



# Industrial and Provident Societies Act 1965 (repealed)

## 1965 CHAPTER 12

*Cancellation, suspension or refusal of registration of society or rules*

### 16 Cancellation of registration of society. **E+W+S**

- (1) Subject to the provisions of this section and sections 18(1)(c) and 59 of this Act, and without prejudice to section 52(4) thereof, the [F<sup>1</sup>FCA] may, <sup>F<sup>2</sup></sup> . . . , in writing, cancel the registration of any registered society—
- (a) if at any time it is proved to the [F<sup>3</sup>FCA's] satisfaction—
    - (i) that the number of members of the society has been reduced, in the case of a society for the time being consisting solely of registered societies, to less than two or, in any other case, to less than [F<sup>4</sup>three]; or
    - (ii) that an acknowledgment of registration has been obtained by fraud or mistake; or
    - (iii) that the society has ceased to exist;
  - (b) if the [F<sup>1</sup>FCA] thinks fit, at the request of the society, to be evidenced in such manner as the [F<sup>1</sup>FCA] shall from time to time direct;
  - (c) <sup>F<sup>5</sup></sup> . . .
    - (i) on proof to the [F<sup>3</sup>FCA's] satisfaction that the society exists for an illegal purpose, or has wilfully and after notice from the [F<sup>1</sup>FCA] violated any of the provisions of this Act or any enactment repealed thereby; or
    - (ii) if at any time it appears to the [F<sup>1</sup>FCA] that neither of the conditions specified in section 1(2) of this Act is fulfilled in the case of that society; or
    - (iii) in the case of a society whose registered rules contain such a provision as is authorised by section 12 of this Act, if it appears to the [F<sup>1</sup>FCA] that the society no longer consists mainly of such members as are mentioned in that section or that the activities carried on by it do not mainly consist in making advances to its members for such purposes as are so mentioned.

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- (2) Subsection (1)(c)(ii) of this section shall not authorise the cancellation of the registration of any society to which section 4 of this Act applies which was registered or deemed to be registered under the Act of 1893 before 26th July 1938 if no invitation to subscribe for or to acquire or offer to acquire securities, or to lend or deposit money, has been made on or after that date by or on behalf of the society.
- [<sup>F6</sup>(2A) The FCA must consult the PRA before cancelling the registration of a registered society which is a PRA-authorised person.]
- (3) Not less than two months previous notice in writing specifying briefly the ground of the proposed cancellation shall be given by the [<sup>F1</sup>FCA] to a society before its registration is cancelled otherwise than—
- (a) at its own request; or
  - (b) by virtue of section 52(4) of this Act; or
  - (c) after the lodging with the [<sup>F1</sup>FCA] of such a certificate as is referred to in section 59 of this Act;
- and if before the expiration of the period of that notice the society duly lodges an appeal under section 18(1)(c) of this Act, then, without prejudice to section 17(2) of this Act, the society's registration shall not be cancelled before the date of the determination or abandonment of the appeal.
- (4) Where the ground specified in any notice under subsection (3) of this section is that referred to in subsection (1)(c)(ii) thereof—
- (a) the [<sup>F1</sup>FCA] shall consider any representations with respect to the proposed cancellation made to the [<sup>F1</sup>FCA] by the society within the period of duration of the notice and, if the society so requests, afford it an opportunity of being heard by the [<sup>F1</sup>FCA] before its registration is cancelled;
  - (b) if it appears to the [<sup>F1</sup>FCA] at any time after the expiration of one month from the date of the giving of the notice that there have not been taken the steps which by that time could reasonably have been taken for the purpose—
    - (i) of converting the society into, or amalgamating it with, or transferring its engagements to, a company in accordance with section 52 of this Act; or
    - (ii) of dissolving the society under section 55 of this Act,
 the [<sup>F1</sup>FCA] may give such directions as [<sup>F7</sup>it] thinks fit for securing that the affairs of the society are wound up before cancellation of the registration takes effect.
- [<sup>F8</sup>(4A) The FCA must consult the PRA before issuing directions under subsection (4) to a registered society which is a PRA-authorised person.]
- (5) Any person who contravenes or fails to comply with any directions given by the [<sup>F1</sup>FCA] under subsection (4)(b) of this section shall be liable on summary conviction to a fine not exceeding [<sup>F9</sup>level 3 on the standard scale] or to imprisonment for a term not exceeding three months or to both.
- (6) Notice of every cancellation under this section of a society's registration shall, as soon as practicable after it takes place, be published in the Gazette and in some local newspaper circulating in or about the locality in which the society's registered office is situated.
- (7) As from the date of the publication in the Gazette under subsection (6) of this section of notice of the cancellation of a society's registration, the society shall absolutely cease

