property.

(4) On an order being made, the property comprised in it vests in the person named in the order without conveyance, assignment or transfer.

Protection of persons holding under a lease

31.—(1) The court must not make an order under regulation 30 vesting property of a leasehold nature in a person (“P”) claiming under the CIO as underlessee or mortgagee except on terms making P—

- (a) subject to the same liabilities and obligations as those to which the CIO was subject under the lease; or
- (b) if the court thinks fit, subject to the same liabilities and obligations as if the lease had been assigned to P.

(2) Where the order relates to only part of the property comprised in the lease, paragraph (1) applies as if the lease had comprised only the property comprised in the order.

(3) A person claiming under the CIO as underlessee or mortgagee who declines to accept a vesting order on such terms is excluded from all interest in the property.

(4) If there is no person claiming under the CIO as underlessee or mortgagee who is willing to accept an order on such terms, the court may vest the CIO's estate or interest in the property in any person who is liable (whether personally or in a representative character, and whether alone or jointly with the CIO) to perform the lessee's covenants in the lease.

(5) The court may vest that estate and interest in such person freed and discharged from all estates, incumbrances and interests created by the CIO.

Land subject to rentcharge

32. Where, in consequence of the disclaimer, land that is subject to a rentcharge vests in any person (“P”), neither P nor P's successors in title are subject to any personal liability in respect of sums becoming due under the rentcharge, except sums becoming due after P, or some person claiming under or through P, has taken possession or control of the land or has entered into occupation of it.

PART 5

RESTORATION OF A CIO TO THE REGISTER

Restoration by Commission

33.—(1) The Commission may restore to the register any CIO which it removed from the register under regulation 16 or 18.

(2) The Commission may restore a CIO under this regulation of its own motion or on the application of any person who was a charity trustee of the CIO immediately before its dissolution.

(3) Where the Commission has made an order under regulation 26 vesting in a charity or charities all of the property which is or was held on trust by the official custodian under regulation 23, the Commission must not restore the CIO to the register unless—

- (a) all appeal rights in connection with that order have been exhausted;
- (b) any appeal brought in connection with that order has been discontinued before it was finally determined; or
- (c) the period within which any appeal, or any subsequent appeal, may have been made has expired.

(4) The Commission must not restore the CIO to the register after the end of the period of 6 years from the date of dissolution.

Restoration by the court

34.—(1) On an application under this regulation the court may, if it considers it just to do so, order that a CIO is restored to the register.

(2) An application may be made to restore a CIO—

- (a) that has been dissolved under Chapter 9 of Part 4 of the 1986 ^{M12} Act, as it applies to CIOs; or
- (b) that is treated as having been dissolved under paragraph 84(6) of Schedule B1 to that Act, as it applies to CIOs.

(3) An application may be made by—

- (a) the Commission;
- (b) any person who was a charity trustee of the CIO immediately prior to its dissolution;
- (c) any person having an interest in land in which the CIO had a superior or derivative interest;
- (d) any person having an interest in land or other property—
 - (i) that was subject to rights vested in the CIO; or
 - (ii) that was benefitted by obligations owed by the CIO;
- (e) any person who but for the CIO's dissolution would have had a contractual relationship with it;
- (f) any person who has a potential legal claim against the CIO;
- (g) any manager or trustee of a pension fund established for the benefit of employees of the CIO;
- (h) any person who was a member of the CIO immediately prior to its dissolution (or the personal representatives of such a person);
- (i) any person who was a creditor of the CIO at the time of its dissolution;
- (j) any former liquidator of the CIO; or

- (k) any other person appearing to the court to have an interest in the matter.
- (4) If the court orders that the CIO is restored to the register—
 - (a) the Commission must restore the CIO to the register; and
 - (b) the CIO is treated as restored to the register on delivery to the Commission of a copy of the court order.

Marginal Citations

M12 Chapter 9 of Part 4 of the 1986 Act was amended by [S.I. 2006/3429](#), [regulation 3\(1\)\(d\)](#).

