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## SCHEDULES

### <sup>F1</sup>SCHEDULE 1

#### Textual Amendments

**F1** Sch. 1 repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), Sch. 3 para. 119, **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

### SCHEDULE 2

Sections 5 and 7.

#### THE ACTIVITIES OF A FRIENDLY SOCIETY

A. Long term business of one or more of the following classes:

<i>Number</i>	<i>Description</i>	<i>Nature of business</i>
I	Life and annuity	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life, but excluding (in each case) contracts within Class III below.
II	Marriage [ <sup>F2</sup> , civil partnership] and birth	Effecting and carrying out contracts of insurance to provide a sum on marriage [ <sup>F3</sup> or on the formation of a civil partnership] or on the birth of a child, being contracts expressed to be in effect for a period of more than one year.
III	Linked long term	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description (whether or

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		not specified in the contracts) or by reference to fluctuation in, or in an index of, the value of property of any description (whether or not so specified).
IV	Permanent health	Effecting and carrying out contracts of insurance providing specified benefits against risks of persons becoming incapacitated in consequence of sustaining injury as a result of an accident or of an accident of a specified class or of sickness or infirmity, being contracts that: <ul style="list-style-type: none"> <li>(a) are expressed to be in effect for a period of not less than five years, or until the normal retirement age for the persons concerned, or without limit of time, and</li> <li>(b) either are not expressed to be terminable by the insurer, or are expressed to be so terminable only in special circumstances mentioned in the contract.</li> </ul>
V	Tontines	Effecting and carrying out tontines.
VI	Capital redemption	Effecting and carrying out capital redemption contracts.
VII	Pension fund management	Effecting and carrying out— <ul style="list-style-type: none"> <li>(a) contracts to manage the investments of pension funds; or</li> <li>(b) contracts of the kind mentioned in paragraph (a) above that are combined with contracts of insurance covering either conservation of capital or payment of a minimum interest.</li> </ul>

#### Textual Amendments

**F2** Words in Sch. 2 inserted (5.12.2005) by [Civil Partnership Act 2004 \(c. 33\)](#), s. 263(10)(b), [Sch. 27 para. 143\(a\)](#); S.I. 2005/3175, art. 2(2)

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**F3** Words in Sch. 2 inserted (5.12.2005) by Civil Partnership Act 2004 (c. 33), s. 263(10)(b), Sch. 27 para. 143(b); S.I. 2005/3175, art. 2(2)

B. General business of one or more of the following classes:

<i>Number</i>	<i>Description</i>	<i>Nature of business</i>
1	Accident	Effecting and carrying out contracts of insurance providing fixed pecuniary benefits or benefits in the nature of indemnity (or a combination of both) against risks of the person insured:  (a) sustaining injury as the result of an accident or of an accident of a specified class, or  (b) dying as the result of an accident or of an accident of a specified class, or  (c) becoming incapacitated in consequence of disease or of disease of a specified class,  inclusive of contracts relating to industrial injury and occupational disease but exclusive of contracts falling within Class 2 below or within Class IV in head A of this Schedule (permanent health).
2	Sickness	Effecting and carrying out contracts of insurance providing fixed pecuniary benefits or benefits in the nature of indemnity (or a combination of the two) against risks of loss to the persons insured attributable to sickness or infirmity, but exclusive of contracts falling within Class IV in head A of this Schedule.
3	Miscellaneous financial loss	Effecting and carrying out contracts of insurance against any of the following risks, namely:

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- (a) risks of loss to the persons insured attributable to their being unemployed, or
  - (b) risks of loss to the persons insured attributable to their being in distressed circumstances, or
  - (c) risks of loss to the persons insured attributable to sickness or infirmity,
- but exclusive of contracts falling within Class 2 above or Class IV in head A of this Schedule.

C. Business, not falling within the descriptions of insurance business in head A or B above, consisting of the effecting and carrying out of contracts in accordance with which benefits are provided—

- (a) for the relief or maintenance of any persons during sickness or when in distressed circumstances; or
- (b) to meet the funeral expenses of any persons.

D. Activities carried out in accordance with the society's rules (or with arrangements made under the rules) whereby discretionary benefits are provided—

- (a) for the education of any persons;
- (b) for the relief or maintenance of any persons during sickness, when out of employment or when in distressed circumstances; or
- (c) for the funeral expenses of any persons.

### SCHEDULE 3

Section 5.

#### ESTABLISHMENT, INCORPORATION AND CONSTITUTION OF INCORPORATED FRIENDLY SOCIETIES

##### *Requirements for establishment and incorporation*

- 1 (1) Any 7 or more persons may establish a society under this Act by taking the following steps—
  - (a) agreeing upon the purposes of the society and upon the extent of its powers in a memorandum the provisions of which comply with the requirements of this Schedule;
  - (b) agreeing upon rules for the regulation of the society which comply with the requirements of this Schedule; and

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- (c) sending to the [F4FCA] 3 copies of the memorandum and the rules, each copy signed by at least 7 of those persons (or, if there are only 7, by all of them) and (unless the secretary is to be elected) by the intended secretary.
- (2) Where two or more friendly societies propose to amalgamate under section 85 above, they shall establish their successor society by—
- (a) agreeing upon the purposes of their successor and upon the extent of its powers in a memorandum the provisions of which comply with the requirements of this Schedule;
- (b) agreeing upon rules for the regulation of their successor which comply with the requirements of this Schedule;
- (c) each approving the memorandum and the rules by special resolution; and
- (d) sending to the [F4FCA] 3 copies of the rules and of the memorandum, each copy signed by the secretary of each of the societies participating in the amalgamation.
- (3) Where copies of the memorandum and the rules are sent to the [F4FCA] in accordance with sub-paragraph (1)(c) or (2)(d) above, the [F4FCA], if satisfied that—
- (a) the memorandum and the rules are in conformity with this Act; and
- (b) the intended name of the society is not, in its opinion, undesirable,
- shall register the society and issue it with a certificate of incorporation.
- (4) The [F4FCA] shall not register a society as the successor society to any friendly societies proposing to amalgamate unless [F5the appropriate authority]<sup>F6</sup>. . . has confirmed the proposed amalgamation under section 85 above.
- [F7(5) The [F4FCA] shall not register a society which, if it were registered <sup>F8</sup>. . ., would be a society to which section 37(2) or (3) above applies if the [F4FCA] is satisfied that the principal place of business of the society is to be situated outside the United Kingdom; <sup>F8</sup>. . .]

#### Textual Amendments

- F4** Word in Sch. 3 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 51\(2\)](#) (with Sch. 12)
- F5** Words in Sch. 3 para. 1(4) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 51\(3\)](#) (with Sch. 12)
- F6** Words in Sch. 3 para. 1(4) repealed (1.12.2001) by [S.I. 2001/2617](#), art. 2(b), 13(2), [Sch. 4](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)
- F7** [Sch. 3 para. 1\(5\)](#) inserted (18.7.1996) by [S.I. 1996/1669](#), [reg. 14\(2\)](#)
- F8** Words in Sch. 3 para. 1(5) repealed (1.12.2001) by [S.I. 2001/2617](#), art. 2(b), 13(2), [Sch. 4](#) (with art. 13(2), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)

#### Commencement Information

- I16** [Sch. 3 para. 1](#) wholly in force; [Sch. 3 para. 1](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 3 para. 1](#) in force at 1.2.1993 by [S.I. 1993/16](#), art. 2, [Sch. 3](#)

- 2 (1) A registered friendly society may be incorporated under this Act only if the following steps are taken—
- (a) the proposal to apply for incorporation is submitted to the members of the society for their consent by the procedure required for a proposal to amend

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- the rules (or, in the case of a society with branches, the general rules) of the society;
- (b) consent to the application is given in accordance with that procedure;
- (c) the society agrees, in accordance with that procedure—
- (i) upon the purposes of the society after incorporation, and upon the extent of its powers, in a memorandum the provisions of which comply with the requirements of this Schedule; and
- (ii) upon rules for the regulation of the society after incorporation which comply with the requirements of this Schedule; and
- (d) there are sent to the [F<sup>4</sup>FCA]—
- (i) 3 copies of the memorandum and the rules, each signed by at least 7 members and by the secretary of the society; and
- (ii) a statutory declaration by the secretary that the steps mentioned in paragraphs (a) and (b) above were taken.
- (2) Where copies of the memorandum, the rules and the statutory declaration are sent to the [F<sup>4</sup>FCA] in accordance with paragraph (c) of sub-paragraph (1) above, the [F<sup>4</sup>FCA], if satisfied that—
- (a) the steps mentioned in sub-paragraph (1)(a) and (b) were taken;
- (b) the provisions of the memorandum and the rules are in conformity with this Act; <sup>F9</sup> . . .
- (c) the name proposed for the society after incorporation is not, in its opinion, undesirable,
- shall register the society and issue it with a certificate of incorporation.
- <sup>F9</sup> [F<sup>10</sup> and
- (d) in the case of a society to which section 37(2) or (3) above applies, the principal place of business of the society is situated in the United Kingdom.]

#### Textual Amendments

**F4** Word in Sch. 3 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 51(2) (with Sch. 12)

**F9** Word in Sch. 3 para. 2(2)(b) omitted (18.7.1996) by virtue of S.I. 1996/1669, reg. 14(3)

**F10** Sch. 3 para. 2(2)(d) and the word “and” immediately preceding it inserted (18.7.1996) by S.I. 1996/1669, reg. 14(3)

#### Commencement Information

**I17** Sch. 3 para. 2 wholly in force; Sch. 3 para. 2 not in force at Royal Assent see s. 126(2); Sch. 3 para. 2 in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3

- 3 On registering a society under paragraph 1 or 2 above, the [F<sup>4</sup>FCA] shall—
- (a) retain and register one copy of the memorandum and of the rules;
- (b) return another copy to the secretary of the society, together with a certificate of registration; and
- (c) keep another copy, a copy of the certificate of incorporation and a copy of the certificate of registration of the memorandum and the rules, in the public file of the society.

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#### Textual Amendments

- F4** Word in [Sch. 3](#) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), [art. 1\(1\)](#), [Sch. 9 para. 51\(2\)](#) (with [Sch. 12](#))

#### Commencement Information

- I18** [Sch. 3 para. 3](#) wholly in force; [Sch. 3 para. 3](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 3 para. 3](#) in force at 1.2.1993 by [S.I. 1993/16](#), [art. 2](#), [Sch. 3](#)

#### *The memorandum*

- 4 (1) The memorandum of an incorporated friendly society shall—
- specify the name of the society;
  - state whether the registered office of the society is to be situated in England and Wales, or in Scotland, or in Northern Ireland;
  - specify the address of its registered office;
  - state the purposes of the society and the extent of its powers; and
  - if any of those purposes are to include the carrying on of any business outside the United Kingdom, state with respect to those purposes that that is the case.
- (2) The choice stated in a society's memorandum in pursuance of sub-paragraph (1)(b) above may not be altered by the society.
- (3) In this Act, in relation to an incorporated friendly society, "memorandum" means the memorandum registered under paragraph 3 above, including the record of any alteration under paragraph 6 below.

#### Commencement Information

- I19** [Sch. 3 para. 4](#) wholly in force; [Sch. 3 para. 4](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 3 para. 4](#) in force at 1.2.1993 by [S.I. 1993/16](#), [art. 2](#), [Sch. 3](#)

#### *The rules*

- 5 (1) The rules of an incorporated friendly society shall provide for the matters specified in the Table in sub-paragraph (3) below.
- (2) Nothing in this paragraph shall be taken to authorise any provision in the rules of a society which is inconsistent with, or rendered void by, this Act (or any instrument made under it).
- (3) The Table referred to in sub-paragraph (1) above is as follows:—

#### TABLE OF MATTERS TO BE COVERED BY THE RULES

- The terms of admission of members and the manner in which membership is to cease.
- If the terms on which a benefit is provided are not in the rules, the manner in which they are to be determined.
- Any forfeitures which may be imposed on any member.
- The consequences of non-payment of any subscription.
- The manner of remunerating the auditors.

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- (6) As respects the officers—
  - (a) the manner of their election or appointment and their removal;
  - (b) the manner of remunerating them; and
  - (c) the circumstances in which pensions may be awarded to persons by virtue of their office and the method of determining the terms of such pensions.
- (7) The powers and duties of the committee of management.
- (8) The investment of the funds of the society.
- (9) The manner in which disputes are to be settled.
- (10) If the society has a common seal, the form, custody and use of the seal.
- (11) The calling and holding of meetings and, in particular—
  - (a) the right to requisition meetings;
  - (b) the right to move resolutions at meetings;
  - (c) the manner in which notice of meetings, and of any resolutions to be moved at meetings, is to be given;
  - (d) the procedure to be observed at meetings;
  - (e) the form of notice for the convening of a meeting;
  - (f) the voting rights of members, the right to demand a poll and the manner in which a poll is to be taken.
- (12) The entitlement of members to participate in the distribution of any surplus assets after payments to creditors, on the winding up, or dissolution by consent, of the society.
- (13) The procedure for altering the society’s memorandum and rules.

#### **Commencement Information**

**I20** Sch. 3 para. 5 wholly in force; Sch. 3 para. 5 not in force at Royal Assent see s. 126(2); Sch. 3 para. 5 in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3

#### *Requirements for alteration of memorandum and rules*

- 6 (1) An incorporated friendly society may in the manner prescribed by its rules alter the memorandum or rules of the society by the addition, rescission or variation of any provision.
- (2) Sub-paragraph (1) above does not apply to any alteration to which section 13(6) above applies or which is prohibited by paragraph 4(2) above.
- (3) An alteration to the name or registered office of an incorporated friendly society shall (instead of being effected under this paragraph) be effected under paragraph 9 or 12 below; and it is not necessary to alter the memorandum or rules of such a society by reason only that its name or registered office is changed.
- (4) Where a society makes an alteration of its memorandum or rules under this paragraph, it shall send to the [F<sup>4</sup>FCA]—
  - (a) 3 copies of a record of the alteration signed by the secretary; and
  - (b) a statutory declaration by the secretary that the alteration was made in accordance with the procedure prescribed by the society’s rules.



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- (5) On making an alteration of its memorandum or rules under this paragraph the society shall determine the date on which it intends the alteration to take effect; and the record of the alteration shall specify that date (in this paragraph referred to as “the specified date”).
- (6) Where copies of a record of an alteration of a society’s memorandum or rules are sent to the [F<sup>4</sup>FCA] under sub-paragraph (4) above and the [F<sup>4</sup>FCA] is satisfied that the alteration is in conformity with this Act, the [F<sup>4</sup>FCA] shall—
- (a) retain and register one of the copies;
  - (b) return another to the secretary of the society together with a certificate of registration of the alteration; and
  - (c) keep another copy, together with a copy of the certificate of registration of the alteration, in the public file of the society.
- (7) An alteration of the memorandum or rules of a society under this paragraph shall not take effect until the specified date or, if the alteration is registered under sub-paragraph (6) above on a later date, the date on which the certificate of registration is issued.
- (8) If an incorporated friendly society arranges for the publication in consolidated form of its memorandum or rules as altered for the time being—
- (a) it shall send a copy to the [F<sup>4</sup>FCA]; and
  - (b) the [F<sup>4</sup>FCA] shall keep the copy in the public file of the society;
- but the [F<sup>4</sup>FCA] shall not register the copy.
- (9) If an incorporated friendly society fails, within the period of 3 months beginning with the date on which an alteration to its memorandum or rules is made, to comply with sub-paragraph (4) above, the society shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.

#### Textual Amendments

- F4** Word in [Sch. 3](#) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), [art. 1\(1\)](#), [Sch. 9 para. 51\(2\)](#) (with [Sch. 12](#))

#### Commencement Information

- I21** [Sch. 3 para. 6](#) wholly in force; [Sch. 3 para. 6](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 3 para. 6](#) in force at 1.2.1993 by [S.I. 1993/16](#), [art. 2](#), [Sch. 3](#)

### Membership

- 7 A person under 18—
- (a) may, if the rules do not otherwise provide, be admitted as a member of an incorporated friendly society and, if he is over 16 by himself, and if he is under 16 by his parent or guardian, execute all instruments and give all receipts necessary to be executed or given under the rules;
  - (b) may not vote or hold any office in the society; and
  - (c) may not nominate, or join in nominating, a person for election as a member of the committee of management, or (if the secretary is elected) as secretary, of the society.

