
DRAFT STATUTORY INSTRUMENTS

2013 No. 0000

FINANCIAL SERVICES AND MARKETS

The Financial Services Act 2012 (Mutual Societies) Order 2013

Made - - - - - *xx xxxx 2013*

Coming into force *1st April 2013*

**THE FINANCIAL SERVICES ACT 2012
(MUTUAL SOCIETIES) ORDER 2013**

1. Citation and commencement
2. Transfer of functions to the Financial Conduct Authority and the Prudential
Regulation Authority
Signature

SCHEDULE 1 — Application of the Financial Services and Markets Act 2000 to
transferred functions

Interpretation

1. In this Schedule— (a) “mutuals expenditure” means expenditure of the...

General

2. (1) For the purposes of the provisions specified in sub-paragraph...
3. (1) For the purposes of the provisions specified in sub-paragraph...
4. As it applies by virtue of paragraphs 2(2)(e) and 3(2)(f),...
5. (1) The FCA must maintain arrangements designed to enable it...

Rules relating to fees

6. (1) This paragraph applies if the FCA makes, or proposes...
7. (1) This paragraph applies if the PRA makes, or proposes...

Guidance

8. Sections 139A(3) (power of FCA to give guidance) and 139B(5)...
9. (1) This paragraph applies if guidance is given by the...
10. (1) This paragraph applies if general guidance is given by...

SCHEDULE 2 — Amendments of the Industrial and Provident Societies Act 1965

1. The Industrial and Provident Societies Act 1965 is amended as...
2. (1) In the provisions listed in paragraph (2)—
3. (1) Section 16 (cancellation of registration of society) is further...
4. After section 17(5) (suspension of registration of society), insert—
5. (1) Section 43 (duties of receiver or manager of society's...
6. After section 50(5) (amalgamation of societies), insert—
7. In section 51(2) (transfer of engagements between societies), for “(5)”...
8. In section 52(3B) (conversion into, amalgamation with, or transfer of...
9. (1) Section 55 (dissolution of society) is amended as follows....
10. (1) Section 56 (power to petition for winding up) is...
11. (1) Section 58 (instrument of dissolution) is amended as follows....
12. In section 60(2A) (decision of disputes), for “Authority” substitute “FCA...”
13. In section 61(b) (general offences by societies, etc), for “Authority”...
14. (1) Section 66 (institution of proceedings) is amended as follows....
15. In section 67(1) (recovery of costs, etc), for “Authority” substitute...
16. In section 70A (fees for inspection or copying of documents),...
17. After section 72(1) (form, deposit and evidence of documents), insert—...
18. (1) Section 72A (form etc.of electronic documents) is amended as...
19. In section 74(1) (interpretation: general)— (a) omit the definition of...

SCHEDULE 3 — Amendments of the Industrial and Provident Societies Act 1967

1. The Industrial and Provident Societies Act 1967 is amended as...
2. (1) In the provisions listed in paragraph (2)—
3. In section 1(2)(b), for “paragraph 17 of Schedule 1” substitute...
4. In section 4, for “paragraph 17 of Schedule 1”, in...
5. In section 7 (interpretation, etc general), for ““the Authority”” substitute...

SCHEDULE 4 — Amendments of the Friendly and Industrial and Provident Societies Act 1968

1. The Friendly and Industrial and Provident Societies Act 1968 is...
2. (1) In the provisions listed in paragraph (2), for “Authority”...
3. In the heading of section 9C, for “Registrar’s power” substitute...
4. In section 11(1), omit “to the Authority”.
5. After section 14(4), insert— (5) If the society is a...
6. In the heading of section 14A (form etc.of electronic documents),...
7. In section 18 (offences), for “Authority” substitute “FCA”.
8. In section 21(1) (interpretation)— (a) in the definition of “annual...

SCHEDULE 5 — Amendments of the Friendly Societies Act 1974

1. The Friendly Societies Act 1974 is amended as follows.
2. (1) In the provisions listed in sub-paragraph (2)—
3. In section 30A(11) (publication of accounts and balance sheets), for...
4. In section 32 (audit of exempt societies and branches), for...
5. In section 32A(4) and (5) (power of societies to disapply...
6. (1) Section 39C (power to require accounts of past years...
7. (1) Section 41 (valuations) is amended as follows.
8. (1) Section 42 (regulations and directions relating to valuations) is...
9. After section 43(6) (annual return) insert— (7) If the registered...
10. In section 65A(7) (group insurance business), for “Authority” substitute “FCA...”
11. In section 76(3C) (decision of disputes generally), for “Authority” substitute...

