



Industrial and Provident Societies Act 1965

1965 CHAPTER 12

Operations of registered society

7 Carrying on of banking by societies

- (1) A society which has any withdrawable share capital—
 - (a) shall not be registered with the object of carrying on, and
 - (b) if a registered society shall not carry on,
the business of banking.
- (2) Every registered society which carries on the business of banking shall on the first Monday in February and August in each year make out, and until the next such Monday keep hung up in a conspicuous position in its registered office and in every other office or place of business belonging to the society where the business of banking is carried on, a statement in the form set out in Schedule 2 to this Act or as near thereto as the circumstances admit.
- (3) The taking of deposits of not more than two pounds in any one payment and not more than fifty pounds for any one depositor, payable on not less than two clear days' notice, shall not be treated for the purposes of subsections (1) and (2) of this section as carrying on the business of banking ; but no society which takes such deposits shall make any payment of withdrawable capital while any payment due on account of any such deposit is unsatisfied.
- (4) Where, in the case of a society to which section 4 of this Act applies, being a society registered under the Act of 1893 before 27th April 1952—
 - (a) no amendment of the society's registered rules has been registered since that date ; and
 - (b) those rules permit the taking of deposits up to, but not in excess of, ten shillings in any one payment and twenty pounds for any one depositor; and
 - (c) the society's committee has since that date by a resolution recorded in writing, whether passed before or after the commencement of this Act, resolved

Status: This is the original version (as it was originally enacted).

that there shall be substituted for the said limits of ten shillings and twenty pounds specified higher limits not exceeding two pounds and fifty pounds respectively,

then, subject to subsection (5) of this section, the society's registered rules shall have effect subject to that resolution.

- (5) Where subsection (4) of this section applies to any society, the society's committee shall not have power to vary or revoke any resolution such as is mentioned in paragraph (c) of that subsection/, but upon the registration after the commencement of this Act under section 10 thereof of any amendment of the rules of the society—
- (a) the registered rules of the society shall have effect as if any such resolution had not been passed ; and
 - (b) if not already exercised, the power of the society's committee to pass such a resolution shall determine,

so, however, that paragraph (a) of this subsection shall not affect any sums standing deposited with the society immediately before the date of registration of the amendment.

- (6) Any registered society which—
- (a) carries on the business of banking in contravention of subsection (1) of this section; or
 - (b) fails to comply with subsection (2) of this section; or
 - (c) makes any payment of withdrawable capital in contravention of subsection (3) of this section,

shall be liable on summary conviction to a fine not exceeding five pounds.