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#### Commencement Information

**I22** Sch. 3 para. 7 wholly in force; Sch. 3 para. 7 not in force at Royal Assent see s. 126(2); Sch. 3 para. 7 in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3

#### *Liability of members*

- 8 (1) The liability of a member of an incorporated friendly society is limited to the amount of any subscription to the society which is outstanding.
- (2) No subscription of a member of an incorporated friendly society shall be recoverable at law except on the winding up of the society.

#### Commencement Information

**I23** Sch. 3 para. 8 wholly in force; Sch. 3 para. 8 not in force at Royal Assent see s. 126(2); Sch. 3 para. 8 in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3

#### *Name*

- 9 (1) The name of an incorporated friendly society must have "Limited" as its last word, except that, if the society is to be registered with a memorandum stating that its registered office is to be situated in Wales, the name may have "cyfyngedig" (the Welsh equivalent of "Limited") as its last word.
- (2) <sup>F11</sup> .....
- (3) If the society has a common seal, it shall bear the registered name of the society.
- (4) An incorporated friendly society may change its name by a resolution of the society in general meeting after the giving of such notice as is required for a special resolution.
- (5) Where a society changes its name under this paragraph, notice of the change shall be sent to the [F<sup>4</sup>FCA] and, unless it is of the opinion that the changed name is undesirable, the [F<sup>4</sup>FCA] shall—
- (a) register the notice of the change of name;
  - (b) issue the society with a certificate of registration; and
  - (c) keep a copy of the certificate of registration in the public file of the society.
- (6) A change of name shall not take effect until the date on which the certificate of registration under sub-paragraph (5) above is issued or such later date as may be specified in the certificate.
- (7) A change of name shall not affect the rights and obligations of the society, of any of its members or of any other person concerned.

#### Textual Amendments

**F4** Word in Sch. 3 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013](#) (S.I. 2013/496), art. 1(1), [Sch. 9 para. 51\(2\)](#) (with Sch. 12)

**F11** Sch. 3 para. 9(2) repealed (1.8.1996) by [S.I. 1996/1188](#) art. 7

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#### Commencement Information

**I24** Sch. 3 para. 9 partly in force; Sch. 3 para. 9 not in force at Royal Assent see s. 126(2); Sch. 3 para. 9(1)(3)-(7) in force 2.1.1993 by S.I. 1993/16, art. 2, Sch. 3

- 10 (1) Every incorporated friendly society shall have its name mentioned in legible characters—
- (a) in all its business letters, its notices and its other official publications;
  - (b) in all its bills of parcels, invoices, receipts and letters of credit; <sup>F12</sup>...
  - (c) in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the society.
  - <sup>F13</sup>(d) in all its business correspondence and documentation that takes electronic form; and
  - (e) on all its websites.]
- (2) Where the name of an incorporated friendly society does not include the words “friendly society”, the fact that it is an incorporated friendly society shall be shown in legible characters in all documents such as are mentioned in sub-paragraph (1) above.
- <sup>F14</sup>(3) The reference in this paragraph to a society’s websites includes a reference to a section of another person’s website—
- (a) which relates to the society; and
  - (b) which the society placed, or the placement of which the society authorised, on the other person’s website.]

#### Textual Amendments

**F12** Word in Sch. 3 para. 10(1) omitted (12.4.2011) by virtue of The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), **9(a)**

**F13** Sch. 3 para. 10(1)(d)(e) inserted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), **9(b)**

**F14** Sch. 3 para. 10(3) inserted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), **9(c)**

#### Commencement Information

**I25** Sch. 3 para. 10 wholly in force; Sch. 3 para. 10 not in force at Royal Assent see s. 126(2); Sch. 3 para. 10 in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3

#### *Offences relating to society’s name*

- 11 (1) If an incorporated friendly society—
- (a) fails, within the period of 3 months beginning with the date on which a resolution changing its name is passed, to send to the <sup>F4</sup>FCA] the notice required by paragraph 9(5) above; or
  - (b) fails to comply with paragraph 10(1) or (2) above;
- the society shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (2) If an officer of an incorporated friendly society or a person on its behalf—
- (a) issues or authorises the issue of any business letter, notice or other official publication of the society or any bill of parcels, invoice, receipt or letter of

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credit of the society in which the society's name is not mentioned as required by paragraph 10(1) above; or

- (b) signs or authorises to be signed on behalf of the society any bill of exchange, promissory note, endorsement, cheque or order for money or goods in which the society's name is not so mentioned,

he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale; and, in the case of the conduct mentioned in paragraph (b) above, he is further personally liable to the holder of the bill of exchange, promissory note, cheque or order for money or goods for the amount of it (unless it is duly paid by the society).

- (3) If an officer of an incorporated friendly society whose name does not include the words "friendly society" or a person on its behalf—

- (a) issues or authorises the issue of any such document as is mentioned in sub-paragraph (2)(a) above, and the fact that it is an incorporated friendly society is not shown in legible characters in the document; or

- (b) signs or authorises to be signed on behalf of the society any such document as is mentioned in sub-paragraph (2)(b) above, and the fact that it is an incorporated friendly society is not shown in legible characters in the document,

he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale; and, in the case of the conduct mentioned in paragraph (b) above, he is further personally liable to the holder of the bill of exchange, promissory note, cheque or order for money or goods for the amount of it (unless it is duly paid by the society).

#### Textual Amendments

- F4** Word in [Sch. 3](#) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 51\(2\)](#) (with [Sch. 12](#))

#### Commencement Information

- I26** [Sch. 3 para. 11](#) wholly in force; [Sch. 3 para. 11](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 3 para. 11](#) in force at 1.2.1993 by [S.I. 1993/16](#), art. 2, [Sch. 3](#)

#### *Change of registered office*

- 12 (1) An incorporated friendly society may change its registered office in such manner as its rules prescribe or, if the rules do not provide for that matter, by a resolution of the society in general meeting after the giving of such notice as is required for a special resolution.
- (2) Notice of any such change shall be sent to the [<sup>F4</sup>FCA] and the [<sup>F4</sup>FCA] shall—
- (a) register the notice of the change of registered office;
- (b) issue the society with a certificate of registration; and
- (c) keep a copy of the certificate of registration in the public file of the society.
- (3) A change of registered office shall not take effect until the date on which the certificate of registration under sub-paragraph (2) above is issued or such later date as may be specified in the certificate.

*Status: Point in time view as at 01/04/2013.**Changes to legislation: Friendly Societies Act 1992 is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (4) If an incorporated friendly society fails, within the period of 3 months beginning with the date on which a resolution changing its registered office is passed, to send to the [<sup>F4</sup>FCA] the notice required by sub-paragraph (2) above, the society shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.

**Textual Amendments**

- F4** Word in Sch. 3 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 51(2) (with Sch. 12)

**Commencement Information**

- I27** Sch. 3 para. 12 wholly in force; Sch. 3 para. 12 not in force at Royal Assent see s. 126(2); Sch. 3 para. 12 in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3

*Societies to supply copies of rules etc*

- 13 (1) An incorporated friendly society shall, on demand, give a copy of its statutory documents—
- free of charge, to any member of the society to whom a copy of those documents has not previously been given; and
  - to any other person, upon payment of such fee as the society may require, not exceeding the prescribed amount.
- (2) The reference in sub-paragraph (1) above to a copy of an incorporated friendly society's statutory documents is a reference to—
- a <sup>F15</sup>... copy of the society's rules for the time being, with a copy of the certificate of incorporation of the society annexed to it; and
  - a <sup>F15</sup>... copy of the memorandum of the society for the time being.
- (3) If an incorporated friendly society fails to comply with the requirements of sub-paragraph (1) above, the society shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.
- (4) In sub-paragraph (1) above the "prescribed amount" means £1 or such other amount as the [<sup>F16</sup>Treasury prescribe] by order.

**Textual Amendments**

- F15** Word in Sch. 3 para. 13(2) omitted (12.4.2011) by virtue of The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), 10
- F16** Words in Sch. 3 para. 13(4) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 120(d) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

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

- C3** Sch. 3 para. 13(4): Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), Sch. 1 Pt. II (with art. 5); S.I. 2001/3538, art. 2(1)

*Status: Point in time view as at 01/04/2013.*

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### Commencement Information

**I28** Sch. 3 para. 13 wholly in force; Sch. 3 para. 13 not in force at Royal Assent see s. 126(2); Sch. 3 para. 13 in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3

### *Register of members*

- 14 (1) Every incorporated friendly society shall maintain a register of the names and addresses of the members of the society.
- [<sup>F17</sup>(1A) Where a member has notified to the society an electronic address for the purpose of receiving notices or documents under this Act, the requirement under sub-paragraph (1) includes a requirement to secure that the register shows—
- (a) that electronic address; and
  - (b) the purposes for which it has been notified.]
- (2) The register shall be kept at the registered office or at such other place or places as the committee of management thinks fit.
- (3) A society which was previously a registered friendly society need not enter in the register the address of a member who became a member before its incorporation while it has no address for him and his whereabouts are unknown.
- (4) Where it appears to an incorporated friendly society that the registered address shown in the register for a member is no longer current, the society—
- (a) may remove that address from the register; and
  - (b) need not enter in the register an address for that member while it has no address for him and his whereabouts are unknown.
- [<sup>F18</sup>(4A) Where it appears to an incorporated friendly society that an electronic address shown on the register pursuant to sub-paragraph (1) is no longer current, the society may remove that address from the register.]
- (5) If an incorporated friendly society contravenes sub-paragraph (1) above, the society shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.
- (6) For the purposes of this Act “registered address”, in relation to a member of an incorporated friendly society, means—
- (a) the [<sup>F19</sup>postal] address shown in the register mentioned under this paragraph, except in a case where paragraph (b) below applies;
  - (b) where the member has requested that communications from the society be sent to some other address [<sup>F20</sup>(not being an electronic address)], that other address.

### Textual Amendments

- F17** Sch. 3 para. 14(1A) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **11(2)(a)**
- F18** Sch. 3 para. 14(4A) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **11(2)(b)**
- F19** Word in Sch. 3 para. 14(6)(a) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **11(2)(c)**

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**F20** Words in Sch. 3 para. 14(6)(b) inserted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), **11(2)(d)**

**Commencement Information**

**I29** Sch. 3 para. 14 wholly in force; Sch. 3 para. 14 not in force at Royal Assent see s. 126(2); Sch. 3 para. 14 in force at 1.2.1993 by S.I. 1993/16, art. 2, **Sch. 3**

*Inspection of records by members*

- 15 (1) Subject to sub-paragraph (2) below, a member or person having an interest in the funds of an incorporated friendly society may inspect the records at all reasonable hours at the registered office of the society or at any other place where they are kept.
- (2) Unless he is an officer of the society or is specially authorised by resolution of the society to do so, a member or such a person shall not have the right to inspect the loan account of any other member without the written consent of that member.

**Commencement Information**

**I30** Sch. 3 para. 15 wholly in force; Sch. 3 para. 15 not in force at Royal Assent see s. 126(2); Sch. 3 para. 15 in force at 1.2.1993 by S.I. 1993/16, art. 2, **Sch. 3**

SCHEDULE 4

Section 6.

INCORPORATION OF REGISTERED FRIENDLY SOCIETIES: SUPPLEMENTARY

*Preliminary*

- 1 (1) This Schedule has effect in relation to an incorporated friendly society (“the incorporated society”) which was formerly a registered friendly society (“the registered society”); and in this Schedule “incorporation” means the incorporation of that society.
- (2) In this Schedule “branch”, in relation to the registered society, means any registered or unregistered branch of the society and, in relation to the incorporated society, means a group of members provided for by the rules of the society—
- (a) which is under the control, and bound to contribute to the funds, of the society; and
- (b) which has its own funds and other property vested in trustees and administered (in accordance with its rules) by the members of the group themselves, or through its own committee or other officers.
- (3) In this Schedule references to an agreement include references to any agreement (whether in writing or not) and any deed, bond or other instrument.
- (4) Nothing in section 6 above or this Schedule shall be taken as affecting any power or liability of a branch of a registered friendly society to secede or to be expelled from that society.



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*Schemes under section 6(5)*

- 2 (1) This paragraph applies to a registered society with branches which proposes—
- (a) that the incorporated society will have branches; and
  - (b) that any of those branches is to be treated as a continuation of a branch of the registered society.
- (2) The registered society may, by the procedure required to amend the rules of the society, approve a scheme under subsection (5) of section 6 above (a “scheme”) identifying property, rights and liabilities of a branch which are to continue to be property, rights and liabilities of the branch (as a branch of the incorporated society) and so are to be excluded from transfer under subsection (4) of that section.
- (3) A scheme—
- (a) may deal with property, rights and liabilities of one or more branches of the registered society; and
  - (b) may, instead of specifying any property, rights and liabilities of a branch of the registered society, refer to all the property, rights and liabilities referable to such part of its activities as is specified in the scheme.
- (4) A scheme may not identify for exclusion from transfer under section 6(4) above any property, rights or liabilities of a branch of the registered society which are referable only to an activity of the branch which a branch of the incorporated society would (by virtue of section 7(5) above) be unable to carry on on its own behalf.
- (5) On making a scheme the registered society shall send to the [F21FCA]—
- (a) 4 copies of the scheme, each signed by the secretary;
  - (b) a statutory declaration by the secretary that the scheme was duly approved by the society;
  - (c) in the case of a scheme identifying any property, rights or liabilities of a branch which was (immediately before incorporation) carrying on any insurance or non-insurance business, a certificate from the appropriate actuary that the incorporated society will, on incorporation, possess sufficient assets to meet such of the liabilities to be transferred to the society from that branch as are referable to that business.
- (6) On receiving copies of a scheme, the [F21FCA] shall, if satisfied that the society has duly approved the scheme—
- (a) retain and register one copy of the scheme;
  - (b) return another copy to the secretary of the registered society, together with a certificate of registration;
  - (c) keep another copy in the public file of the registered society and, after incorporation, in the public file of the incorporated society;
- and the [F21FCA] shall not register the incorporated society under this Act until after it has registered the scheme.

**Textual Amendments**

**F21** Word in *Sch. 4 para. 2* substituted (1.4.2013) by *The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)*, art. 1(1), **Sch. 9 para. 52** (with *Sch. 12*)



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*Effect of incorporation on registered society*

- 3 (1) Subject to the provisions of this Act, the incorporated society shall be treated after incorporation as the same person as the registered society.
- (2) Without prejudice to the generality of sub-paragraph (1) above, any agreement made, transaction effected or other thing done by, to or in relation to the registered society which is in force or effective immediately before incorporation shall have effect as if made, effected or done by, to or in relation to the incorporated society; and, accordingly, references to the society—
- (a) in any agreement;
  - (b) in any process or other document issued, prepared or employed for the purposes of any proceeding before any court or other tribunal or authority; and
  - (c) in any other document whatsoever (other than an enactment) relating to or affecting any property, right or liability of the society,
- shall be taken as referring to the incorporated society.
- 4 On incorporation of the registered society—
- (a) a person who was immediately before incorporation a member of the registered society shall be a member of the incorporated society;
  - (b) any appointment as trustee or treasurer of the society shall determine; and
  - (c) all other persons who were officers of the registered society shall become officers, holding corresponding offices, of the incorporated society;
- but paragraph (c) above is without prejudice to anything done by the society after incorporation as respects the election or appointment of members of its committee of management and its other officers.
- 5 Any agreement made by the registered society which is in force immediately before incorporation shall have effect as if—
- (a) for references to members of the registered society there were substituted references to members of the incorporated society;
  - (b) for references to officers of the registered society (other than its trustees or treasurer) there were substituted references to the corresponding officers of the incorporated society;
  - (c) for references to the trustees of the registered society there were substituted references to the incorporated society; and
  - (d) for references to the treasurer of the registered society there were substituted references to such person as the incorporated society may appoint or in default of appointment to the officer of that society who corresponds as nearly as may be to the treasurer.
- 6 It is hereby declared for the avoidance of doubt that—
- (a) any contract of employment with the registered society in force immediately before incorporation is merely modified by the substitution of the name of the incorporated society as the employer (and is not terminated or varied in any other way);
  - (b) any period of employment with the registered society shall count for all purposes as a period of employment with the incorporated society; and
  - (c) the rights and liabilities referred to in section 6 above include any rights and liabilities subsisting immediately before incorporation—

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- (i) under any agreement or arrangement for the payment of pensions, allowances or gratuities; or
- (ii) under the law of any country or territory outside the United Kingdom.