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to be entitled to any of the privileges of this Act as a registered society, but without prejudice to any liability actually incurred by the society which may be enforced against it as if the cancellation had not taken place.

#### Textual Amendments

- F1 Word in s. 16 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)(g) (with Sch. 12)
- F2 Words in s. 16(1) repealed (1.12.2001) by S.I. 2001/3649, [arts. 1](#), 179(1)
- F3 Word in s. 16 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)(b)(2)(g) (with Sch. 12)
- F4 S. 16(1)(a)(i) word substituted (1.9.1996) by S.I. 1996/1738, [arts. 1](#), 3(2)(a)
- F5 Words in s. 16(1)(c) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(1)(2), Sch. 3 Pt. III para. 218(d)(i), [Sch. 4](#) (with art. 13(3), Sch. 5); S.I. 2001/3538, [art. 2\(1\)](#)
- F6 S. 16(2A) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 2 para. 3\(2\)](#) (with Sch. 12)
- F7 Words in s. 16(4) substituted (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(1), [Sch. 3 Pt. III para. 219](#) (with art. 13(3), Sch. 5); S.I. 2001/3538, [art. 2\(1\)](#)
- F8 S. 16(4A) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 2 para. 3\(3\)](#) (with Sch. 12)
- F9 Words substituted (E.W.S.) by virtue of (E.W.) [Criminal Justice Act 1982 \(c. 48, SIF 39:1\)](#), [ss. 38](#), 46 and (S.) [Criminal Procedure \(Scotland\) Act 1975 \(c. 21, SIF 39:1\)](#), [ss. 289F](#), 289G

#### Modifications etc. (not altering text)

- C1 S. 16 extended by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), [s. 2\(6\)](#)
- C2 S. 16 applied (with modifications) (2.7.2002) by 1979 c. 34, [s. 20\(1A\)-\(1D\)](#) (as inserted by S.I. 2002/1501, [art. 2\(15\)](#) (with art. 13))
- C3 S. 16(1)(a)(i) modified by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), [s. 6\(1\)\(b\)](#)
- C4 S. 16(c)(i)(ii) modified by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), [s. 20\(1\)\(a\)\(b\)](#)
- C5 Ss. 3, 16(7) excluded by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), [s. 2\(5\)](#)

## 17 Suspension of registration of society. **E+W+S**

- (1) Where under section 16(1)(c) of this Act the [F10FCA] might F11. . . cancel the registration of a registered society, the [F10FCA] may, by [F12notice in writing]—
  - (a) subject to subsection (3) of this section, suspend the registration of that society for any term not exceeding three months; and
  - (b) F13. . . subject to section 18(1)(d) of this Act, from time to time renew any such suspension for the like period.
- (2) Where before the expiration of the period of a notice under section 16(3) of this Act of the proposed cancellation of a society's registration, that society duly lodges an appeal from the proposed cancellation under section 18(1)(c) of this Act, the [F10FCA] may by [F14notice in writing]suspend the society's registration from the expiration of that period until the date of the determination or abandonment of the appeal.
- (3) Not less than two months previous notice in writing specifying briefly the ground of the proposed suspension shall be given by the [F10FCA] to a society before its registration is suspended under subsection (1)(a) of this section.
- (4) Notice of every suspension of a society's registration under subsection (1)(a) or (2) of this section and of any renewal of a suspension under subsection (1)(b) thereof shall,

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as soon as practicable after it takes place, be published in the Gazette and in some local newspaper circulating in or about the locality in which the society's registered office is situated.

