



Industrial and Provident Societies Act 1965 (repealed)

1965 CHAPTER 12

Amalgamations, transfers of engagements and conversions

50 Amalgamation of societies.

- (1) Any two or more registered societies may by special resolution of each of those societies become amalgamated together as one society, with or without any dissolution or division of the funds of those societies or any of them; and the property of each of those societies shall become vested in the amalgamated society without the necessity of any form of conveyance other than that contained in the special resolution.
- (2) In this section the expression “special resolution” means a resolution which is—
 - (a) passed by not less than two-thirds of such members of the society for the time being entitled under the society’s rules to vote as may have voted in person, or by proxy where the rules allow proxies, at any general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to those rules; and
 - (b) confirmed by a majority of such members of the society for the time being entitled as aforesaid as may have voted as aforesaid at a subsequent general meeting of which notice has been duly given held not less than fourteen days nor more than one month from the day of the meeting at which the resolution was passed in accordance with paragraph (a) of this subsection.
- (3) At any such meeting as aforesaid, a declaration by the chairman that the resolution has been carried shall be deemed conclusive evidence of that fact.
- (4) A copy of every special resolution for the purposes of this section signed by the chairman of the meeting at which the resolution was confirmed and countersigned by the secretary of the society shall be sent to the [F¹FCA] and registered by [F²it]; and until that copy is so registered the special resolution shall not take effect.
- (5) It shall be the duty of a registered society to send any special resolution for registration in accordance with the last foregoing subsection within fourteen days from the day

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on which the resolution is confirmed under subsection (2)(b) of this section, but this subsection shall not invalidate registration of the resolution after that time.

[^{F3}(6) If one or more of the registered societies is a PRA-authorized person, the FCA must send a copy of the special resolution to the PRA.]

Textual Amendments

- F1** Word in s. 50(4) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), Sch. 2 para. 2(1)(a)(2)(r) (with Sch. 12)
- F2** Word in s. 50(4) substituted (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(1), **Sch. 3 Pt. III para. 227** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2(1)**
- F3** [S. 50\(6\)](#) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 2 para. 6** (with Sch. 12)

Modifications etc. (not altering text)

- C1** Ss. 50, 51 modified by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), **s. 21**
- C2** [S. 50](#) restricted (1.10.1996) by [1996 c. 52, s. 7](#), **Sch. 1 Pt. II para. 12(2)**(with s. 51(4)); [S.I. 1996/2402](#), **art. 3**

51 Transfer of engagements between societies.

- (1) Any registered society may by special resolution transfer its engagements to any other registered society which may undertake to fulfil those engagements; and if that resolution approves the transfer of the whole or any part of the society's property to that other society, the whole or, as the case may be, that part of the society's property shall vest in that other society without any conveyance or assignment.
- (2) Subsections (2) to [^{F4}(6)] of section 50 of this Act shall have effect for the purposes of this section as they have effect for the purposes of that section.
- (3) In its application to Scotland, subsection (1) of this section shall have effect as if for the word "assignment" there were substituted the word "assignation".

Textual Amendments

- F4** Word in s. 51(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 2 para. 7** (with Sch. 12)

Modifications etc. (not altering text)

- C3** Ss. 50, 51 modified by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), **s. 21**
- C4** [S. 51](#) restricted (1.10.1996) by [1996 c. 52, s. 7](#), **Sch. 1 Pt. II para. 12(2)**(with s. 51(4)); [S.I. 1996/2402](#), **art. 3**
- [S. 51](#) applied (1.10.1996) by [1996 c. 52, s. 48\(2\)](#)(with s. 51(4)); [1996/2402](#), art. 3

52 Conversion into, amalgamation with, or transfer of engagements to company.

- (1) A registered society may by special resolution determine to convert itself into, or to amalgamate with or transfer its engagements to, a company under the Companies Acts.
- (2) If a special resolution for converting a registered society into a company contains the particulars required by [^{F5}the Companies Acts] to be contained in the memorandum of

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association of a company and a copy thereof has been registered by the [F6FCA], a copy of that resolution under the seal and stamp of the [F6FCA]. . . shall have the same effect as a memorandum of association duly [F7 authenticated under the Companies Acts].