- 7 (1) The final financial year of the registered friendly society shall be such period not exceeding 12 months as expires immediately before its incorporation.
- (2) Anything which, if it had not been incorporated, would be required to be done by the registered society at a time after its incorporation shall be done by the incorporated society.
- (3) If the incorporated friendly society fails to do anything which it is required to do by virtue of sub-paragraph (2) above, the society and its officers shall be subject to the sanctions to which the registered friendly society and its officers would have been subject if the society had failed to do it.

*Effect of incorporation on branches of registered society*

- 8 (1) This paragraph applies where the property, rights and liabilities of a branch of the registered society (“the branch”) are all transferred to the incorporated society by section 6(4) above.
- (2) The provisions of paragraphs 3 to 7 above shall apply in relation to the branch as they apply in relation to the registered society—
- (a) with the omission from paragraph 4 of the words following “shall determine”; and
  - (b) in paragraph 5, with the substitution for references to the members, officers, trustees or treasurer of the society of references to the corresponding officers of the branch;
- and the branch shall be deemed to be dissolved immediately after the transfer of its property, rights and liabilities to the incorporated society.
- 9 (1) This paragraph applies where the property, rights and liabilities of a branch of the registered society are all excluded by virtue of a scheme from transfer to the incorporated society.
- (2) On incorporation of the registered society, the property, rights and liabilities of the branch shall continue as property, rights and liabilities of the branch (as a branch of the incorporated society).
- (3) The branch of the incorporated society shall be treated as a continuation of the branch of the registered society; and so on incorporation—
- (a) any member of the branch shall continue as a member; and
  - (b) any trustee, treasurer or other officer of the branch immediately before incorporation shall continue in office;
- but paragraphs (a) and (b) above are without prejudice to anything done after incorporation as respects the membership and officers of the branch.
- 10 (1) This paragraph applies where some of the property, rights and liabilities of a branch of the registered society are transferred to the incorporated society by section 6(4) above and some are excluded from transfer by virtue of a scheme.

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- (2) As respects the property, rights and liabilities transferred from the branch to the incorporated society, the provisions of paragraphs 3, 5, 6 and 7 above shall apply in relation to the branch as they apply in relation to the registered society—
  - (a) with, in paragraph 5, the substitution for references to the members, officers, trustees or treasurer of the society of references to the corresponding officers of the branch; and
  - (b) with the omission of paragraph 7(1).
- (3) On incorporation of the registered society, the property, rights and liabilities of the branch which are excluded from transfer shall continue as property, rights and liabilities of the branch (as a branch of the incorporated society).
- (4) As respects the property, rights and liabilities so excluded, the branch shall, after incorporation of the registered society, be treated as a continuation of the branch of the registered society; and so on incorporation—
  - (a) any member of the branch shall continue as a member; and
  - (b) any trustee, treasurer or other officer of the branch shall continue in office;but paragraphs (a) and (b) above are without prejudice to anything done after incorporation as respects membership and officers of the branch.

#### *Consequences of transfer*

- 11 No transfer effected by section 6 above shall give rise to any liability to stamp duty.
- 12 (1) The action mentioned in the following provisions of this paragraph shall be taken not later than the end of the period of 90 days beginning with the day on which the registered society is incorporated.
- (2) The persons who were the trustees and treasurer of the registered society immediately before its incorporation shall deliver to the incorporated society—
    - (a) any property of the society held by them; and
    - (b) any documents relating to the property, rights and liabilities of the registered society or its financial affairs.
  - (3) The persons who were the trustees and treasurer of any branch of the registered society immediately before its incorporation shall deliver to the incorporated society—
    - (a) any property (formerly property of the branch) which is transferred to the society by section 6(4) above; and
    - (b) any documents relating to such of the property, rights or liabilities of the branch as are so transferred.
  - (4) The Public Trustee shall, if he held property on trust for the registered society immediately before its incorporation, deliver to the incorporated society any property so held by him and any documents relating to it.
- [<sup>F22</sup>(4A) A person required by this paragraph to deliver a document does not satisfy the requirement by sending the document in an electronic form except in so far as the document is held by that person in that electronic form.]
- (5) Nothing in this Act shall have effect to relieve the former trustees or treasurer of a registered friendly society or branch or the Public Trustee from any liability arising from acts or omissions before the incorporation of the society.

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### Textual Amendments

**F22** Sch. 4 para. 12(4A) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **12**

## SCHEDULE 5

Section 7.

### ADDITIONAL ACTIVITIES OF INCORPORATED SOCIETIES

#### *Introductory*

- 1 An incorporated friendly society may do anything mentioned in the following provisions of this Schedule in the manner directed by the society's rules.

#### *Loans out of separate loan fund*

- 2 (1) An incorporated friendly society may, out of any separate loan fund to be formed by contributions or deposits from its members, make loans to members on their personal security, with or without sureties or, in Scotland, cautioners, subject to the restrictions in sub-paragraphs (2) to (4) below.
- (2) A loan shall not at any time be made out of money contributed otherwise than for the purpose of the loan fund.
- (3) A member shall not be capable of holding any interest in the loan fund exceeding £800.
- (4) The society shall not—
- (a) make any loan to a member on personal security beyond the amount fixed by the rules, or make any loan which, together with any money owing by a member to the society, exceeds £200; or
  - (b) hold at any one time on deposit from its members any money beyond the amount fixed by the rules, and the amount so fixed shall not exceed two thirds of the total sums owing to the society by the members who have borrowed from the loan fund.
- (5) The [<sup>F23</sup>Treasury may by order] amend sub-paragraph (3) or (4) above to substitute, for the sum for the time being specified in that sub-paragraph, such greater sum as is specified in the order.

### Textual Amendments

**F23** Words in Sch. 5 para. 2(5) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8(1), 13(1), **Sch. 3 para. 122(a)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2(1)**

### Modifications etc. (not altering text)

**C4** [Sch. 5 para. 2\(5\)](#): Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by [S.I. 2001/2617](#), arts. 2(b), 4(1), **Sch. 1 Pt. II** (with art. 5); [S.I. 2001/3538](#), **art. 2(1)**

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#### *Power to set up funds for purchasing Government Securities*

- 3 (1) An incorporated friendly society may set up and administer a fund for the purchase, on behalf of members contributing thereto, of Defence Bonds, National Savings Certificates, Ulster Savings Certificates or such other securities of Her Majesty's Government as the [<sup>F24</sup>Treasury] may prescribe.
- (2) A society may allow persons to become members of the society for the purpose only of contributing to a fund set up by virtue of this paragraph.
- (3) Any securities prescribed, before the commencement of this paragraph, for the purposes of section 47 of the 1974 Act shall be treated as having been prescribed under sub-paragraph (1) above.

#### **Textual Amendments**

**F24** Words in *Sch. 5 para. 3(1)* substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by *S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 122(b)* (with *art. 13(3), Sch. 5*); *S.I. 2001/3538, art. 2(1)*

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

**C5** *Sch. 5 para. 3(1)*: Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by *S.I. 2001/2617, art. 2(b), 4(1), Sch. 1 Pt. II* (with *art. 5*); *S.I. 2001/3538, art. 2(1)*

#### *Investment of funds in housing association*

- 4 (1) An incorporated friendly society may invest funds of the society in subscribing for any of the share or loan capital of a housing association (within the meaning of the Housing Associations Act 1985) other than shares or debentures not fully paid up at the time of issue.
- (2) This paragraph has effect without prejudice to any power the society may have by virtue of section 14 above.

#### *Accumulation of members' surplus contributions*

- 5 An incorporated friendly society may accumulate at interest, for the use of any member, any surplus of his contributions to the funds of the society which may remain after providing for any assurance in respect of which they are paid and for the withdrawal of the accumulations.

#### *Subscriptions to other bodies*

- 6 An incorporated friendly society may subscribe out of its funds to any hospital, infirmary, charitable or provident institution, any annual or other sum which may be necessary to secure to members of the society and their families the benefits of that institution.
- 7 An incorporated friendly society may contribute to the funds and take part in the government of any other friendly society.

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## SCHEDULE 6

Section 7.

### MAKING OF CONTRACTS AND EXECUTION OF DOCUMENTS BY INCORPORATED FRIENDLY SOCIETIES

#### *England and Wales and Northern Ireland*

- 1 Under the law of England and Wales and Northern Ireland a contract may be made—
- (a) by an incorporated friendly society, by writing under its common seal; or
  - (b) on behalf of an incorporated friendly society, by any person acting under its authority, express or implied;
- and any formalities required by law in the case of a contract made by an individual also apply, unless a contrary intention appears, to a contract made by or on behalf of an incorporated friendly society.
- 2 (1) The following provisions have effect with respect to the execution of documents by an incorporated friendly society under the law of England and Wales and of Northern Ireland.
- (2) A document is executed by an incorporated friendly society by the affixing of its common seal.
  - (3) An incorporated friendly society need not have a common seal, however, and the following sub-paragraphs apply whether it does or not.
  - (4) A document signed by a member of the committee of management and the secretary of an incorporated friendly society, or by 2 members of the committee of management, and expressed (in whatever form of words) to be executed by the society has the same effect as if executed under the common seal of the society.
  - (5) A document executed by an incorporated friendly society which makes it clear on its face that it is intended by the person or persons making it to be a deed has effect, upon delivery, as a deed; and it shall be presumed, unless a contrary intention is proved, to be delivered upon its being so executed.
  - (6) In favour of a purchaser a document shall be deemed to have been duly executed by an incorporated friendly society if it purports to be signed by a member of the committee of management and the secretary of the society, or by 2 members of the committee of management, and, where it makes it clear on its face that it is intended by the person or persons making it to be a deed, to have been delivered upon its being executed.
  - (7) In sub-paragraph (6) above a “purchaser” means a purchaser in good faith for valuable consideration and includes a lessee, mortgagee or other person who for valuable consideration acquires an interest in property.

#### *Scotland*

- 3 (1) The following provisions have effect with respect to the execution of documents by an incorporated friendly society under the law of Scotland.
- (2) For any purpose other than those mentioned in sub-paragraph (3) below, a document is validly executed by an incorporated friendly society if it is signed on behalf of

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the society by a member of the committee of management or by the secretary of the society or by a person authorised to sign the document on its behalf.

- (3) For the purposes of any enactment or rule of law relating to the authentication of documents under the law of Scotland, a document is validly executed by an incorporated friendly society if it is subscribed on behalf of the society by—
- (a) 2 members of the committee of management of the society;
  - (b) a member of that committee and the secretary of the society; or
  - (c) 2 persons authorised to subscribe the document on behalf of the society,
- notwithstanding that such subscription is not attested by witnesses and the document is not sealed with the society’s common seal.
- (4) A document which bears to be executed by an incorporated friendly society in accordance with sub-paragraph (3) above is, in relation to such execution, a probative document.
- (5) Notwithstanding any other provision of this paragraph, an incorporated friendly society need not have a common seal.
- (6) For the purposes of any enactment providing for a document to be executed by an incorporated friendly society by affixing its common seal or referring (in whatever terms) to a document so executed, a document signed or subscribed on behalf of the society by—
- (a) 2 members of the committee of management of the society;
  - (b) a member of the committee and the secretary of the society; or
  - (c) 2 persons authorised to subscribe the document on behalf of the society,
- shall have effect as if executed under the common seal of the society.
- (7) In this paragraph “enactment” includes an enactment contained in a statutory instrument.
- (8) Sub-paragraphs (2) and (3) above are—
- (a) without prejudice to any other method of execution of documents by incorporated friendly societies permitted by any enactment or rule of law; and
  - (b) subject to any other enactment making express provision, in relation to incorporated friendly societies, as to the execution of a particular type of document.

F25 SCHEDULE 7

**Textual Amendments**

**F25** Sch. 7 repealed (1.12.2001) by 2000 c. 8, ss. 334, 336, 338, Sch. 18 para. 10(2)(b), Sch. 22; S.I. 2001/3538, art. 2(1)

*Status: Point in time view as at 01/04/2013.*

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## SCHEDULE 8

Section 13.

### PROVISIONS SUPPLEMENTARY TO SECTION 13

- 1 The provisions of this Schedule explain expressions used in section 13 above and otherwise supplement that section.
- 2 In section 13(9)(a) and (c) the references to the voting rights in a body corporate are to the rights conferred on shareholders in respect of their shares or, in the case of a body corporate not having a share capital, on members, to vote at general meetings of the body corporate on all, or substantially all, matters.
- 3 (1) For the purposes of section 13(9)(a) and (c) the reference to the right to appoint or remove a majority of the board of directors is to the right to appoint or remove directors holding a majority of the voting rights at meetings of the board on all, or substantially all, matters.

<sup>F39</sup>(2) .....

#### Textual Amendments

**F39** Sch. 8 para. 3(2) repealed (1.12.2001) by 2000 c. 8, ss. 334, 336, 338, Sch. 18 para. 14(2), Sch. 22; S.I. 2001/3538, art. 2(1)

- [<sup>F40</sup>3A (1) A body is to be treated for the purposes of section 13(9) as having the right to appoint to a directorship if—
- (a) a person’s appointment to the directorship follows necessarily from his appointment as an officer of that body; or
  - (b) the directorship is held by the body itself.
- (2) A body (“B”) and some other person (“P”) together are to be treated, for the purposes of section 13(9), as having the right to appoint to a directorship if—
- (a) P is a body corporate which has directors and a person’s appointment to the directorship follows necessarily from his appointment both as an officer of B and a director of P;
  - (b) P is a body corporate which does not have directors and a person’s appointment to the directorship follows necessarily from his appointment both as an officer of B and as a member of P’s managing body; or
  - (c) the directorship is held jointly by B and P.
- (3) For the purposes of section 13(9), a right to appoint (or remove) which is exercisable only with the consent or agreement of another person must be left out of account unless no other person has a right to appoint (or remove) in relation to that directorship.
- (4) Nothing in this paragraph is to be read as restricting the effect of section 13(9).]

#### Textual Amendments

**F40** Sch. 8 para. 3A inserted (1.12.2001) by 2000 c. 8, ss. 334, 336, 338, Sch. 18 para. 14(3); S.I. 2001/3538, art. 2(1)

- 4 Rights which are exercisable only in certain circumstances shall be taken into account only—



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- (a) when the circumstances have arisen, and for so long as they continue to obtain, or
- (b) when the circumstances are within the control of the person having the rights;
- and rights which are normally exercisable but are temporarily incapable of exercise shall continue to be taken into account.
- 5 Rights held by a person in a fiduciary capacity shall be treated as not held by him.
- 6 Rights held by a person as nominee for another shall be treated as held by the other; and rights shall be regarded as held as nominee for another if they are exercisable only on his instructions or with his consent or concurrence.
- 7 Rights attached to shares held by way of security shall be treated as held by the person providing the security—
- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights are exercisable only in accordance with his instructions;
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights are exercisable only in his interests.
- 8 Rights shall be treated as held by an incorporated friendly society if they are held by any of its subsidiaries; and nothing in paragraph 6 or 7 above shall be construed as requiring rights held by an incorporated friendly society to be treated as held by any of its subsidiaries.
- 9 For the purposes of paragraph 7 above rights shall be treated as being exercisable in accordance with the instructions or in the interests of an incorporated friendly society if they are exercisable in accordance with the instructions of or, as the case may be, in the interests of any subsidiary of that society [<sup>F41</sup>or in the interests of any body over which the society has joint control].