12. After section 85(4) (conversion of society into branch) insert—
13. (1) Section 87 (power to apply for winding up of...
14. In section 90 (appointment of inspectors and calling of special...
15. In section 91(1) (cancellation and suspension of registration), for “Authority”—...
16. In section 93(1)(c) (dissolution of societies and branches), for “Authority”...
17. (1) Section 94 (instrument of dissolution) is amended as follows....
18. (1) Section 95 (dissolution by award) is amended as follows....
19. (1) Section 95A (dissolution of registered friendly societies and branches...
20. In section 97 (notice of proceedings or order to set...
21. In section 98(1)(b) and (7) (offences), for “Authority”, in each...
22. (1) Section 101 (prosecution of offences, recovery of costs or...
23. In section 109(1)(c) (regulations), for “Authority” substitute “FCA and of...
24. In section 110(2) and (2A), for “Authority” substitute “FCA or...
25. In section 111(1) (interpretation)— (a) omit the definition of “the...

SCHEDULE 6 — Amendments of the Credit Unions Act 1979

1. The Credit Unions Act 1979 is amended as follows.
2. (1) Section 1 (registration under the Industrial and Provident Societies...
3. In section 1A(2)(e) and (5) (common bonds appropriate to a...
4. In section 1B(4) (further requirements where common bond relates to...
5. (1) Section 3 (use of name “credit union”, etc.) is...
6. (1) Section 4 (rules) is amended as follows.
7. In section 5A(4)(corporate members), for “Authority” substitute “appropriate authority”.
8. In section 7A (power to issue interest-bearing shares), for “Authority”,...
9. In section 16(3) (guarantee funds), for “Authority”, in each place,...
10. In the cross-heading above section 17, for “registrar” substitute “FCA...
11. (1) Section 17 (power to require information) is amended as...
12. (1) Section 18 (power to appoint inspector and call meeting)...
13. (1) Section 20 (cancellation or suspension of registration and petition...
14. (1) Section 21 (amalgamations and transfers of engagements) is amended...
15. (1) Section 23 (conversion of company into credit union) is...
16. In section 31(1) (interpretation), omit the definition of “Part IV...
17. In section 31A(3) (deferred shares), for “Authority”, in each place,...
18. (1) Section 32 (Northern Ireland) is amended as follows.
19. In paragraphs 7 and 11 of Schedule 1 (matters to...

SCHEDULE 7 — Amendments of the Credit Unions (Northern Ireland) Order 1985

1. The Credit Unions (Northern Ireland) Order 1985 is amended as...
2. (1) Article 2 (interpretation) is amended as follows.
3. For Article 2A(4) and (5) (the registrar and assistant registrar),...
4. (1) Article 3 (registration) is amended as follows.
5. For Article 4(2A) (supplementary provisions as to registration), substitute —
6. In Article 31(3)(c) (charges on assets of credit unions), for...
7. In Article 36(3) (application of surplus), for “Authority under the...
8. In Article 49(3)(b) and (4) (annual returns), for “Authority” substitute...
9. (1) Article 53 (duties of receiver or manager of credit...
10. In Article 60(1) (cancellation of registration), for “the Authority” substitute...
11. Article 61(1) (suspension of registration), for “Authority” substitute “FCA and,...

12. In Article 62(1) (appeals), for sub-paragraphs (b) and (c), substitute—...
13. Article 63 (petition for winding-up), for “Authority” substitute “FCA and,...
14. (1) Article 65 (amalgamation of credit unions) is amended as...
15. (1) Article 66 (transfer of engagements between credit unions) is...
16. (1) Schedule 1 (matters to be provided for in rules...