- [F8(3) In this section the expression “ special resolution ” means a resolution—
- (a) which is passed at a general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to the rules of the society (“ the rules ”);
 - (b) which is passed by not less than three-fourths of such of the qualifying members of the society as may have voted in person or, where the rules allow proxies, by proxy;
 - (c) on which not less than half of the qualifying members of the society voted either in person or, where the rules allow proxies, by proxy; and
 - (d) which is confirmed by a majority of such of the qualifying members of the society as may have voted in person or, where the rules allow proxies, by proxy at a subsequent general meeting of which notice has been duly given held not less than fourteen days nor more than one month from the day of the meeting at which the resolution was passed in accordance with paragraphs (a) to (c) of this subsection,

and references to the qualifying members of a society are references to the members of the society who are for the time being entitled under the society’s rules to vote.

- (3A) At any such meeting as aforesaid, a declaration by the chairman that—
- (a) all reasonably practicable steps have been taken to ascertain the number of qualifying members of the society; and
 - (b) the resolution has been carried,
- shall be deemed conclusive evidence of those facts.

- (3B) Subsections (4) [F9to (6)] of section 50 of this Act shall have effect for the purposes of this section as they have effect for the purposes of that section but as if in subsection (5) of that section for the reference to subsection (2)(b) of that section there were substituted a reference to subsection (3)(d) of this section [F10 and as if in subsection (6) of that section for “If one or more of the registered societies is” there were substituted “If the registered society is”].]

- (4) Subject to subsection (5) of this section, if a registered society is registered as, or amalgamates with, or transfers all its engagements to, a company under the Companies Acts, the registration of that society under this Act shall thereupon become void and, subject to section 59 of this Act, shall be cancelled by the [F6FCA]. . .
- (5) Registration of a registered society as a company shall not affect any right or claim for the time being subsisting against the society or any penalty for the time being incurred by the society; and—
- (a) for the purpose of enforcing any such right, claim or penalty, the society may be sued and proceeded against in the same manner as if it had not become registered as a company; and
 - (b) every such right or claim, or the liability to any such penalty, shall have priority as against the property of the company over all other rights or claims against or liabilities of the company.

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Textual Amendments

- F5** Words in s. 52(2) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 14(6)(a)** (with art. 10)
- F6** Word in s. 52 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), Sch. 2 para. 2(1)(a)(2)(s) (with Sch. 12)
- F7** Words in s. 52(2) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 14(6)(b)** (with art. 10)
- F8** S. 52(3)-(3B) substituted for s. 52(3) (8.9.2002) by 2002 c. 20, **ss. 1(2), 4(2)**
- F9** Words in s. 52(3B) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 2 para. 8(a)** (with Sch. 12)
- F10** Words in s. 52(3B) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 2 para. 8(b)** (with Sch. 12)

Modifications etc. (not altering text)

- C5** S. 52 excluded by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), **s. 22** and by [Housing Associations Act 1985 \(c. 69, SIF 61\)](#), **s. 21(3)**
- C6** S. 52 restricted (1.10.1996) by 1996 c. 52, s. 7, **Sch. 1 Pt. II para. 12(2)**(with s. 51(4)); S.I. 1996/2402, **art. 3**
S. 52 applied (1.10.1996) by 1996 c. 52, **s. 48(2)**(with s. 51(4)); S.I. 1996/2402, **art. 3**
- C7** S. 52 power to modify conferred (16.1.2009) by [Building Societies \(Funding\) and Mutual Societies \(Transfers\) Act 2007 \(c. 26\)](#), **ss. 3, 6(2)**; S.I. 2009/36, art. 2