#### Textual Amendments

**F41** Words in Sch. 8 para. 9 inserted (1.12.2001) by 2000 c. 8, ss. 334, 336, 338, Sch. 18 para. 14(4); S.I. 2001/3538, art. 2(1)

- 10 The voting rights in a body corporate shall be reduced by any rights held by the body itself.
- 11 References in any provision of paragraphs 5 to 10 above to rights held by a person include rights falling to be treated as held by him by virtue of any other provision of those paragraphs but not rights which by virtue of any such provision are to be treated as not held by him.

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## SCHEDULE 9

Section 18.

### NOMINATIONS BY MEMBERS OF INCORPORATED FRIENDLY SOCIETIES AND RELATED MATTERS

- 1
- (1) Subject to the following provisions of this paragraph, a member of an incorporated friendly society who is not under the age of 16 years may by writing under his hand delivered at or sent to the registered office of the society, or made in a book kept at that office, nominate a person or persons to whom any sum of money payable by the society on the death of that member or any specified amount of money so payable, shall be paid at his decease.
  - (2) The total amount which may be nominated under this paragraph shall not exceed the relevant maximum, that is to say, £5,000 or such higher amount as, by virtue of an order under section 6 of the <sup>M13</sup>Administration of Estates (Small Payments) Act 1965, may for the time being apply for the purposes of the enactments specified in subsection (1) of that section.
  - (3) The sum payable on the death of a member by an incorporated friendly society shall include sums of money contributed to or deposited in the separate loan fund, together with interest on them, and any sum of money accumulated for the use of the member under the provisions of this Act, together with interest on it.
  - (4) A person nominated under this paragraph must not at the date of the nomination be an officer or employee of the society unless he is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator.
  - (5) Nominations so made may be revoked or varied by any similar document under the hand of the nominator delivered, sent, or made as mentioned in sub-paragraph (1) above.
  - (6) The marriage of a member of the society shall operate as a revocation of any nomination previously made by that member under this paragraph.
  - (7) Where a society has paid money to a nominee in ignorance of a marriage subsequent to the nomination, the receipt of the nominee shall be a valid discharge to the society.

#### **Marginal Citations**

**M13** 1965 c. 32.

- 2
- (1) Subject to sub-paragraph (2) below, on receiving satisfactory proof of the death of a nominator, an incorporated society shall pay to his nominee or nominees the amount due to the deceased or, as the case may be, the amount specified in the nomination.
  - (2) The total amount paid by an incorporated friendly society by virtue of a nomination (whether in favour of one nominee or more) shall not exceed the relevant maximum referred to in paragraph 1(2) above.
  - (3) The receipt of a nominee over 16 years of age for any amount paid in accordance with this paragraph shall be valid.
- 3
- (1) If any member of an incorporated friendly society entitled from its funds to a sum not exceeding the relevant maximum referred to in paragraph 1(2) above dies without having made any nomination of that sum then subsisting, the society may, without letters of administration or probate of any will or, in Scotland, without any grant of

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confirmation, distribute the sum among such persons as appear to the society, upon such evidence as the society may deem satisfactory, to be entitled by law to receive that sum.

- (2) A payment made by an incorporated friendly society under this Schedule shall be valid and effectual against any demand made upon the society by any other person, but the next of kin or personal representatives of the deceased member shall have a remedy for recovery of the money paid under paragraph 2(1) above against the person who has received that money.

## SCHEDULE 10

Section 23.

### APPLICATION OF COMPANIES WINDING UP LEGISLATION TO INCORPORATED FRIENDLY SOCIETIES

#### PART I

##### GENERAL MODE OF APPLICATION

- 1 The enactments which comprise the companies winding up legislation (referred to in this Schedule as “the enactments”) are the provisions of—
- (a) Parts IV, VI, VII, XII and XIII of the <sup>M14</sup>Insolvency Act 1986, or
  - (b) Parts V, VI, XI and XII of the <sup>M15</sup>Insolvency (Northern Ireland) Order 1989, and, in so far as they relate to offences under any such enactment, sections 430 and 432 of, and Schedule 10 to, that Act or Article 373 of, and Schedule 7 to, that Order.

#### Marginal Citations

**M14** 1986 c. 45.

**M15** S.I. 1989/2405 (N.I.19).

- 2 Subject to the following provisions of this Schedule, the enactments apply to the winding up of incorporated friendly societies as they apply to the winding up of companies registered under [<sup>F42</sup>the Companies Act 2006].

#### Textual Amendments

**F42** Words in Sch. 10 para. 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. 133(7)(a) (with art. 10)

- 3 (1) Subject to the following provisions of this Schedule, the enactments shall, in their application to incorporated friendly societies, have effect with the substitution—
- (a) for “company” of “incorporated friendly society”;
  - (b) for “directors” of “committee of management”;
  - (c) for “the registrar of companies” or “the registrar” of “the [<sup>F43</sup>Financial Conduct Authority]”; and
  - (d) for “the articles” of “the rules”.

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(2) Subject to the following provisions of this Schedule in the application of the enactments to incorporated friendly societies—

- [<sup>F44</sup>(aa) every reference to a company registered in Scotland shall have effect as a reference to an incorporated friendly society whose registered office is situated in Scotland;]
- (a) every reference to the officers, or to a particular officer, of a company shall have effect as a reference to the officers, or to the corresponding officer, of the incorporated friendly society and as including a person holding himself out as such an officer;
  - (b) every reference to a director of a company shall be construed as a reference to a member of the committee of management; and
  - (c) every reference to an administrator, an administration order, an administrative receiver, a shadow director or a voluntary arrangement shall be omitted.

#### Textual Amendments

- F43** Words in Sch. 10 para. 3(1)(c) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 53\(2\)](#) (with Sch. 12)
- F44** Sch. 10 para. 3(2)(aa) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8(1), 13(1), [Sch. 3 para. 123\(b\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)

- 4 (1) Where any of the enactments as applied to incorporated friendly societies requires a notice or other document to be sent to the [<sup>F45</sup>FCA], it shall have effect as if it required the [<sup>F45</sup>FCA] to keep the notice or document in the public file of the society and to record in that file the date on which the notice or document is placed in it.
- (2) Where any of the enactments, as so applied, refers to the registration, or to the date of registration, of such a notice or document, that enactment shall have effect as if it referred to the placing of the notice or document in the public file or (as the case may be) to the date on which it was placed there.

#### Textual Amendments

- F45** Word in Sch. 10 para. 4(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 53\(3\)](#) (with Sch. 12)

- 5 Any enactment which specifies a sum altered by order under section 416 of the <sup>M16</sup>Insolvency Act 1986 or Article 362 of the <sup>M17</sup>Insolvency (Northern Ireland) Order 1989 (powers to alter monetary limits) applies with the effect of the alteration.

#### Marginal Citations

- M16** 1986 c. 45.  
**M17** S.I. 1989/2405 (N.I.19).

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## PART II

### MODIFIED APPLICATION OF INSOLVENCY ACT 1986 PARTS IV AND XII

#### *Preliminary*

- 6 In this Part of this Schedule, Part IV of the Insolvency Act 1986 is referred to as “Part IV”; and that Act is referred to as “the Act”.

#### *Members of a friendly society as contributories in winding up*

- 7 (1) Section 74 (liability of members) of the Act is modified as follows.
- (2) In subsection (1), the reference to any past member shall be omitted.
- (3) Paragraphs (a) to (d) of subsection (2) shall be omitted; and so shall subsection (3).
- (4) The extent of the liability of a member of an incorporated friendly society in a winding up shall not exceed the extent of his liability under paragraph 8 of Schedule 3 to this Act.

- 8 Sections 75 to 78 and 83 in Chapter I of Part IV (miscellaneous provisions not relevant to incorporated friendly societies) do not apply.

- 9 (1) Section 79 (meaning of “contributory”) of the Act does not apply.
- (2) In the enactments as applied to an incorporated friendly society, “contributory”—
- (a) means every person liable to contribute to the assets of the society in the event of its being wound up; and
  - (b) for the purposes of all proceedings for determining, and all proceedings prior to the determination of, the persons who are to be deemed contributories, includes any person alleged to be a contributory; and
  - (c) includes persons who are liable to pay or contribute to the payment of—
    - (i) any debt or liability of the incorporated friendly society being wound up; or
    - (ii) any sum for the adjustment of rights of members among themselves; or
    - (iii) the expenses of the winding up;but does not include persons liable to contribute by virtue of a declaration by the court under section 213 (imputed responsibility for fraudulent trading) or section 214 (wrongful trading) of the Act.

#### *Voluntary winding up*

- 10 (1) Section 84 of the Act does not apply.
- (2) In the enactments as applied to an incorporated friendly society, the expression “resolution for voluntary winding up” means a resolution passed under section 21(1) above.
- 11 Section 88 shall have effect with the omission of the words from the beginning to “and”.
- 12 (1) Subsection (1) of section 89 shall have effect as if for the words from the beginning to “meeting” there were substituted the words—

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- “(1) Where it is proposed to wind up an incorporated friendly society voluntarily, the committee of management (or, in the case of an incorporated friendly society whose committee of management has more than two members, the majority of them) may at a meeting of the committee”.
- (2) The reference to the directors in subsection (2) shall be construed as a reference to members of the committee of management.
- 13 Section 90 shall have effect as if for the words “directors’ statutory declaration under section 89” there were substituted the words “ statutory declaration made under section 89 by members of the committee of management ”.
- 14 Sections 95(1) and 96 shall have effect as if the word “directors” were omitted from each of them.
- 15 In subsection (1) of section 101 (appointment of liquidation committee) of the Act, the reference to functions conferred on a liquidation committee by or under that Act shall have effect as a reference to its functions by or under that Act as applied to incorporated friendly societies.
- 16 (1) Section 107 (distribution of property) of the Act does not apply; and the following applies in its place.
- (2) Subject to the provisions of Part IV relating to preferential payments, an incorporated friendly society’s property in a voluntary winding up shall be applied in satisfaction of the society’s liabilities to creditors *pari passu* and, subject to that application, in accordance with the rules of the society.
- 17 Sections 110 and 111 (liquidator accepting shares, etc. as consideration for sale of company property) of the Act do not apply.
- Winding up by the court*
- 18 In sections 117 (High Court and county court jurisdiction) and 120 (Court of Session and sheriff court jurisdiction) of the Act, each reference to a company’s share capital paid up or credited as paid up shall have effect as a reference to the amount of the contribution or subscription income of an incorporated friendly society as shown by the latest balance sheet.
- 19 Section 122 (circumstances in which company may be wound up by the court) of the Act does not apply.
- 20 Section 124 (application for winding up) of the Act does not apply.
- 21 (1) In section 125 (powers of court on hearing of petition) of the Act, subsection (1) applies with the omission of the words from “but the court” to the end of the subsection.
- (2) The conditions which the court may impose under section 125 of the Act include conditions for securing—
- (a) that the incorporated friendly society be dissolved by consent of its members under section 20 above; or
  - (b) that the society amalgamates with, or transfers all or any of its engagements to, another friendly society under section 85 or 86 above, or
  - (c) that the society converts itself into a company under section 91 above,

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and may also include conditions for securing that any default which occasioned the petition be made good and that the costs, or in Scotland the expenses, of the proceedings on that petition be defrayed by the person or persons responsible for the default.

[<sup>F46</sup>22 .....]

**Textual Amendments**

**F46** Sch. 2 para. 22 repealed (N.I.) (7.2.1994) by 1993 c. 49, s. 182(1), Sch. 4 Pt.I; S.R. 1994/17, art. 2

[<sup>F47</sup>23 If, before the presentation of a petition for the winding up by the court of an incorporated friendly society, an instrument of dissolution under section 20 above is placed in the society's public file, section 129(1) (commencement of winding up by the court) of the Act shall also apply in relation to the date on which the notice is so placed and to any proceedings in the course of the dissolution as it applies to the commencement date for, and proceedings in, a voluntary winding up.]

**Textual Amendments**

**F47** Sch. 2 para. 23 repealed (N.I.) (7.2.1994) by 1993 c. 49, s. 182(1), Sch. 4 Pt.I; S.R. 1994/17, art. 2

- 24 (1) Section 130 of the Act (consequences of winding-up order) shall have effect with the following modifications.
- (2) Subsections (1) and (3) shall be omitted.
- (3) An incorporated friendly society shall, within 15 days of a winding-up order being made in respect of it, give notice of the order to the [<sup>F48</sup>FCA and, if the society is a PRA-authorized person, the PRA]; and the [<sup>F49</sup>FCA] shall keep the notice in the public file of the society.
- (4) If an incorporated friendly society fails to comply with sub-paragraph (3) above, it shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

**Textual Amendments**

**F48** Words in Sch. 10 para. 24(3) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 53(4)(a) (with Sch. 12)

**F49** Word in Sch. 10 para. 24(3) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 53(4)(b) (with Sch. 12)

- 25 Section 140 (appointment of liquidator by court in certain circumstances) of the Act does not apply.
- 26 In the application of sections 141(1) and 142(1) (liquidation committees), of the Act to incorporated friendly societies, the references to functions conferred on a liquidation committee by or under that Act shall have effect as references to its functions by or under that Act as so applied.
- 27 The conditions which the court may impose under section 147 (power to stay or sist winding up) of the Act shall include those specified in paragraph 21(2) above.

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28 Section 154 (adjustment of rights of contributories) of the Act shall have effect with the modification that any surplus is to be distributed in accordance with the rules of the society.

<sup>F50</sup>29 .....

**Textual Amendments**

**F50** Sch. 10 para. 29 repealed (1.10.2007) by [The 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. 71(1), **Sch. 5** (with art. 12, Sch. 4 para. 71(2))

*Winding up: general*

30 Section 187 (power to make over assets to employees) of the Act does not apply.

31 (1) In section 201 (dissolution: voluntary winding up) of the Act, subsection (2) applies without the words from “and on the expiration” to the end of the subsection and, in subsection (3), the word “However” shall be omitted.

(2) Sections 202 to 204 (early dissolution) of the Act do not apply.

32 In section 205 (dissolution: winding up by the court) of the Act, subsection (2) applies with the omission of the words from “and, subject” to the end of the subsection; and in subsections (3) and (4) references to the Secretary of State shall have effect as references to the [<sup>F51</sup>FCA].

**Textual Amendments**

**F51** Word in Sch. 10 para. 32 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 53(5)** (with Sch. 12)

*Penal provisions*

33 Sections 216 and 217 of the Act (restriction on re-use of name) do not apply.

34 (1) Sections 218 and 219 (prosecution of delinquent officers) of the Act do not apply in relation to offences committed by members of an incorporated friendly society acting in that capacity.

(2) Sections 218(5) of the Act and subsections (1) and (2) of section 219 of the Act do not apply.

(3) The references in subsections (3) and (4) of section 219 of the Act to the Secretary of State shall have effect as references to the [<sup>F52</sup>FCA]; and the reference in subsection (3) to section 218 of the Act shall have effect as a reference to that section as supplemented by paragraph 35 below.

**Textual Amendments**

**F52** Word in Sch. 10 para. 34(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 53(5)** (with Sch. 12)



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- 35 (1) Where a report is made to the prosecuting authority (within the meaning of section 218) under section 218(4) of the Act, in relation to an officer of an incorporated friendly society, he may, if he thinks fit, refer the matter to the [F53FCA] for further enquiry.
- (2) On such a reference to it the [F53FCA] shall exercise its power under section 65(1) above to appoint one or more investigators to investigate and report on the matter.
- (3) An answer given by a person to a question put to him, in exercise of the powers conferred by section 65 above on a person so appointed, may be used in evidence against the person giving it.

#### Textual Amendments

- F53** Word in [Sch. 10 para. 35](#) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 53\(5\)](#) (with [Sch. 12](#))

#### *Preferential debts*

- 36 Section 387 (meaning in Schedule 6 of “the relevant date”) of the Act applies with the omission of subsections (2) and (4) to (6).

### PART III

#### MODIFIED APPLICATION OF INSOLVENCY (NORTHERN IRELAND) ORDER 1989

#### *Preliminary*

- 37 In this Part of this Schedule, Part V of the <sup>M18</sup>Insolvency (Northern Ireland) Order 1989 is referred to as “Part V”; and that Order is referred to as “the Order”.