SCHEDULE 8 — Amendments of the Building Societies Act 1986

1. The Building Societies Act 1986 is amended as follows.
2. In the heading of Part I, for “Authority” substitute “Financial...
3. (1) Section 1 (functions in relation to building societies) is...
4. (1) Section 5 (establishment, constitution and powers) is amended as...
5. (1) Section 6 (the lending limit) is amended as follows....
6. In section 7(5)(a) (the funding limit), for “Authority” substitute “appropriate...
7. In section 8(3) (raising funds and borrowing), for “Authority”, in...
8. In section 9A(5)(a) (restrictions on certain transactions), for “Part IV”...
9. In the heading to Part 6, for “Authority” substitute “appropriate...
10. (1) Section 36 (power to direct restructuring of business etc.)...
11. (1) Section 36A (power to make prohibition orders) is amended...
12. (1) Section 37 (powers to petition for winding up etc.)...
13. (1) Section 42B (power to direct transfers of engagements or...
14. (1) Section 42C (variation and revocation of transfer directions) is...
15. In section 46A (notices, hearings and appeals), for “Authority”, in...
16. (1) Section 52 (powers to obtain information and documents etc.)...
17. In section 52B(1) (entry of premises under warrant), for “Authority”...
18. (1) Section 53A (disclosure of information) is amended as follows....
19. (1) Section 54 (information from other sources) is amended as...
20. (1) Section 55 (investigations) is amended as follows.
21. (1) Section 56 (inspections and special meetings: general) is amended...
22. (1) Section 57 (inspections: supplementary provisions) is amended as follows....
23. In section 59(6) (chief executive and secretary), for “Authority”, in...
24. In section 61 (directors: supplementary provisions as to elections etc.),...
25. For section 68(5) (records of loans etc.), substitute—
26. (1) Section 69 (disclosure and record of income of related...
27. (1) Section 76 (summary financial statement) is amended as follows....
28. (1) Section 78C (names to be stated in copies of...
29. (1) Section 78D (circumstances in which names may be omitted)...
30. (1) Section 81 (laying and furnishing of accounts) is amended...
31. (1) Section 87 (dissolution by consent) is amended as follows....
32. In section 88(2) (voluntary winding up)— (a) for “to the...
33. (1) Section 89 (winding up by court: grounds and petitioners)...
34. In section 89A(2)(a) (building society insolvency as alternative order), for...
35. (1) Section 90D (notice of preliminary steps) is amended as...
36. In section 91(4) (power of court to declare dissolution of...
37. (1) Section 93 (amalgamations) is amended as follows.
38. (1) Section 94 (transfer of engagements) is amended as follows....
39. (1) Section 95 (mergers: provisions supplementing sections 93 and 94)...
40. In section 96(6) (mergers: compensation for loss of office and...
41. (1) Section 97 (transfer of business to commercial company) is...
42. (1) Section 98 (transfers of business: supplementary provisions) is amended...
43. In section 100(7) (regulated terms etc.: distributions and share rights),...

44. (1) Section 101 (protective provisions for specially formed successors) is...
45. (1) Section 103 (cancellation of registration) is amended as follows....
46. In section 106 (public file of the society), for “Authority”,...
47. In section 107 (restriction of use of certain names and...
48. (1) Section 111 (time limit for commencing proceedings) is amended...
49. (1) Section 113 (evidence) is amended as follows.
50. In section 115(1) (service of notices), for “Authority” substitute “FCA...
51. (1) Section 116 (form of documents) is amended as follows....
52. (1) Section 119 (interpretation) is amended as follows.
53. (1) Schedule 2 (establishment, incorporation and constitution of building societies)...
54. (1) Schedule 8A (transfer directions: modifications of Part 10) is...
55. (1) Schedule 11 (auditors) is amended as follows.
56. (1) Schedule 14 (settlement of disputes) is amended as follows....
57. (1) Schedule 15 (application of companies winding up legislation to...
58. (1) Schedule 15A (application of other companies insolvency legislation to...
59. (1) Schedule 16 (mergers: supplementary provisions) is amended as follows....
60. (1) Schedule 17 (transfers of business: supplementary provisions) is amended...

SCHEDULE 9 — Amendments of the Friendly Societies Act 1992

1. The Friendly Societies Act 1992 is amended as follows.
2. In the heading to Part 1, for “Authority” substitute “Financial...
3. (1) Section 1 (functions in relation to friendly societies) is...
4. In section 5(3) (establishment of incorporated friendly societies), for “Authority”...
5. In section 6 (incorporation of registered friendly societies), for “Authority”,...
6. In section 11(5) (group insurance), for “Authority” substitute “FCA or...
7. (1) Section 14 (investment of funds) is amended as follows....
8. (1) Section 20 (dissolution by consent) is amended as follows....
9. In section 21(2) (voluntary winding up), for “Authority”—
10. (1) Section 22 (winding up by court: grounds and petitioners)...
11. In section 24(6) (continuation of long term business), for “Authority”,...
12. In section 25(4) (power of court to declare dissolution void),...
13. (1) Section 26 (cancellation of registration) is amended as follows....
14. In section 29 (notification of officers) and in the heading...
15. In section 37 (restriction of combinations of business), for “Authority”,...
16. In the cross-heading before section 51, for “Authority” substitute “FCA...
17. (1) Section 52 (applications to court) is amended as follows....
18. (1) Section 54 (supervision of activities of subsidiaries etc.) is...
19. In section 55(2) (supervision of group insurance business), for “Authority”...
20. (1) Section 58A (notices, hearings and appeals) is amended as...
21. In section 62 (powers to obtain information and documents)—
22. In section 62A(1) (entry of premises under warrant), for “Authority”...
23. (1) Section 63A (disclosure of information) is amended as follows....
24. In section 65 (investigations), for “Authority”, in each place, substitute...
25. In the heading to section 65, for “Authority” substitute “FCA...
26. In sections 66 (inspections and special meetings: general), for “Authority”,...