- (5) From the date of publication in the Gazette of a notice under subsection (4) of this section of the suspension of any society's registration under subsection (1)(a) or (2) of this section until the period of that suspension and any renewal thereof under subsection (1)(b) of this section ends (whether on the expiration of that period or on a successful appeal under section 18(1)(d) of this Act from such a renewal) the society shall not be entitled to any of the privileges of this Act as a registered society, but without prejudice to any liability actually incurred by the society which may be enforced against it as if the suspension had not taken place.

[<sup>F15</sup>(5A) The FCA must consult the PRA before suspending, or renewing the suspension of, the registration of a registered society which is a PRA-authorised person.]

<sup>F16</sup>(6) . . . . .

#### Textual Amendments

- F10** Word in s. 17 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)(h) (with Sch. 12)
- F11** Words in s. 17(1) repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(1)(2), Sch. 3 Pt. III para. 220(a)(i), [Sch. 4](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)
- F12** Words in s. 17(1) substituted (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(1), [Sch. 3 Pt. III para. 220\(a\)\(ii\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)
- F13** Words in s. 17(1)(b) repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(1)(2), Sch. 3 Pt. III para. 220(a)(iii), [Sch. 4](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)
- F14** Words in s. 17(2) substituted (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(1), [Sch. 3 Pt. III para. 220\(b\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)
- F15** S. 17(5A) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 2 para. 4](#) (with Sch. 12)
- F16** S. 17(6) repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(1)(2), Sch. 3 Pt. III para. 220(c), [Sch. 4](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)

#### Modifications etc. (not altering text)

- C6** Ss. 17, 18 extended by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), [s. 2\(6\)](#)
- C7** Ss. 17(1), 18 applied with modifications by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), [s. 20\(1\)](#)

## 18 Appeal from refusal, cancellation or suspension of registration of society or rules. **E+W+S**

- (1) A society may appeal from any decision of the [<sup>F17</sup>FCA]—
- to refuse registration of the society (including a refusal by reason only of anything contained in or omitted from the society's rules) on any ground other than that the [<sup>F17</sup>FCA] is not satisfied that either of the conditions specified in section 1(2) of this Act is fulfilled; or
  - to refuse registration of any amendment of the society's rules; or
  - to cancel the society's registration (being a cancellation of which notice is required under section 16(3), and not being a cancellation by virtue of section 16(1)(c)(ii), of this Act) if the appeal is lodged before the expiration

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- of the period of notice of the proposed cancellation given under the said section 16(3); or
- (d) to renew under section 17(1)(b) of this Act a suspension of the society's registration so far as that renewal provides for the suspension to continue more than three months from the original date of suspension.
- (2) An appeal under the foregoing subsection shall lie [<sup>F18</sup>to the High Court or, in the case of a society whose registered office is situated in Scotland, to the Court of Session]
- (3) If any decision such as is mentioned in subsection (1)(a) or (b) of this section is overruled on appeal, the [<sup>F17</sup>FCA] shall thereupon issue to the society an acknowledgment of registration of the society under section 2(3), or, as the case may be, of the amendment under section 10(3), of this Act.

#### Textual Amendments

- F17** Word in s. 18 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)(i) (with Sch. 12)
- F18** Words in s. 18(2) substituted (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(1), **Sch. 3 Pt. III para. 221(b)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2(1)**

#### Modifications etc. (not altering text)

- C8** Ss. 17, 18 extended by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), **s. 2(6)**
- C9** Ss. 17(1), 18 applied with modifications by [Credit Unions Act 1979 \(c. 34, SIF 55:3\)](#), **s. 20(1)**

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