#### Marginal Citations

- M18** [S.I. 1989/2405 \(N.I.19\)](#)

#### *Members of a friendly society as contributories in winding up*

- 38 (1) Article 61 (liability of members) of the Order is modified as follows.
- (2) In paragraph (1), the reference to any past member shall be omitted.
- (3) Sub-paragraphs (a) to (d) of paragraph (2) shall be omitted; and so shall paragraph (3).
- (4) The extent of the liability of a member of an incorporated friendly society in a winding up shall not exceed the extent of his liability under paragraph 8 of Schedule 3 to this Act.
- 39 Articles 62 to 65 and 69 of the Order (miscellaneous provisions not relevant to incorporated friendly societies) do not apply.
- 40 (1) Article 13 (meaning of “contributory”) of the Order does not apply.

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- (2) In the enactments as applied to an incorporated friendly society “contributory”—
- (a) means every person liable to contribute to the assets of the society in the event of its being wound up; and
  - (b) for the purposes of all proceedings for determining, and all proceedings prior to the determination of, the persons who are to be deemed contributories, includes any person alleged to be a contributory; and
  - (c) includes persons who are liable to pay or contribute to the payment of—
    - (i) any debt or liability of the incorporated friendly society being wound up; or
    - (ii) any sum for the adjustment of rights of members among themselves; or
    - (iii) the expenses of the winding up;
 but does not include persons liable to contribute by virtue of a declaration by the court under Article 177 (imputed responsibility for fraudulent trading) or Article 178 (wrongful trading) of the Order.

*Voluntary winding up*

- 41 (1) Article 70 of the Order does not apply.
- (2) In the enactments as applied to an incorporated friendly society, the expression “resolution for voluntary winding up” means a resolution passed under section 21(1) above.
- 42 Article 74 shall have effect with the omission of the words from the beginning to “and”.
- 43 (1) Paragraph (1) of Article 75 shall have effect as if for the words from the beginning to “meeting” there were substituted the words—
- “(1) Where it is proposed to wind up an incorporated friendly society voluntarily, the committee of management (or, in the case of an incorporated friendly society whose committee of management has more than two members, the majority of them) may at a meeting of the committee”.
- (2) The reference to the directors in paragraph (2) shall be construed as a reference to members of the committee of management.
- 44 Article 76 shall have effect as if for the words “directors’ statutory declaration in accordance with Article 75” there were substituted the words “statutory declaration made in accordance with Article 75 by members of the committee of management”.
- 45 Article 81(1) and 82 shall have effect as if the word “directors” were omitted from each of them.
- 46 In paragraph (1) of Article 87 (appointment of liquidation committee) of the Order, the reference to functions conferred on a liquidation committee by or under that Order shall have effect as a reference to its functions by or under that Order as applied to incorporated friendly societies.
- 47 (1) Article 93 (distribution of property) of the Order does not apply; and the following applies in its place.
- (2) Subject to the provisions of Part V relating to preferential payments, an incorporated friendly society’s property in a voluntary winding up shall be applied in satisfaction

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of the society's liabilities to creditors *pari passu* and, subject to that application, in accordance with the rules of the society.

- 48       Articles 96 and 97 (liquidator accepting shares, etc. as consideration for sale of company property) of the Order do not apply.

*Winding up by the High Court*

- 49       Article 102 (circumstances in which company may be wound up by the High Court) of the Order does not apply.

- 50       Article 104 (application for winding up) of the Order does not apply.

- 51       (1) In Article 105 (powers of High Court on hearing of petition) of the Order, paragraph (1) applies with the omission of the words from "but the Court" to the end of the paragraph.

- (2) The conditions which the Court may impose under Article 105 of the Order include conditions for securing—

- (a) that the incorporated friendly society be dissolved by consent of its members under section 20 above; or
- (b) that the society amalgamates with, or transfers its engagements to, another friendly society under section 85 or 86 above; or
- (c) that the society converts itself to a company under section 91 above,

and may also include conditions for securing that any default which occasioned the petition be made good and that the costs of the proceedings on that petition be defrayed by the person or persons responsible for the default.

- 52       Article 106 (power of court, between petition and winding-up order, to stay or restrain proceedings against company) of the Order has effect with the omission of paragraph (2).

- 53       If, before the presentation of a petition for the winding up by the High Court of an incorporated friendly society, an instrument of dissolution under section 20 is placed in the society's public file, Article 109(1) (commencement of winding up by the High Court) of the Order shall also apply in relation to the date on which the notice is so placed and to any proceedings in the course of the dissolution as it applies to the commencement date for, and proceedings in, a voluntary winding up.

- 54       (1) Article 110 of the Order (consequences of winding-up order) shall have effect with the following modifications.

- (2) Paragraphs (1) and (3) shall be omitted.

- (3) An incorporated friendly society shall, within 15 days of a winding-up order being made in respect of it, give notice of the order to the [F54FCA and, if the society is a PRA-authorized person, the PRA]; and the [F55FCA] shall keep the notice in the public file of the society.

- (4) If an incorporated friendly society fails to comply with sub-paragraph (3) above, it shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

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#### Textual Amendments

- F54** Words in Sch. 10 para. 54(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 53(6)(a)** (with Sch. 12)
- F55** Word in Sch. 10 para. 54(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 53(6)(b)** (with Sch. 12)

- 55 Article 119 (appointment of liquidator by High Court in certain circumstances) of the Order does not apply.
- 56 In the application of Article 120(1) (liquidation committees), of the Order to incorporated friendly societies, the references to functions conferred on a liquidation committee by or under that Order shall have effect as references to its functions by or under that Order as so applied.
- 57 The conditions which the High Court may impose under Article 125 (power to stay winding up) of the Order shall include those specified in paragraph 51(2) above.
- 58 Article 132 (adjustment of rights of contributories) of the Order shall have effect with the modification that any surplus is to be distributed in accordance with the rules of the society.
- <sup>F56</sup>59 .....

#### Textual Amendments

- F56** Sch. 10 para. 59 repealed (1.10.2007) by [The 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. 71(1), **Sch. 5** (with art. 12, Sch. 4 para. 71(2))

#### *Winding up: general*

- 60 Article 158 (power to make over assets to employees) of the Order does not apply.
- 61 (1) In Article 166 (dissolution: voluntary winding up) of the Order, paragraph (2) applies without the words from “and on the expiration” to the end of the paragraph and, in paragraph (3), the word “However” shall be omitted.
- (2) Articles 167 and 168 (early dissolution) of the Order do not apply.
- 62 In Article 169 (dissolution: winding up by the High Court) of the Order, paragraph (1) applies with the omission of the words from “and, subject” to the end of the paragraph; and in paragraphs (2) and (3) references to the Department shall have effect as references to the [<sup>F57</sup>FCA and the PRA].

#### Textual Amendments

- F57** Words in Sch. 10 para. 62 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 53(7)** (with Sch. 12)

#### *Penal provisions*

- 63 Articles 180 and 181 of the Order (restriction on re-use of name) do not apply.

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- 64 (1) Articles 182 and 183 (prosecution of delinquent officers) of the Order do not apply in relation to offences committed by members of an incorporated friendly society acting in that capacity.
- (2) Articles 182(4) and 183(1) and (2) of the Order do not apply.
- (3) The references in paragraph (3) and (5) of Article 183 of the Order to the Department shall have effect as references to the [F58FCA]; and the reference in paragraph (3) to Article 182 of the Order shall have effect as a reference to that Article as supplemented by paragraph 65 below.

#### Textual Amendments

**F58** Word in Sch. 10 para. 64 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 53\(8\)](#) (with Sch. 12)

- 65 (1) Where a report is made to the prosecuting authority (within the meaning of Article 182) under Article 182(5) of the Order, in relation to an officer of an incorporated friendly society, he may, if he thinks fit, refer the matter to the [F59FCA] for further enquiry.
- (2) On such a reference to it the [F59FCA] shall exercise its power under section 65(1) above to appoint one or more investigators to investigate and report on the matter.
- (3) An answer given by a person to a question put to him in exercise of the powers conferred by section 65 above on a person so appointed may be used in evidence against the person giving it.

#### Textual Amendments

**F59** Word in Sch. 10 para. 65 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 53\(8\)](#) (with Sch. 12)

#### *Preferential debts*

- 66 Article 347 (meaning in Schedule 4 of “the relevant date”) of the Order applies with the omission of paragraphs (2) and (4) to (6).

### PART IV

#### SUPPLEMENTARY

#### *Dissolution of incorporated friendly society after winding up*

- 67 (1) Where an incorporated friendly society has been wound up voluntarily, it is dissolved as from 3 months from the date of the placing in the public file of the society of the return of the final meetings of the society and its creditors made by the liquidator under—
- (a) section 94 or 106 of the <sup>M19</sup>Insolvency Act 1986 (as applied to incorporated friendly societies), or on such other date as is determined in accordance with section 201 of that Act; or

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- (b) Article 80 or 92 of the <sup>M20</sup>Insolvency (Northern Ireland) Order 1989 (as so applied), or on such other date as is determined in accordance with Article 166 of that Order.
- (2) Where an incorporated friendly society has been wound up by the court, it is dissolved as from 3 months from the date of the placing in the public file of the society of the liquidator's notice under—
- (a) section 172(8) of the <sup>M21</sup>Insolvency Act 1986 (as applied to incorporated friendly societies) or on such other date as is determined in accordance with section 205 of that Act; or
  - (b) Article 146(7) of the Insolvency (Northern Ireland) Order 1989 (as so applied) or on such other date as is determined in accordance with Article 169 of that Order.

#### Marginal Citations

- M19** 1986 c. 45.  
**M20** S.I. 1989/2405 (N.I.19)  
**M21** 1986 c. 45.

- 68 [F60(1) Sections 1012 to 1023 and 1034 of the Companies Act 2006 (property of dissolved company) apply in relation to the property of a dissolved incorporated friendly society (whether dissolved under section 20 or following its winding up) as they apply in relation to the property of a dissolved company.]
- (2) Paragraph 3(1) above shall apply to those sections for the purpose of their application to incorporated friendly societies.
- [F61(3) Any reference in those sections to restoration to the register shall be read as a reference to the effect of an order under section 25 of this Act.]

#### Textual Amendments

- F60** Sch. 10 para. 68(1) 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. 133(7)(b)(i)** (with art. 10)
- F61** Sch. 10 para. 68(3) substituted for Sch. 10 para. 68(3)(4) (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. 133(7)(b)(ii)** (with art. 10)

#### *Insolvency rules and fees*

- 69 (1) Rules may be made under—
- (a) section 411 of the Insolvency Act 1986; or
  - (b) Article 359 of the Insolvency (Northern Ireland) Order 1989,
- for the purpose of giving effect, in relation to incorporated friendly societies, to the provisions of the applicable winding up legislation.
- (2) An order made by the competent authority under section 414 of the Insolvency Act 1986 may make provision for fees to be payable under that section in respect of proceedings under the applicable winding-up legislation and the performance by the official receiver or the Secretary of State of functions under it.

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- (3) An order made by the competent authority under Article 361 of the Insolvency (Northern Ireland) Order 1989 may make provisions for fees to be payable under that section in respect of proceedings under the applicable winding-up legislation and the performance by the official receiver in Northern Ireland or the Department of Economic Development in Northern Ireland of functions under it.

## SCHEDULE 11

Section 27.

### COMMITTEE OF MANAGEMENT: SUPPLEMENTARY

#### PART I

#### ELIGIBILITY AND RETIREMENT OF COMMITTEE MEMBERS

##### *Preliminary*

- 1 (1) This Part of this Schedule applies in relation to members of the committee of management of a friendly society (“the society”); and in this Schedule—
- “the committee” means the committee of management of the society;
  - “the compulsory retirement age”, where the rules of the society make the provision authorised by paragraph 3(1) below, means the age prescribed for that purpose in its rules;
  - “the normal retirement age” means 70 years or such lesser age as the rules of the society may prescribe as the normal retirement age for members of its committee.
- (2) For the purposes of this Act the date of a person’s election to office as a member of the committee, where the rules of the society provide for election by <sup>F62</sup>... ballot, is the date of the meeting at which the declaration of the result of the ballot is made.

#### **Textual Amendments**

**F62** Word in Sch. 11 para. 1(2) omitted (12.4.2011) by virtue of The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), **21(2)(b)**

#### **Commencement Information**

**I31** Sch. 11 para. 1 wholly in force; Sch. 11 para. 1 not in force at Royal Assent see s. 126(2); Sch. 11 para. 1 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; Sch. 11 para. 1 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**

##### *Eligibility to be elected committee member*

- 2 Subject to paragraph 3 below, paragraph 7 of Schedule 3 to this Act and to the rules of the society, any person is eligible to be elected as a member of the committee.

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#### Commencement Information

**I32** Sch. 11 para. 2 wholly in force; Sch. 11 para. 2 not in force at Royal Assent see s. 126(2); Sch. 11 para. 2 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 2 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

- 3
- (1) The rules of the society may require the members of the committee to retire at a prescribed age without eligibility for re-election or reappointment; and, if the age so prescribed is no greater than the age which is the normal retirement age for members of the committee, sub-paragraph (3) below shall have no application to the society.
  - (2) If the rules of the society make the provision authorised by sub-paragraph (1) above, a person who has attained the age so prescribed shall not be eligible to be elected as a member of the committee.
  - (3) Except in the case mentioned in sub-paragraph (1) above, if a person has attained the normal retirement age for the society, he shall not be eligible to be elected as a member of the committee unless—
    - (a) he has been approved as eligible to be so elected by resolution of the committee; and
    - (b) his age and the reasons for the committee’s approval of his eligibility have been notified to every person entitled to vote at the election.
- [<sup>F63</sup>(3A) A friendly society is to be regarded as notifying a person for the purposes of sub-paragraph (3)(b) if it makes the information available to the person on a website; and the end date for the purposes of section 119AB(4)(b) is the day after the election.]
- (4) If a friendly society, in a case where its committee has approved as eligible for election a person who has attained the normal retirement age, fails to notify every person entitled to vote at the election, the society shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale; but no such failure shall invalidate the election.

#### Textual Amendments

**F63** Sch. 11 para. 3(3A) inserted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), 13

#### Commencement Information

**I33** Sch. 11 para. 3 wholly in force; Sch. 11 para. 3 not in force at Royal Assent see s. 126(2); Sch. 11 para. 3 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 3 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

#### *Eligibility to be co-opted committee member*

- 4 No person may be co-opted as a member of the committee who has attained the normal retirement age or the compulsory retirement age (where that age is less than the normal retirement age).



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#### Commencement Information

**I34** Sch. 11 para. 4 wholly in force; Sch. 11 para. 4 not in force at Royal Assent see s. 126(2); Sch. 11 para. 4 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 4 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

#### *Notice to society of age of committee member*

- 5
- (1) A person who holds office as, or is to his knowledge nominated for election or proposed for co-option to the committee as, a member of the committee shall, not later than 28 days before he attains the normal retirement age or, as the case may be, the compulsory retirement age for members of the committee, give the society notice of the date on which he will attain that age.
  - (2) A person who fails to give to a friendly society a notice required, in relation to that society, by sub-paragraph (1) above shall be guilty of an offence and liable on summary conviction—
    - (a) to a fine not exceeding level 3 on the standard scale; and
    - (b) in the case of a continuing offence, to an additional fine not exceeding one-tenth of that level for every week during which the offence continues.

#### Commencement Information

**I35** Sch. 11 para. 5 wholly in force; Sch. 11 para. 5 not in force at Royal Assent see s. 126(2); Sch. 11 para. 5 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 5 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

#### *Retirement of elected committee members*

- 6
- (1) A member of the committee shall retire from office—
    - (a) in any case not provided for by paragraph (b) below, sub-paragraph (2) below or rules under sub-paragraph (3) below, at the fifth annual general meeting of the society following the date of his election; and
    - (b) in a case where he had attained the normal retirement age at his election, at the next annual general meeting following that date.
  - (2) A member of the committee attaining the normal retirement age or, as the case may be, the compulsory retirement age shall, subject to any provision of the rules for earlier retirement, retire from office at the next annual general meeting of the society.
  - (3) The rules of the society, if they provide for the retirement by rotation of members of its committee, may provide that a person elected to fill a vacant seat on the committee must retire at the annual general meeting at which, in accordance with the rules for retirement by rotation, the seat is to fall vacant.
  - (4) Sub-paragraph (3) above applies to any vacancy arising when an elected member ceases to hold office for any reason before the annual general meeting at which (disregarding his age) the seat is due to fall vacant.