Time limit for applying to court

35.—(1) Subject to paragraph (2), an application to the court to restore a CIO to the register may not be made after the end of the period of 6 years from the date of dissolution.

(2) An application may be made at any time for the purpose of bringing proceedings against the CIO for damages for personal injury.

(3) The court must refuse an application under paragraph (2) if it appears to the court that the proceedings would fail by virtue of any enactment as to the time within which proceedings must be brought.

(4) In making that decision the court must have regard to its power under regulation 36 to direct that the period between the dissolution of the CIO and the making of the order is not to count for the purposes of any such enactment.

(5) For the purposes of this regulation—

- (a) “personal injury” includes any disease and any impairment of a person's physical or mental condition; and
- (b) references to damages for personal injury include any sum claimed by virtue of section 1(2) (c) of the Law Reform (Miscellaneous Provisions) Act 1934 ^{M13}.

Marginal Citations

M13 [1934 c.41](#).

Court order with directions

36.—(1) Where a court orders the restoration of a CIO to the register, it may give such directions and make such provision as seems just for placing the CIO and all other persons in the same position (as nearly as may be) as if the CIO had not been dissolved.

(2) Despite paragraph (1) the court may not give any directions or make any provision in relation to the matters covered by regulation 41.

CIO's name on restoration

37.—(1) Subject to paragraphs (2) and (3), a CIO is to be restored to the register with the name it had immediately before it was dissolved.

(2) Where—

- (a) the CIO is to be restored to the register following an application to the court; and
- (b) the order made by the court specifies a new name for the CIO on restoration,

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

the CIO must be restored to the register with that name.

(3) Where—

- (a) the CIO is to be restored to the register otherwise than following an application to the court; and
- (b) the Commission is satisfied that it would, were an application being made for the registration of the CIO with the name it had immediately prior to its dissolution, refuse to register the CIO on the grounds specified in section 208(2)(a) of the 2011 Act,

the CIO must be restored to the register with a new name specified by the Commission.

(4) Where—

- (a) the CIO is restored to the register with a new name specified by the court, and
- (b) the Commission is satisfied that it could, were an application being made for the registration of the CIO with the new name, refuse to register the CIO on the grounds specified in section 208(2)(a) of the 2011 Act,

the Commission may give a direction to the charity trustees of the CIO requiring the name of the CIO to be changed, within such period as is specified in the direction, to such other name as the charity trustees of the CIO may determine with the approval of the Commission.

(5) The Commission may not give a direction under paragraph (4) after 12 months from the date of the CIO's restoration to the register.

(6) Sections 43 and 44 of the 2011 Act apply to a direction made under paragraph (4) as they apply to a direction made under section 42(1) of that Act.

Notification of restoration to the register

38.—(1) Where a CIO is restored to the register the Commission must publish notice of the restoration in such manner as it thinks fit.

(2) A notice published by the Commission under paragraph (1) must state—

- (a) the name of the CIO; and
- (b) the date on which the restoration took effect.

(3) Where a CIO is to be restored to the register with a name other than the name it had immediately before it was dissolved, the notice published by the Commission must include—

- (a) the name with which the CIO is restored to the register; and
- (b) the name the CIO had immediately prior to its dissolution.

Effect of restoration

39.—(1) A CIO which is restored to the register is treated for all purposes as having continued in existence as if it had not been dissolved.

(2) Paragraph (1) does not affect the validity of anything done by the charity trustees of the restored CIO before its restoration in reliance on consent given by the Commission in accordance with section 131(3) of the 2011 Act (preservation of accounting records) or section 134(3) of that Act (preservation of statement of accounts or account and statement).

Property to vest in restored CIO

40. On the date of restoration any property of the CIO which is vested in the official custodian vests in the restored CIO.