53 Conversion of company into registered society.

- (1) A company registered under the Companies Acts may, [^{F11}by special resolution], determine to convert itself into a registered society; and for this purpose, in any case where the nominal value of the company's shares held by any member other than a registered society exceeds [^{F12}the maximum for the time being permitted by section 6(1) of this Act in the case of a member of a registered society], the resolution may provide for the conversion of the shares representing that excess into a transferable loan stock bearing such rate of interest as may be fixed, and repayable on such conditions only as are determined by the resolution.
- (2) Any such resolution as aforesaid shall be accompanied by a copy of the rules of the society therein referred to and shall appoint [^{F13}three] persons, being members of the company, who, together with the secretary [^{F14}(or if the company has no secretary, a director)], shall sign the rules and who may either—
- be authorised to accept any alterations made by the [^{F15}FCA] therein without further consulting the company; or
 - be required to lay any such alterations before the company in general meeting for acceptance as the resolution may direct.
- (3) A copy of the resolution aforesaid shall be sent with a copy of the rules aforesaid to the [^{F15}FCA] who, upon the registration of the society under this Act, shall give to it, in addition to an acknowledgment of registration under section 2(3) of this Act, a certificate similarly sealed or signed that the rules of the society referred to in the resolution have been registered.

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- (4) A copy of any such resolution as aforesaid ^{F16}... together with the certificate issued as aforesaid by the [^{F15}FCA] shall be sent for registration [^{F17}to the registrar of companies] and, upon his registering that resolution and certificate, the conversion shall take effect.
- (5) The name under which any company is registered under this section as a registered society shall not include the word “company”.
- (6) Subject to the next following subsection, upon the conversion of a company into a registered society under this section, the registration of the company under the Companies Acts shall become void and shall be cancelled by the registrar of companies ^{F18}....
- (7) The registration of a company as a registered society shall not affect any right or claim for the time being subsisting against the company or any penalty for the time being incurred by the company; and—
 - (a) for the purpose of enforcing any such right, penalty or claim the company may be sued and proceeded against in the same manner as if it had not been registered as a society;
 - (b) any such right or claim and the liability to any such penalty shall have priority as against the property of the registered society over all other rights or claims against or liabilities of the society.

Textual Amendments

- F11** Words in s. 53(1) substituted (1.10.2007) by Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), art. 1(3)(a), **Sch. 4 para. 29** (with art. 12)
- F12** Words substituted by Industrial and Provident Societies Act 1975 (c. 41), **s. 3(3)**
- F13** S. 53(2) word substituted (1.9.1996) by S.I. 1996/1738, **arts. 1, 3(3)**
- F14** Words in s. 53(2) inserted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 14(7)(a)** (with art. 10)
- F15** Word in s. 53 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 2 para. 2(1)(a)(2)(t)** (with Sch. 12)
- F16** Words in s. 53(4) omitted (1.10.2009) by virtue of The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 14(7)(b)(i)** (with art. 10)
- F17** Words in s. 53(4) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 14(7)(b)(ii)** (with art. 10)
- F18** Word in s. 53(6) omitted (1.10.2009) by virtue of The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 14(7)(c)** (with art. 10)

Modifications etc. (not altering text)

- C8** S. 53 modified by Credit Unions Act 1979 (c. 34, SIF 55:3), **s. 23**
- C9** S. 53 restricted (S.) (1.11.2001) by 2001 asp 10, s. 63, **Sch. 7 para. 10(4)**; S.S.I. 2001/336, art. 2(3), **Sch. Pt. II**
- C10** S. 53 power to modify conferred (1.7.2005) by Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27), **ss. 56(1), 65(1)**; S.I. 2004/3322, art. 2(3), Sch. 3

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| <p>C11 S. 53 applied (with modifications) by S.I. 2005/1788, reg. 6A(a) (as inserted (1.10.2009) by The Community Interest Company (Amendment) Regulations 2009 (S.I. 2009/1942), regs. 1(1), 5)</p> <p>C12 S. 53(2) modified by Credit Unions Act 1979 (c. 34, SIF 55:3), s. 6(1)(c)</p> |
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54 Saving for rights of creditors.

An amalgamation or transfer of engagements in pursuance of section 50, 51 or 52 of this Act shall not prejudice any right of a creditor of any registered society which is a party thereto.

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