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#### Commencement Information

**I36** Sch. 11 para. 6 wholly in force; Sch. 11 para. 6 not in force at Royal Assent see s. 126(2); Sch. 11 para. 6 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 6 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

#### *Retirement of co-opted members*

- 7 (1) A person who is co-opted as a member of the committee shall cease to hold office at the end of the permitted period unless he is elected to office as a member of the committee within that period.
- (2) For the purposes of sub-paragraph (1) above “the permitted period”, with reference to the tenure of office of a co-opted member of the committee, is the period beginning with the date of his appointment and ending with the declaration of the next election of members of the committee conducted after his appointment or the expiration of the period of 16 months beginning with the date of his appointment, whichever first occurs.

#### Commencement Information

**I37** Sch. 11 para. 7 wholly in force; Sch. 11 para. 7 not in force at Royal Assent see s. 126(2); Sch. 11 para. 7 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 7 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

## PART II

### DEALINGS WITH MEMBERS OF COMMITTEE OF MANAGEMENT

- [<sup>F648</sup> (1) A friendly society or registered branch must not make any payment to a member of the committee of management of the society or branch—
- (a) by way of compensation for loss of office, or
  - (b) as consideration for or in connection with the member's retirement from office,
- unless particulars of the proposed payment (including its amount) have been disclosed to members of the society or branch and the proposal has been approved by the society or branch.
- (2) Sub-paragraph (1) does not apply to a bona fide payment by way of damages for breach of contract or by way of pension in respect of past services. “Pension” here includes any superannuation allowance, superannuation gratuity or similar payment.]

#### Textual Amendments

**F64** Sch. 11 para. 8 substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 185 (with arts. 6, 11, 12)

- 9 (1) The following provisions of the <sup>M22</sup>Building Societies Act 1986—
- (a) section 62 (prohibition of tax-free payments to directors);
  - (b) section 63 (disclosure of interests in contracts and other transactions);

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- (c) section 64 (substantial property transactions);
- (d) section 65 (restriction on loans etc);
- (e) section 66 (sanctions);
- (f) section 68 (records of loans etc) with Schedule 9;
- (g) section 69 (disclosure and record of related businesses); and
- (h) section 70 (interpretation),

shall have effect as if any reference to a director of a building society included a reference to a member of the committee of management of a friendly society or registered branch.

- (2) The provisions mentioned in sub-paragraph (1) above shall have effect in their application to such members with the substitution—
  - (a) of a reference to a friendly society or registered branch for every reference to a building society; and
  - (b) of a reference to the committee of management for every reference to the directors or board of directors.
- (3) Section 65 shall in addition have effect in its application to them—
  - (a) with the omission of subsection (1)(c); and
  - (b) with the substitution in subsection (1)(d) of the words “ loan or disposal of property ” for the words “loan, disposal of property or payment”.
- (4) Section 69 shall in addition have effect with the substitution—
  - (a) of the following subsection for subsection (3)—
    - “(3) The following are relevant services—
      - (a) legal services;
      - (b) accountancy services;
      - (c) services of a broker in respect of the society’s insurance business;
      - (d) reinsurance of the society’s insurance business;
      - (e) any other services designated as relevant services.”; and
    - (b) of a reference to Part II of this Schedule for every reference in subsection (7) to Schedule 10 to the Building Societies Act.
- (6) The requisite particulars of the business of a business associate of a friendly society or registered branch are accordingly those set out in paragraphs 10 to 12 or 13 to 15 below.

#### Commencement Information

**I38** Sch. 11 para. 9 wholly in force; Sch. 11 para. 9 not in force at Royal Assent see s. 126(2); Sch. 11 para. 9 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 9 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

#### Marginal Citations

**M22** 1986 c. 53.

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*Requisite particulars where no adoption of this Part*

- 10 Where the business associate of the society or branch provides legal services the requisite particulars of its business in any financial year are the following—
- (a) the aggregate amount of the fees paid to it by the society or branch concerned for the provision of legal services; and
  - (b) the aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.

**Commencement Information**

**I39** [Sch. 11 para. 10](#) wholly in force; [Sch. 11 para. 10](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 11 para. 10](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16, art. 2, Sch. 1](#); [Sch. 11 para. 10](#) in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213, art. 2\(1\), Sch. 5](#)

- 11 Where the business associate of the society or branch provides accountancy services the requisite particulars of its business in any financial year are the following—
- (a) the aggregate amount of the fees paid to it by the society or branch for the provision of accountancy services; and
  - (b) the aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.

**Commencement Information**

**I40** [Sch. 11 para. 11](#) wholly in force; [Sch. 11 para. 11](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 11 para. 11](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16, art. 2, Sch. 1](#); [Sch. 11 para. 11](#) in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213, art. 2\(1\), Sch. 5](#)

- 12 Where the business associate of the society or branch arranges for the provision of insurance broking services, the requisite particulars of its business in any financial year are the following—
- (a) the aggregate of the amounts paid to it by the society or branch by way of commission; and
  - (b) the aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.

**Commencement Information**

**I41** [Sch. 11 para. 12](#) wholly in force; [Sch. 11 para. 12](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 11 para. 12](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16, art. 2, Sch. 1](#); [Sch. 11 para. 12](#) in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213, art. 2\(1\), Sch. 5](#)

*Requisite particulars on adoption of this Part*

- 13 Where the business associate of the society or branch provides legal services, the requisite particulars of its business in any financial year are the following—

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- (a) the prescribed band within which falls the estimated aggregate amount of the fees paid to it by the society or branch for the provision of legal services; and
- (b) the prescribed band within which falls the estimated aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.

#### Commencement Information

**I42** Sch. 11 para. 13 wholly in force; Sch. 11 para. 13 not in force at Royal Assent see s. 126(2); Sch. 11 para. 13 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 13 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

- 14 Where the business associate of the society or branch provides accountancy services the requisite particulars of its business in any financial year are the following—
- (a) the prescribed band within which falls the estimated aggregate amount of the fees paid to it by the society or branch for the provision of accountancy services; and
  - (b) the prescribed band within which falls the estimated aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.

#### Commencement Information

**I43** Sch. 11 para. 14 wholly in force; Sch. 11 para. 14 not in force at Royal Assent see s. 126(2); Sch. 11 para. 14 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 14 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

- 15 Where the business associate of the society or branch provides insurance broking services the requisite particulars of its business in any financial year are the following—
- (a) the prescribed band within which falls the estimated aggregate of the amounts paid to it by or by way of commission; and
  - (b) the prescribed band within which falls the estimated aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.

#### Commencement Information

**I44** Sch. 11 para. 15 wholly in force; Sch. 11 para. 15 not in force at Royal Assent see s. 126(2); Sch. 11 para. 15 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 11 para. 15 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

#### *Power to prescribe bands*

- 16 (1) The <sup>F65</sup>Treasury], with the consent of the Treasury, may by order prescribe, for the purposes of the provisions of this Part of this Schedule, series of monetary amounts by reference to limits specified in the order; and, in any such provision, “prescribed band” means, in relation to monetary amounts, any series of monetary amounts so prescribed for the purposes of that provision.

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- (2) The power conferred by this paragraph includes power to prescribe different series of monetary amounts for the purposes of different provisions.

#### Textual Amendments

**F65** Word in [Sch. 11 para. 16\(1\)](#) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617, arts. 2, 8\(1\), 13\(1\), Sch. 3 para. 124](#) (with [art. 13\(3\)](#), [Sch. 5](#)); [S.I. 2001/3538, art. 2\(1\)](#)

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

**C6** [Sch. 11 para. 16\(1\)](#): Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by [S.I. 2001/2617, arts. 2, 4\(1\), Sch. 1 Pt. II](#) (with [art. 5](#)); [S.I. 2001/3538, art. 2\(1\)](#)

#### Commencement Information

**I45** [Sch. 11 para. 16](#) wholly in force; [Sch. 11 para. 16](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 11 para. 16](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16, art. 2, Sch. 1](#); [Sch. 11 para. 16](#) in force for all remaining purposes at 13.9.1993 by [S.I. 1993/2213, art. 2\(1\), Sch. 2](#)

## SCHEDULE 12

Section 30.

### MEETINGS AND RESOLUTIONS

#### *Annual general meeting*

- 1 (1) Every friendly society and registered branch shall in each year hold a general meeting as its annual general meeting (in addition to any other meetings in that year).
- (2) Not more than 15 months shall elapse between the date of one annual general meeting and that of the next.
- (3) If an incorporated friendly society holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year.
- (4) If a registered friendly society or registered branch holds its first annual general meeting within 18 months of its registration under the 1974 Act, it need not hold it in the year of its registration or in the following year.

#### Commencement Information

**I46** [Sch. 12 para. 1](#) wholly in force; [Sch. 12 para. 1](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 12 para. 1](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16, art. 2, Sch. 1](#); [Sch. 12 para. 1](#) in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213, art. 2\(1\), Sch. 5](#)

- 2 (1) A meeting to be held as the annual general meeting of a friendly society or registered branch shall be specified as such in any notice calling it.
- (2) Notwithstanding anything in the rules of a friendly society or registered branch, the business which may be dealt with at the annual general meeting includes any resolution (whether a special resolution or not).

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#### Commencement Information

**I47** Sch. 12 para. 2 wholly in force; Sch. 12 para. 2 not in force at Royal Assent see s. 126(2); Sch. 12 para. 2 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 12 para. 2 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

- 3 (1) If a friendly society or registered branch fails to hold a meeting as its annual general meeting in accordance with paragraph 1 above, the society or branch shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.
- (2) If such default is made, the [F66FCA] may—
- (a) call, or direct the calling of, an annual general meeting, and
  - (b) give such ancillary or consequential directions as it thinks expedient, including directions modifying or supplementing the operation of the rules of the society concerned in relation to the calling, holding and conducting of the meeting.
- (3) If default is made in complying with any directions of the [F66FCA] given under this paragraph, the society or branch concerned shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

#### Textual Amendments

**F66** Word in Sch. 12 para. 3 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 54 (with Sch. 12)

#### Commencement Information

**I48** Sch. 12 para. 3 wholly in force; Sch. 12 para. 3 not in force at Royal Assent see s. 126(2); Sch. 12 para. 3 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 12 para. 3 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

#### *Notice for calling meetings*

- 4 (1) A meeting of a friendly society or registered branch must be called by not less than 14 days' notice to members, or such longer period as the rules may require, expiring—
- (a) with the date of the meeting; or
  - (b) where proxy voting is permitted, with such earlier date as may be specified by the society, under its rules, as the final date for the receipt of [F67appointments of proxies] to vote at the meeting;
- and the notice to members of a meeting shall be given in such manner as is prescribed by the rules of the society or branch.
- [F68(1A) Sending the notice by electronic means to an electronic address which the member has notified for that purpose, or making the notice available to a member on a website, is to be regarded as giving the member notice for the purposes of sub-paragraph (1), unless the rules of the society or branch make express provision to the contrary.
- (1B) The end date for the purposes of section 119AB(4)(b) is the date of the meeting.
- (1C) If a notice calling a meeting includes an electronic address for the society or registered branch, the address is to be regarded as one to which documents or



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information relating to the meeting may be sent; but that is subject to such conditions or restrictions as the notice specifies.

(1D) Where notice of a meeting is given to a member by sending it to an electronic address, the notice is to be treated as given to that member on the day it is sent.

(1E) Where a notice of a meeting is given to a member by making the notice available on a website, the notice is to be treated as given on the day the member is notified in accordance with section 119AB(3).

(1F) If the notice is absent from the website for part of the period referred to in section 119AB(4), and the absence is disregarded for the purposes of section 119AB(5), that absence does not invalidate the proceedings of the meeting or resolutions passed.]

(2) Where the rules of a friendly society do not provide for the giving of individual notices to those entitled (when the notice is given) to vote at meetings of any description, the rules may provide for the giving of notice of such meetings by advertisement.

(3) If the rules provide for the giving of notice of any meetings by advertisement, the rules must include provision requiring the necessary advertisements to be inserted—

(a) in at least one newspaper circulating in the areas in which the members of the society reside; or

(b) where the membership of the society is drawn from a professional body or wholly or mainly from persons who are or have been engaged in a particular trade, profession or vocation, in an appropriate professional journal,

as the rules may provide.

(4) The rules of a friendly society or registered branch may provide—

(a) for adjourned meetings to be called without notice or with such notice as the rules may require;

(b) for meetings to be held at a specified time and place, on such dates as are prescribed by the rules, either without further notice or with such notice as the rules may require;

and sub-paragraphs (1) to (3) above shall not apply to meetings held by virtue of such provision.

(5) This paragraph is without prejudice to any requirement under the rules of a friendly society or registered branch as to the giving of notice of special resolutions to be moved, or any other business to be transacted, at a meeting of the society or branch.

#### Textual Amendments

**F67** Words in Sch. 12 para. 4(1)(b) substituted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **21(1)(a)**

**F68** Sch. 12 para. 4(1A)-(1F) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **14**

#### Commencement Information

**I49** Sch. 12 para. 4 wholly in force; Sch. 12 para. 4 not in force at Royal Assent see s. 126(2); Sch. 12 para. 4 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; Sch. 12 para. 4 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**



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### *Members' entitlement to vote on resolutions*

- 5 (1) Subject to sub-paragraph (2) below, any provision in the rules of a friendly society or registered branch is void to the extent that it would have the effect of making the voting rights conferred on members by the rules conditional upon the amount of their subscriptions.
- (2) Sub-paragraph (1) above shall not apply to any provision in the rules excluding or limiting the voting rights of members by reference to the amount of their subscriptions in such cases or circumstances as the [<sup>F69</sup>Treasury] may by regulations prescribe.
- (3) In this section “subscription” includes a contribution payment falling to be made by a member.

#### **Textual Amendments**

**F69** Word in [Sch. 12 para. 5\(2\)](#) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617, arts. 2, 8\(1\), 13\(1\)](#), [Sch. 3 para. 125\(b\)](#) (with [arts. 13\(3\)](#), [Sch. 5](#)); [S.I. 2001/3538, art. 2\(1\)](#)

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

**C7** [Sch. 12 para. 5\(2\)](#): Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by [S.I. 2001/2617, arts. 2, 4\(1\)](#), [Sch. 1 Pt. II](#) (with [art. 5](#)); [S.I. 2001/3538, art. 2\(1\)](#)

#### **Commencement Information**

**I50** [Sch. 12 para. 5](#) wholly in force; [Sch. 12 para. 5](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 12 para. 5](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16, art. 2](#), [Sch. 1](#); [Sch. 12 para. 5](#) in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213, art. 2\(1\)](#), [Sch. 5](#)

### *Right to demand a poll*

- 6 (1) Any provision contained in the rules of a friendly society or registered branch shall be void in so far as it would have the effect either—
- (a) of excluding the right to demand a poll at a meeting of the society on any question other than the election of a chairman of the meeting or the adjournment of the meeting; or
- (b) of making ineffective a demand for a poll on any such question which is made by not less than 10 members who are entitled to vote at the meeting or, in the case of a society whose rules provide for delegate voting, 5 delegates who are so entitled.
- (2) The reference in sub-paragraph (1)(b) above to members includes a reference, where the rules allow the appointment of proxies, to persons who are duly appointed on behalf of members entitled to attend and vote at the meeting.