Accounts, reports and returns of restored CIO

41.—(1) In its application to a relevant financial year of a restored CIO, Part 8 of the 2011 Act (charity accounts, reports and returns) is to be read subject to the provisions of this regulation.

(2) The following provisions do not apply unless the Commission requests that the accounts, annual report or annual return (as the case may be) for that year are prepared—

- (a) section 132(1) (requirement to prepare statement of accounts);
- (b) section 138(2) (requirement to prepare group accounts);
- (c) section 162(1) (requirement to prepare annual report);
- (d) section 169(1) (requirement to prepare annual return).

(3) The charity trustees must transmit to the Commission, within 10 months from the date of any request under paragraph (2), the accounts, annual report or annual return (as the case may be). The following provisions are modified accordingly—

- (a) section 163(1) (requirement to transmit annual report to Commission); and
- (b) section 169(3) (requirement to transmit annual return to Commission).

(4) Where the Commission requests that accounts are prepared, but not an annual report, a copy of the relevant auditor's or examiner's report must be transmitted to the Commission with the accounts as if section 164 (documents to be transmitted with annual report) applied.

(5) The Commission's power in the following provisions applies only where the accounts have not been audited within 10 months from the date of the Commission's request—

- (a) section 146(1)(a) (power to require accounts to be audited);
- (b) section 153(1)(a) (power to require group accounts to be audited).

(6) In the following provisions the requirement is to preserve for at least 6 years from the date of the Commission's request—

- (a) section 134(1) (preservation of statement of accounts or account and statement);
- (b) section 140(1) (preservation of group accounts).

(7) The charity trustees are not guilty of an offence under section 173 (offences of failing to supply certain documents) in relation to a failure to transmit an annual report or annual return unless the Commission has requested that the annual report or annual return (as the case may be) is prepared for that year.

(8) For the purposes of this regulation “relevant financial year” means a year other than—

- (a) a financial year of the CIO in relation to which the period for transmission to the Commission, under section 163 (transmission of annual reports to Commission in certain cases), of the annual report for that year ended before the dissolution of the CIO;
- (b) a financial year of the CIO which began after restoration of the CIO.

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- reg. 9 amendments by S.I. 2020/710, reg. 3 reversed by [S.I. 2020/856 reg. 2](#)
- reg. 9(1)(a) words substituted by [S.I. 2020/856 reg. 4\(3\)](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch. 1 para. 1 amendments by S.I. 2020/710, reg. 4 reversed by [S.I. 2020/856 reg. 2](#)
- Sch. 1 para. 1(2)(a)(ai) inserted by [S.I. 2020/856 reg. 5\(2\)\(a\)](#)
- Sch. 1 para. 1(2)(a)(iiia) inserted by [S.I. 2020/856 reg. 5\(2\)\(b\)](#)
- Sch. 1 para. 1(1) modified by [S.I. 2020/856 reg. 6](#)
- Sch. 1 para. 1(2)(a)(iv) omitted by [S.I. 2020/856 reg. 5\(2\)\(c\)](#)
- Sch. 1 para. 1(7) words inserted by [S.I. 2020/856 reg. 5\(4\)\(b\)](#)
- Sch. 1 para. 1(7) words inserted by [S.I. 2020/856 reg. 5\(4\)\(d\)](#)
- Sch. 1 para. 1(7) words inserted by [S.I. 2020/856 reg. 5\(4\)\(f\)](#)
- Sch. 1 para. 1(5) words omitted by [S.I. 2020/856 reg. 5\(3\)](#)
- Sch. 1 para. 1(7) words omitted by [S.I. 2020/856 reg. 5\(4\)\(e\)](#)
- Sch. 1 para. 1(7) words substituted by [S.I. 2020/856 reg. 5\(4\)\(a\)](#)
- Sch. 1 para. 1(7) words substituted by [S.I. 2020/856 reg. 5\(4\)\(c\)](#)
- reg. 9(1)(za) inserted by [S.I. 2020/856 reg. 4\(2\)](#)