27. In section 67 (inspections: supplementary provisions), for “Authority”, in each...
28. In section 74B (names to be stated in copies of...
29. In section 74C (circumstances in which names may be omitted),...
30. In section 76 (approval and signing of accounts), omit, in...
31. For section 77(1)(a) (information on appointed actuary to be annexed...
32. (1) Section 78 (laying and furnishing of accounts and reports)...
33. In section 81(2) (complaints by members of friendly societies), for...
34. (1) Section 85 (amalgamation of friendly societies) is amended as...
35. (1) Section 86 (transfer of engagements by or to friendly...
36. (1) Section 87 (actuary’s report as to margin of solvency)...
37. In section 88(2) and (3) (actuary’s report on transfer of...
38. (1) Section 89 (power to alter requirements for transfer by...
39. (1) Section 90 (power to effect transfer of engagements) is...
40. (1) Section 91 (conversion of friendly society into company) is...
41. In section 93 (registration of societies under the 1974 Act),...
42. (1) Section 103 (power to modify Part 6 in relation...
43. In section 104 (public file of a friendly society), for...
44. In section 105A(1)(c) (stamp duty land tax), for “Authority” substitute...
45. (1) Section 107 (time limit for commencing proceedings) is amended...
46. (1) Section 111 (evidence) is amended as follows.
47. In section 113(1) (service of notices), for “Authority” substitute “FCA...
48. (1) Section 114 (forms of documents and power to prescribe...
49. (1) Section 119 (general interpretation) is amended as follows.
50. In section 119AB (communication by means of a website)—
51. (1) Schedule 3 (establishment, incorporation and constitution of incorporated friendly...
52. In paragraph 2 of Schedule 4 (schemes under section 6(5)),...
53. (1) Schedule 10 (application of companies winding up legislation to...
54. In paragraph 3 of Schedule 12 (annual general meeting), for...
55. (1) Schedule 14 (auditors: appointment, tenure, qualifications and remuneration) is...
56. (1) Schedule 15 (amalgamations, transfers of engagements and conversion: supplementary)...

SCHEDULE 10 — Amendments of secondary legislation

1. Amendments of legislation made under the Building Societies Act 1986
2. In paragraph 13 of Schedule 4 to the Building Societies...
3. (1) Regulation 3 of the Building Societies (Business Names) Regulations...
4. (1) The Building Societies (Transfer of Business) Regulations 1998 are...
5. (1) The Building Societies (Merger Notification Statement) Regulations 1999 are...
6. Amendments of legislation made under the Friendly Societies Act 1992
7. Amendments of legislation made under the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007

SCHEDULE 11 — Amendments consequential on Schedules 2 to 10

1. Consequential amendments to primary legislation
2. (1) In the provisions of the Insolvency Act 1986 listed...
3. In section 22E(4)(d) of the Company Directors Disqualification Act 1986...
4. In section 229(4) of the Housing (Scotland) Act 1987 (local...
5. (1) In the provisions of the Housing Act 1996 listed...
6. (1) In the provisions of the Housing (Scotland) Act 2001...

7. In section 58(7)(b) of the Charities and Trustee Investment (Scotland)...
8. (1) The Housing and Regeneration Act 2008 is amended as...
9. In section 4(3)(a) of the Co-operative and Community Benefit Societies...
10. (1) The Housing (Scotland) Act 2010 is amended as follows....
11. In section 230(2)(b) of the Charities Act 2011 (Commission to...
12. Consequential amendments to secondary legislation
13. (1) The Industrial Assurance (Life Assurance Premium Relief) (Change of...
14. In regulation 2 of the Community Interest Company Regulations 2005,...
15. (1) In the provisions of the European Cooperative Society Regulations...
16. (1) Schedule 1 to the Building Societies (Insolvency and Special...
17. In regulation 3(3)(d) of the Mutual Societies (Transfers of Business)...
18. (1) The Building Societies (Financial Assistance) Order 2010 is amended...
19. (1) The Building Society Special Administration (England and Wales) Rules...

SCHEDULE 12 — Transitional provisions

1. The amendments made by this Order requiring a document, information...
2. The amendments made by this Order requiring the PRA to...
3. Any other thing done by the Financial Services Authority before...

Explanatory Note