#### **Commencement Information**

**I51** [Sch. 12 para. 6](#) wholly in force; [Sch. 12 para. 6](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 12 para. 6](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16, art. 2](#), [Sch. 1](#); [Sch. 12 para. 6](#) in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213, art. 2\(1\)](#), [Sch. 5](#)

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### *Special resolutions*

- 7 (1) No resolution of a friendly society shall be passed as a special resolution unless—
- (a) it is required to be so passed by or under any provision of this Act or the 1974 Act or by the rules of the society;
  - (b) at least 14 day’s notice, or such longer period as the rules may require, expiring—
    - (i) with the date of the meeting at which the resolution is to be moved; or
    - (ii) where proxy voting is permitted, with such earlier date as may be specified by the society, under its rules, as the final date for the receipt of [<sup>F70</sup>appointments of proxies] to vote at the meeting;
 

is given to members in such manner as is prescribed by the rules; and
  - (c) any such notice (or, in the case of a postal ballot, the ballot papers [<sup>F71</sup>or, in the case of an electronic ballot, the section of the website on which in which the facility for registering a vote may be used]) includes a statement that the resolution will not be effective unless it is passed as a special resolution;
 

and, in this Act, “special resolution” means a resolution so passed.
- (2) Subject to sub-paragraph (3) below, a resolution of a friendly society shall not be effective as a special resolution unless it is passed by not less than three-quarters of the number of the members of the society entitled to vote on it and voting either (in person or by proxy) on a poll at a meeting of the society or in a <sup>F72</sup>... ballot.
- (3) Where the rules of a friendly society provide for delegate voting, a resolution shall not be effective as a special resolution unless it is passed by not less than three quarters of the number of delegates entitled to vote on the resolution and voting on a poll at a meeting or in a <sup>F72</sup>... ballot.
- (4) Where the rules of a friendly society do not provide for the giving of individual notices to those entitled (when the notice is given) to vote on special resolutions of any description, the rules may provide for the giving of notice by advertisement.
- (5) If the rules provide for the giving of notice of any special resolutions by advertisement, the rules must include provision requiring the necessary advertisements to be inserted—
- (a) in at least one newspaper circulating in the areas in which the members of the society reside; or
  - (b) where the membership of the society is drawn from a professional body or wholly or mainly from persons who are or have been engaged in a particular trade, profession or vocation, in an appropriate professional journal,
- as the rules may provide.
- (6) Proxy voting shall be permitted (notwithstanding anything to the contrary in a society’s rules) on any resolution which is to be moved as a special resolution at any meeting of a friendly society other than a meeting of delegates; and the procedure adopted by the society for such proxy voting shall comply with any requirements prescribed in regulations by the [<sup>F73</sup>Treasury].

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#### Textual Amendments

- F70** Words in Sch. 12 para. 7(1)(b)(ii) substituted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **21(1)(b)**
- F71** Words in Sch. 12 para. 7(1)(c) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **21(3)**
- F72** Word in Sch. 12 para. 7(2)(3) omitted (12.4.2011) by virtue of [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **21(2)(c)**
- F73** Word in Sch. 12 para. 7(6) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), art. 2, 8(1), 13(1), **Sch. 3 para. 125(b)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2(1)**

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

- C8** [Sch. 12 para. 7\(6\)](#): Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by [S.I. 2001/2617](#), arts. 2, 4(1), **Sch. 1 Pt. II** (with art. 5); [S.I. 2001/3538](#), **art. 2(1)**

#### Commencement Information

- I52** [Sch. 12 para. 7](#) wholly in force; [Sch. 12 para. 7](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 12 para. 7](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16](#), art. 2, **Sch. 1**; [Sch. 12 para. 7](#) in force for all remaining purposes at 13.9.1993 by [S.I. 1993/2213](#), art. 2(1), **Sch. 2**

#### Postal ballots

- 8 (1) The rules of a friendly society or registered branch may provide for the voting—
- (a) in an election of the committee of management or, where applicable, of the secretary, or
  - (b) on any resolution (whether special or not),
- to be conducted in all, or in any particular, circumstances by postal ballot; and <sup>F74</sup>... “postal ballot” in relation to an election or a resolution of the society or branch, means a postal ballot taking place by virtue of those rules.
- [<sup>F75</sup>(1A) The rules of a friendly society or registered branch may also make provision in relation to the use of electronic communications in the conduct of a postal ballot.]
- (2) Where a postal ballot is to take place, the following provisions of this paragraph have effect.
  - (3) Notice of a postal ballot shall be given not less than 14 nor more than 56 days before the date which the society or branch specifies as the final date for the receipt of completed ballot papers (referred to in this paragraph as “the voting date”).
  - (4) Subject to the provisions of this Act, notice of a postal ballot shall be given to every member of the society or branch who would be entitled to vote in the election or on the resolution if the voting date for the election or the resolution fell on the date of the notice.
- [<sup>F76</sup>(4A) A friendly society or registered branch is to be regarded as giving notice of a postal ballot for the purposes of this paragraph if it makes the notice available to a member on a website; and the end date for the purposes of section 119AB(4)(b) is the voting date.
- (4B) A notice given in accordance with sub-paragraph (4A) is to be treated as given to the member on the day the member is notified in accordance with section 119AB(3).

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- (4C) If the notice of postal ballot is absent from the website for part of the period referred to in section 119AB(4), and the absence is disregarded for the purposes of section 119AB(5), that absence does not invalidate the postal ballot.
- (4D) If a notice of postal ballot includes an electronic address for the society or registered branch, the address is to be regarded as one to which a completed voting paper, or other documents or information relating to the ballot may be sent; but that is subject to such conditions or restrictions as the notice specifies, and any express provision to the contrary made in the rules of the society or branch.]
- (5) Notice of a postal ballot—
- (a) shall contain such other notices relating to the election or resolution; and
  - (b) shall be accompanied by such other documents,
- as would be required to be given or sent to a member in connection with the election or resolution had it been intended to hold the election or vote on the resolution at a meeting instead of by postal ballot with the exception, however, of any notice relating to voting by proxy at a meeting.

#### Textual Amendments

- F74** Words in Sch. 12 para. 8(1) omitted (12.4.2011) by virtue of [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **19(2)**
- F75** Sch. 12 para. 8(1A) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **19(3)**
- F76** Sch. 12 para. 8(4A)-(4D) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **19(4)**

#### Commencement Information

- I53** Sch. 12 para. 8 wholly in force; Sch. 12 para. 8 not in force at Royal Assent see s. 126(2); Sch. 12 para. 8 in force for certain purposes at 13.1.1993 by [S.I. 1993/16](#), art. 2, **Sch. 1**; Sch. 12 para. 8 in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213](#), art. 2(1), **Sch. 5**

#### *Electronic ballots*

- [<sup>F77</sup>8A.(1) The rules of a friendly society or registered branch may provide for the voting in an election of the committee of management or, where applicable, the secretary, or on any resolution (whether special or not) to be conducted in all, or any particular, circumstances by electronic ballot.
- (2) An “electronic ballot”, in relation to such an election or resolution, means an electronic ballot taking place by virtue of those rules.
  - (3) A person is to be regarded as voting in an electronic ballot only if the following conditions are satisfied.
  - (4) The first condition is that the person—
    - (a) has agreed (generally or specifically) that the society or branch may make a facility for registering a vote in the ballot available on a website, and
    - (b) has not revoked that agreement.
  - (5) The second condition is that the society or branch has notified the person of—
    - (a) the presence of the facility on the website;

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- (b) the address of the website;
  - (c) the place on the website where the facility may be accessed; and
  - (d) how to access the facility.
- (6) The third condition is that the facility is present on the website for the whole of the period—
- (a) beginning with the day on which the notification under sub-paragraph (5) is given, and
  - (b) ending at the time which the society or branch specifies in the notice of the ballot as the final time for the registration of votes in the ballot.
- (7) The fourth condition is that the person registers a vote in the ballot by using the facility.
- (8) The notification given under sub-paragraph (5) must—
- (a) state that it concerns a notice of an electronic ballot on a specified matter, and
  - (b) be given not less than 14 days before the final date for the registration of votes in the ballot.
- (9) Notice of an electronic ballot must be given not less than 14 nor more than 56 days before the date which the society or branch specifies as the final day for the registration of votes in the ballot.
- (10) Unless express provision to the contrary is made in the rules of a society or branch, sub-paragraphs (4) and (5) of paragraph 8 apply to a notice of an electronic ballot as they apply to a notice of a postal ballot.
- (11) The rules of the society or branch may make provision as to the consequences of any irregularities occurring in the course of a ballot, including provision as to the validity of multiple votes cast by a member in the same election or on the same resolution.
- (12) Unless express provision to the contrary is made in the rules of a society or branch, if the facility for registering a vote is absent from the website for part of the period referred to in sub-paragraph (6), the absence is to be disregarded if it is wholly attributable to circumstances that it would not be reasonable to have expected the society or branch to prevent or avoid.

#### Textual Amendments

**F77** Sch. 12 paras. 8A, 8B inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), 20

#### *Combined ballots*

- 8B. (1) The rules of a friendly society or registered branch may provide for the voting in an election of the committee of management or, where applicable, the secretary, or on any resolution (whether special or not) to be conducted in all, or any particular, circumstances by combined ballot.
- (2) A “combined ballot”, in relation to such an election or resolution, means a postal ballot and electronic ballot taking place in accordance with those rules.
- (3) The rules must, in particular, stipulate that no person entitled to vote in a combined ballot is permitted to do so in both the postal and the electronic ballot.

*Status: Point in time view as at 01/04/2013.*

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- (4) Paragraph 8(2) to (5) applies to a combined ballot in so far as it involves a postal ballot.
- (5) Paragraph 8A(3) to (12) applies to a combined ballot in so far as it involves an electronic ballot].

*Resolutions requiring special notice*

- 9 (1) Where by any provision of this Act special notice is required of a resolution, the resolution is not effective unless notice of the intention to move it has been given to the friendly society concerned at least 28 days before the meeting at which it is moved.
- (2) The friendly society concerned shall give its members notice of any such resolution at the same time and in the same manner as is required by its rules for notice of the meeting or, if that is not practicable, shall give them notice (either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by the society's rules) at least 14 days before the meeting.
- [<sup>F78</sup>(2A) Sending the notice by electronic means to an electronic address which the member has notified for that purpose, or making the notice available to a member on a website, is to be regarded as giving the member notice for the purposes of sub-paragraph (2), unless the rules of the society make express provision to the contrary.
- (2B) The end date for the purposes of section 119AB(4)(b) is the date of the meeting.
- (2C) If a notice calling a meeting includes an electronic address for the society, the address is to be regarded as one to which documents or information relating to the meeting may be sent; but that is subject to such conditions or restrictions as the notice specifies.
- (2D) Where notice of a meeting is given to a member by sending it to an electronic address, the notice is to be treated as given to that member on the day it is sent.
- (2E) Where a notice of a meeting is given to a member by making the notice available on a website, the notice is to be treated as given on the day the member is notified in accordance with section 119AB(3).
- (2F) If the notice is absent from the website for part of the period referred to in section 119AB(4), and the absence is disregarded for the purposes of section 119AB(5), that absence does not invalidate the proceedings of the meeting or resolutions passed.]
- (3) If, after notice of the intention to move such a resolution has been given to the society, a meeting is called for a date 28 days or less after the notice has been given, the notice is deemed properly given, though not given within the time required.

**Textual Amendments**

**F78** Sch. 12 para. 9(2A)-(2F) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), 15

*Status: Point in time view as at 01/04/2013.*

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#### Commencement Information

**I54** Sch. 12 para. 9 wholly in force; Sch. 12 para. 9 not in force at Royal Assent see s. 126(2); Sch. 12 para. 9 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 12 para. 9 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

### <sup>F79</sup>SCHEDULE 13

#### Textual Amendments

**F79** Schs. 13-13C repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

### <sup>F81</sup>SCHEDULE 13A TO 1992 ACT

#### Textual Amendments

**F81** Schs. 13-13C repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), Sch. 4 (with art. 13(3), Sch. 4); S.I. 2001/3538, art. 2(1)

### <sup>F82</sup>SCHEDULE 13B TO 1992 ACT

#### Textual Amendments

**F82** Schs. 13-13C repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

### <sup>F83</sup>SCHEDULE 13C TO 1992 ACT

#### Textual Amendments

**F83** Schs. 13-13C repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

*Status: Point in time view as at 01/04/2013.*

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[<sup>F84</sup>SCHEDULE 13D

Section 69J

DISCLOSURES ABOUT MEMBERS OF THE COMMITTEE OF MANAGEMENT AND EMPLOYEES

**Textual Amendments**

**F84** Sch. 13D inserted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Friendly Societies Act 1992 \(International Accounting Standards and Other Accounting Amendments\) Order 2005 \(S.I. 2005/2211\)](#), art. 1(2), **Sch. para. 6**

**PART 1**

EMOLUMENTS OF AND DEALINGS WITH MEMBERS OF THE COMMITTEE

*Aggregate amount of committee members' emoluments*

1. (1) The aggregate amount of committee members' emoluments must be shown.
- (2) In this paragraph, “committee members' emoluments” means the emoluments paid to or receivable by any person in respect of—
  - (a) his services as a member of the committee; or
  - (b) his services while a member of the committee—
    - (i) as director of any of the society’s associated bodies; or
    - (ii) otherwise in connection with the management of the affairs of the society or any of its associated bodies.
- (3) There must also be shown, separately, the aggregate amounts within sub-paragraph (2)(a), sub-paragraph (2)(b)(i) and sub-paragraph (2)(b)(ii).
- (4) For the purposes of this paragraph the “emoluments” of a person include—
  - (a) fees and percentages;
  - (b) sums paid by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax);
  - (c) contributions paid in respect of him under any pension scheme; and
  - (d) the estimated money value of any other benefits received by him otherwise than in cash,

and emoluments in respect of a person’s accepting office as a member of the committee must be treated as emoluments in respect of his services as a member of the committee.

*Details of chairman’s and committee members' emoluments*

2. (1) Where the amount shown in compliance with paragraph 1(1) is £60,000 or more, the emoluments of the chairman must be shown.



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- (2) Where sub-paragraph (1) requires an amount to be shown and there has been more than one chairman during the year, the emoluments of each must be stated so far as attributable to the period during which he was chairman.
- (3) Where the amount shown in compliance with paragraph 1(1) is £60,000 or more, the following information must be given with respect to the committee members' emoluments—
  - (a) the number of members of the committee whose emoluments fell within each of the following bands—
    - (i) not more than £5,000;
    - (ii) more than £5,000 but not more than £10,000;
    - (iii) more than £10,000 but not more than £15,000;and in successive bands of £5,000;
  - (b) if the emoluments of any of the members of the committee exceeded that of the chairman, the greatest amount of emoluments of any member of the committee.
- (4) Where more than one person has been chairman during the year, the reference in paragraph (3)(b) to the emoluments of the chairman is to the aggregate of the emoluments of each person who has been chairman, so far as attributable to the period during which he was chairman.
- (5) The information required by sub-paragraph (3)(a) need not be given in respect of a member of the committee who discharged his duties as such wholly or mainly outside the United Kingdom; and any such member of the committee must be left out of account for the purposes of sub-paragraph (3)(b).
- (6) In this paragraph “emoluments” has the same meaning as in paragraph 1, except that it does not include contributions paid in respect of a person under a pension scheme.

#### *Emoluments waived*

3. (1) There must be shown—
  - (a) the number of members of the committee who have waived rights to receive emoluments in the present financial year or in the future which, but for the waiver, would have fallen to be included in the amount shown under paragraph 1(1) in the present annual accounts or in future annual accounts; and
  - (b) the aggregate amount of those emoluments.
- (2) For the purposes of this paragraph it must be assumed that a sum not receivable in respect of a period would have been paid at the time at which it was due, and if such sum was payable only on demand, it must be deemed to have been due at the time of the waiver.
- (3) In this paragraph “emoluments” has the same meaning as in paragraph 1.

#### *Pensions of members of the committee and past members of the committee*

4. (1) There must be shown the aggregate amount of pensions of members of the committee and past members of the committee.

