



# Industrial and Provident Societies Act 1965 (repealed)

## 1965 CHAPTER 12

### *Dissolution of society*

#### **55 Dissolution of registered society.**

Subject to section 59 of this Act, a registered society may be dissolved—

- (a) on its being wound up in pursuance of an order or resolution made as is directed in regard to companies by the [<sup>F1</sup>Insolvency Act 1986], the provisions whereof shall apply to that order or resolution as if the society were a company, but subject to the following modifications, that is to say—
  - (i) any reference in those provisions to the registrar within the meaning of that Act shall for the purposes of the society's winding up be construed as a reference to the [<sup>F2</sup>the Authority]. . . ; and
  - [<sup>F3</sup>(ia) any reference in those provisions to a company registered in Scotland shall have effect as a reference to a society registered under this Act whose registered office is situated in Scotland;]
  - (ii) if the society is wound up in Scotland, the court having jurisdiction shall be the sheriff court within whose jurisdiction the society's registered office is situated; or
- (b) in accordance with section 58 of this Act, by an instrument of dissolution to which not less than three-fourths of the members of the society have given their consent testified by their signatures to the instrument.

#### **Textual Amendments**

- F1** Words substituted by virtue of [Companies Consolidation \(Consequential Provisions\) Act 1985 \(c. 9, SIF 27\), s. 30, Sch. 2](#) and [Insolvency Act 1986 \(c. 45, SIF 66\), s. 439\(2\), Sch. 14](#)
- F2** Words in s. 55(a)(i) substituted (1.12.2001 subject to a saving in S.I 2001/2617, art. 13(3), Sch. 5 para. 2(d)) by [S.I. 2001/2617, art. 13\(1\), Sch. 3 Pt. III para. 215\(i\)](#)

*Status: Point in time view as at 01/12/2001.*

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**F3** S. 55(a)(ia) inserted (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(1), **Sch. 3 Pt. III para. 229(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

## 56 Power of registrar to petition for winding up.

In the case of a 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, a petition for the winding up of the society may be presented to the court by [<sup>F4</sup>the Authority] if it appears to [<sup>F4</sup>the Authority]—

- (a) that neither of the conditions specified in section 1(2) of this Act is fulfilled in the case of that society; and
- (b) that it would be in the interests of persons who have invested or deposited money with the society or of any other person that the society should be wound up.

### Textual Amendments

**F4** Words in s. 56 substituted (1.12.2001 subject to a saving in S.I 2001/2617, art. 13(3), Sch. 5 para. 2(d)) by S.I. 2001/2617, art. 13(1), **Sch. 3 Pt. III para. 215(i)(ii)**

## 57 Liability of members in winding up.

Where a registered society is wound up by virtue of section 55(a) of this Act, the liability of a present or past member of the society to contribute for payment of the debts and liabilities of the society, the expenses of winding up, and the adjustment of the rights of contributories amongst themselves, shall be qualified as follows, that is to say—

- (a) no person who ceased to be a member not less than one year before the beginning of the winding up shall be liable to contribute;
- (b) no person shall be liable to contribute in respect of any debt or liability contracted after he ceased to be a member;
- (c) no person who is not a member shall be liable to contribute unless it appears to the court that the contributions of the existing members are insufficient to satisfy the just demands on the society;
- (d) no contribution shall be required from any person exceeding the amount, if any, unpaid on the shares in respect of which he is liable as a past or present member;
- (e) in the case of a withdrawable share which has been withdrawn, a person shall be taken to have ceased to be a member in respect of that share as from the date of the notice or application for withdrawal.

## 58 Instrument of dissolution.

- (1) The following provisions of this section shall have effect where a society is to be dissolved by an instrument of dissolution under section 55(b) of this Act.
- (2) The instrument of dissolution shall set forth—
  - (a) the liabilities and assets of the society in detail;
  - (b) the number of the members and the nature of their respective interests in the society;

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- (c) the claims of creditors, if any, and the provision to be made for their payment; and
  - (d) unless stated in the instrument of dissolution to be left to the award of [<sup>F5</sup>the Authority], the intended appropriation or division of the funds and property of the society.
- (3) Alterations in the instrument of dissolution may be made by the consent of not less than three-fourths of the members of the society testified by their signatures to the alteration.
- (4) The instrument of dissolution shall be sent to [<sup>F6</sup>the Authority] accompanied by a statutory declaration made by three members and the secretary of the society that all relevant provisions of this Act have been complied with; and any person knowingly making a false or fraudulent declaration in the matter shall be guilty of a misdemeanour or, in Scotland, an offence.
- (5) The instrument of dissolution and any alterations thereto shall be registered in like manner as an amendment of the rules of the society and shall be binding upon all the members of the society, but shall not be so registered until [<sup>F6</sup>the Authority] has received such a final return from the society as is referred to in section 39(4) of this Act.
- (6) [<sup>F6</sup>the Authority] shall cause notice of the dissolution to be advertised <sup>F7</sup>. . . in the Gazette and in some newspaper circulating in or about the locality in which the society's registered office is situated; and unless—
  - (a) within three months from the date of the Gazette in which that advertisement appears a member or other person interested in or having any claim on the funds of the society commences in the county court, or in Scotland before the sheriff, having jurisdiction in that locality proceedings to set aside the dissolution of the society; and
  - (b) that dissolution is set aside accordingly,then, subject to subsection (7) of this section, the society shall be legally dissolved from the date of the advertisement and the requisite consents to the instrument of dissolution shall be deemed to have been duly obtained without proof of the signatures thereto.
- (7) If the certificate referred to in section 59 of this Act has not been lodged with the [<sup>F6</sup>the Authority] by the date of the advertisement referred to in subsection (6) of this section, the society shall be legally dissolved only from the date when that certificate is so lodged.
- (8) Notice of any proceedings to set aside the dissolution of a society shall be sent to [<sup>F6</sup>the Authority] by the person taking those proceedings not later than seven days after they are commenced or not later than the expiration of the period of three months referred to subsection (6) of this section, whichever is the earlier; and notice of any order setting the dissolution aside shall be sent by the society to [<sup>F6</sup>the Authority] within seven days after the making of the order.
- (9) In the application of this section to a society which for the time being consists solely of two registered societies, the reference in subsection (4) thereof to three members shall be construed as a reference to both members.

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#### Textual Amendments

- F5** Words in s. 58(2)(d) substituted (1.12.2001 subject to a saving by S.I. 2001/2617, art. 13(3), **Sch. 5 para. 2(d)**) by S.I. 2001/2617, art. 13(1), **Sch. 3 Pt. III para. 215(iii)**
- F6** Words in s. 58 substituted (1.12.2001) by S.I. 2001/3617, arts. 2(b), 13(1), **Sch. 3 Pt. III para. 215** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F7** Words in s. 58(6) repealed (1.12.2001) by S.I. 2001/3649, **arts. 1, 180**
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#### Modifications etc. (not altering text)

- C1** S. 58(5)(6) applied (S.) (1.11.2001) by 200 asp 10, s. 63, Sch. 7 para. 9(5)(a)(b); S.S.I. 2001/336, art. 2(3), **Sch. Pt. II**
- C2** S. 58(5), (6) restricted by **Housing Associations Act 1985** (c. 69, SIF 61), **s. 21(5)**

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