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- (2) This amount does not include any pension paid or receivable under a pension scheme if the scheme is such that the contributions under it are substantially adequate for the maintenance of the scheme, but, subject to this, it includes any pension paid or receivable in respect of any such services of a member of the committee or past member of the committee as are mentioned in paragraph 1(2) whether to or by him or on his nomination or by virtue of dependence on or other connection with him, to or by any other person.
- (3) The amount shown must distinguish between pensions in respect of services as a member of the committee or a director of any of its associated bodies, and other pensions.
- (4) References in this paragraph to pensions include benefits otherwise than in cash and in relation to so much of a pension as consists of such a benefit references to its amount are to the estimated money value of the benefit.
- (5) The nature of any such benefit as is mentioned in sub-paragraph (4) must be disclosed.

*Compensation to members of the committee for loss of office*

5. (1) There must be shown the aggregate amount of any compensation to members of the committee and past members of the committee in respect of loss of office.
- (2) This amount includes compensation received or receivable by members of the committee or past members of the committee for —
  - (a) loss of office as a member of the committee; or
  - (b) loss, while a member of the committee or in connection with his ceasing to be a member of the committee, of—
    - (i) any other office in connection with the management of the society's affairs; or
    - (ii) any office as director or otherwise in connection with the management of the affairs of any associated body of the society,
 and must distinguish between compensation in respect of the office of member of the committee or a director of any of its associated bodies, and compensation in respect of other offices.
- (3) References to compensation in this paragraph include benefits otherwise than in cash, and in relation to such compensation—
  - (a) references to its amount are to the estimated money value of the benefit; and
  - (b) the nature of the compensation must be disclosed.
- (4) References to compensation for loss of office include compensation in consideration for, or in connection with, a person's retirement from office.

*Sums paid to third parties in respect of services of members of the committee*

6. (1) There must be shown the aggregate amount of any consideration paid to or receivable by third parties for making available the services of any person—
  - (a) as a member of the committee; or
  - (b) while a member of the committee—
    - (i) as director of any of its associated bodies; or

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- (ii) otherwise in connection with the management of the affairs of the society or any of its associated bodies.
- (2) The reference in sub-paragraph (1) to consideration includes benefits paid or receivable otherwise than in cash, and in relation to such consideration—
  - (a) references to its amount are to the estimated money value of the benefit; and
  - (b) the nature of the consideration must be disclosed.
- (3) The reference in sub-paragraph (1) to third parties is to a person other than—
  - (a) the member of the committee himself or a person connected with him or a body corporate associated with him; and
  - (b) the society or any of its associated bodies.

*Supplementary provisions regarding committee members' emoluments*

- 7. (1) The following applies with respect to the amounts to be shown under paragraphs 1, 4, 5 and 6.
  - (2) The amount in each case includes all relevant sums paid by or receivable from—
    - (a) the society;
    - (b) the society's associated bodies; and
    - (c) any other person, except sums to be accounted for to the society or any of its associated bodies.
  - (3) The amount to be shown under paragraph 5 must distinguish between the sums respectively paid by or receivable from the society, its associated bodies and persons other than the society and its associated bodies.
  - (4) References in this paragraph to amounts paid to or receivable by a person, include amounts paid to or receivable by a person connected with him or a body corporate associated with him (but not so as to require an amount to be counted twice).
- 8. (1) The amounts to be shown for any financial year under paragraphs 1, 2, 5 and 6 are the sums receivable in respect of that year (whenever paid) or, in the case of sums not receivable in respect of a period, the sums paid during that year.
  - (2) But where—
    - (a) any sums are not shown in a note to the accounts for the relevant financial year on the ground that the person receiving them is liable to account for them as mentioned in paragraph 7(2), but the liability is thereafter wholly or partly released or is not enforced within a period of 2 years; or
    - (b) any sums paid by way of expenses allowance are charged to United Kingdom income tax after the end of the relevant financial yearthose sums must, to the extent to which the liability is released or not enforced or they are charged as mentioned (as the case may be), be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.
- 9. (1) Where the Chief Executive of the society is not also a member of the committee of the society, he must be treated, for the purposes of paragraphs 1 to 8 as a member of that committee.
  - (2) In such circumstances there must be a note in the accounts specifying that the Chief Executive has been so treated.

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*Interpretation of provisions regarding committee members' emoluments*

10. (1) In paragraphs 1 to 9—
- (a) references to services to an associated body of a society must be taken to refer to services to a body which was an associated body of the society at the time at which the services were rendered, or, in the case only of paragraph 5, immediately before the member of the committee lost his office as member of the committee;
  - (b) “pension” includes any superannuation allowance, superannuation gratuity or similar payment;
  - (c) “pension scheme” means a scheme for the provision of pensions in respect of services as a member of the committee or otherwise which is maintained in whole or in part by means of contributions;
  - (d) “contribution”, in relation to a pension scheme, means any payment (including an insurance premium) paid for the purposes of the scheme by or in respect of persons rendering services in respect of which pensions will or may become payable under the scheme except that it does not include any payment in respect of two or more persons if the amount paid in respect of each of them is not ascertainable.
- (2) In paragraphs 6 and 7, references to a person being “connected” with a member of the committee, and to a member of the committee being “associated with” a body corporate, must be construed in accordance with section 70 of the Building Societies Act 1986 (as applied to friendly societies by paragraph 9 of Schedule 11 to this Act).

*Committee members' loans and transactions*

11. (1) This paragraph applies, subject to sub-paragraph (5), in relation to—
- (a) loans from and other transactions and arrangements with the society described in section 65 of the Building Societies Act 1986 (as applied to friendly societies by paragraph 9 of Schedule 11 to this Act) (which restricts loans to and other transactions and arrangements with directors and persons connected with them), other than those to which section 65(5) and (6) of the Building Societies Act 1986 applies; and
  - (b) in the case of a society the committee of management of which is obliged to prepare group accounts, loans from and other transactions and arrangements with a subsidiary undertaking of the society to which paragraph (a) would apply were the society rather than the subsidiary undertaking a party to them.
- (2) The notes to the annual accounts must contain a statement, in relation to such loans, transactions, and arrangements showing;
- (a) the aggregate amounts outstanding under them at the end of the financial year; and
  - (b) the numbers of persons for whom such loans, transactions and arrangements were made.
- (3) The notes to the annual accounts must, in relation to any loan or other transaction or arrangement subsisting during or at the end of the financial year, make the following disclosures—
- (a) where a copy of it or a memorandum of its terms is included in the register maintained under section 68 of the Building Societies Act 1986 (as applied to friendly societies by paragraph 9 of Schedule 11 to this Act) (which requires

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- the maintenance of such a register), the existence of the register and the availability of requisite particulars from it for inspection must be disclosed;
- (b) where it comes within paragraph (1)(b), its particulars must be disclosed unless it was one which would, had the subsidiaries of the society formed part of the society, have been exempted from the obligations imposed by section 68 of the Building Societies Act 1986 (as applied to friendly societies by paragraph 9 of Schedule 11 to this Act).
- (4) This paragraph applies in relation to loans to, and other transactions and arrangements with, a person connected with a member of the committee where the society (or in the case of a subsidiary undertaking incorporated in the United Kingdom, the subsidiary undertaking) has notice of the connection between that member of the committee and that person.

#### *Disclosure of auditors' remuneration*

<sup>F85</sup>12. ....

#### **Textual Amendments**

**F85** Sch. 13D para. 12 omitted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by virtue of [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), arts. 1(2), **4(3)**

## **PART 2**

### INFORMATION ABOUT EMPLOYEES

13. (1) The following information with respect to the employees of a society must be given in notes to the society's individual accounts—
- (a) the average number of persons employed by the society in the financial year; and
- (b) the average number of persons so employed within each category of persons employed by the society.
- (2) The average number required by sub-paragraph (1)(a) or (b) is determined by dividing the relevant annual number by the number of complete calendar months in the financial year.
- (3) The relevant annual number is determined by ascertaining for each complete calendar month in the financial year—
- (a) for the purposes of sub-paragraph (1)(a), the number of persons employed under contracts of service by the society in that month (whether throughout the month or not);
- (b) for the purposes of sub-paragraph (1)(b), the number of persons in the category in question of persons so employed,
- and, in either case, adding together all the monthly numbers.
- (4) In respect of all persons employed by the society during the financial year who are taken into account in determining the relevant annual number for the purposes of paragraph (1)(a) there must also be stated the aggregate amounts respectively of—

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- (a) wages and salaries paid or payable in respect of that year to those persons;
- (b) social security costs incurred by the society on their behalf; and
- (c) other pension costs so incurred.

This does not apply in so far as those amounts, or any of them, are stated elsewhere in the society's accounts.

- (5) For the purposes of sub-paragraph (1)(b) the categories of person employed by the society are such as the directors may select, having regard to the manner in which the society's activities are organised.

*Interpretation: general*

14. In this Schedule "associated body", in relation to a society, means a body in which the society holds shares or corresponding membership rights.]

[<sup>F86</sup>SCHEDULE 13E

Section 69K

### DISCLOSURES ABOUT RELATED UNDERTAKINGS

#### **Textual Amendments**

**F86** Sch. 13E inserted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Friendly Societies Act 1992 \(International Accounting Standards and Other Accounting Amendments\) Order 2005 \(S.I. 2005/2211\)](#), art. 1(2), **Sch. para. 6**

## PART 1

### SOCIETIES NOT REQUIRED TO PREPARE CONSOLIDATED GROUP ACCOUNTS

#### *Subsidiary undertakings*

1. (1) The following information must be given with respect to the undertakings that are subsidiary undertakings of the society at the end of the financial year.
  - (2) The name of each subsidiary undertaking must be stated.
  - (3) There must be stated with respect to each subsidiary undertaking—
    - (a) if it is incorporated outside the United Kingdom, the country in which it is incorporated; or
    - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.
  - (4) The specific reason why each subsidiary undertaking is not required to be included in consolidated accounts must be stated.

#### *Holdings in subsidiary undertakings*

2. (1) There must be stated in relation to shares of each class held by the society in a subsidiary undertaking—

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- (a) the identity of the class; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.
- (2) The shares held by or on behalf of the society itself must be distinguished from those attributed to the society which are held by or on behalf of a subsidiary undertaking.

*Financial information about subsidiary undertakings*

3. (1) There must be disclosed with respect to each subsidiary undertaking—
- (a) the aggregate amount of its capital and reserves as at the end of its relevant financial year; and
  - (b) its profit or loss for that year.
- (2) The information referred to in sub-paragraph (1) need not be given if the society's investment in the subsidiary undertaking is included in the society's accounts by way of the equity method of valuation or if—
- (a) the subsidiary undertaking is not required by any provision of [<sup>F87</sup>the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere; and
  - (b) the society's holding is less than 50 per cent of the nominal value of the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) in the case of Friendly Societies Act accounts, for the purpose of giving a true and fair view for the society of the matters set out in section 69B(2) or, where appropriate, section 69F(2); or
  - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.
- (4) For the purposes of this paragraph the “relevant financial year” of a subsidiary undertaking is—
- (a) if its financial year ends with that of the society, that year, and
  - (b) if not, its financial year ending last before the end of the society's financial year.

**Textual Amendments**

**F87** Words in Sch. 13E para. 3(2)(a) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 186(2) (with arts. 6, 11, 12)

*Financial years of subsidiary undertakings*

4. Where—
- (a) disclosure is made under paragraph 3(1) with respect to a subsidiary undertaking; and
  - (b) that undertaking's financial year does not end with that of the society,
- there must be stated in relation to that undertaking the date on which its last financial year before the end of the society's financial year ended.

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*Significant holdings in bodies corporate other than subsidiary undertakings*

5. (1) The information required by paragraphs 6 and 7 must be given where at the end of the financial year the society has a significant holding in a body corporate which is not a subsidiary undertaking of the society.
- (2) A holding is significant for this purpose if—
  - (a) it amounts to 20 per cent or more of the nominal value of the shares in the body corporate; or
  - (b) the amount of the holding (as stated or included in the society's accounts) exceeds one-tenth of the amount (as so stated) of the society's assets.
6. (1) The name of the body corporate must be stated.
- (2) There must be stated—
  - (a) if the body corporate is incorporated outside the United Kingdom, the country in which it is incorporated; and
  - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.
- (3) There must also be stated—
  - (a) the identity of each class of shares in the body corporate held by the society; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.
- (4) Information otherwise required by this paragraph need not be given if it is not required in order for the society's individual accounts and group accounts to give a true and fair view.
7. (1) There must also be stated—
  - (a) the aggregate amount of the capital and reserves of the body corporate as at the end of its relevant financial year; and
  - (b) its profit or loss for that year.
- (2) That information need not be given if the investment of the society in all bodies corporate in which it has a significant holding is shown, in aggregate, in the notes to the accounts by way of the equity method of valuation.
- (3) That information need not be given in respect of a body corporate if—
  - (a) the body corporate is not required by any provision of [<sup>F88</sup>the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere; and
  - (b) the society's holding is less than 50 per cent of the nominal value of the shares in the body corporate.
- (4) Information otherwise required by this paragraph need not be given if it is not material—
  - (a) in the case of Friendly Societies Act accounts, for the purpose of giving a true and fair view for the society of the matters set out in section 69B(2) or, where appropriate, section 69F(2); or
  - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.



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- (5) For the purposes of this paragraph the “relevant financial year” of a body corporate is—
- (a) if its financial year ends with that of the society, that year; and
  - (b) if not, its financial year ending last before the end of the society’s financial year.

#### Textual Amendments

**F88** Words in Sch. 13E para. 7(3)(a) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 186(2) (with arts. 6, 11, 12)

#### *Construction of references to shares held by society*

8. (1) References in this Part of this Schedule to shares held by a society shall be construed as follows.
- (2) For the purposes of paragraphs 2 and 3—
- (a) shares held by a subsidiary undertaking, or by a person acting on behalf of the society or a subsidiary undertaking, are treated as if they were held by the society; but
  - (b) shares held on behalf of a person other than the society or a subsidiary undertaking are not treated as if they were held by the society.
- (3) For the purposes of paragraphs 5 to 7—
- (a) shares held on behalf of a society by any person are treated as if they were held by the society; but
  - (b) shares held on behalf of a person other than the society are not treated as if they were held by the society.
- (4) For the purposes of paragraphs 2 to 7, shares held by way of security shall be treated as if they were held by the person providing the security where—
- (a) apart from the right to exercise them for the purposes of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in accordance with his instructions; and
  - (b) the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in his interests.

## PART 2

### SOCIETIES REQUIRED TO PREPARE CONSOLIDATED ACCOUNTS

#### *Subsidiary undertakings*

9. (1) The following information must be given with respect to the bodies corporate that are subsidiary undertakings of the society at the end of the financial year.
- (2) The name of each body corporate must be stated.
- (3) There must be stated—

*Status: Point in time view as at 01/04/2013.*

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- (a) if it is incorporated outside the United Kingdom, the country in which it is incorporated;
  - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.
- (4) It must be stated whether the subsidiary undertaking is included in the consolidation and, if it is not, the reason for excluding it from the consolidation must be given.
- (5) It must be stated with respect to each subsidiary undertaking of the society by virtue of which of the conditions specified in [F89]section 1162 of the Companies Act 2006] (as applied by section 78A of this Act) it is a subsidiary undertaking of the society.
- (6) Sub-paragraph (5) does not apply in relation to a subsidiary undertaking if—
- (a) the relevant condition is that specified in subsection (2)(a) of [F90]section 1162] of that Act, and
  - (b) the society that is its immediate parent undertaking (within the meaning of [F91]section 1162 of the Companies Act 2006]) holds the same proportion of the shares in the undertaking as it holds voting rights.

#### **Textual Amendments**

- F89** Words in Sch. 13E para. 9(5) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 186(3)(a)** (with arts. 6, 11, 12)
- F90** Words in Sch. 13E para. 9(6)(a) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 186(3)(b)** (with arts. 6, 11, 12)
- F91** Words in Sch. 13E para. 9(6)(b) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 186(3)(a)** (with arts. 6, 11, 12)

#### *Holdings in subsidiary undertakings*

10. (1) The following information must be given with respect to the shares of a subsidiary undertaking held—
- (a) by the society, and
  - (b) by the group,
- and the information required under paragraphs (a) and (b) must (if different) be shown separately.
- (2) There must be stated—
- (a) the identity of each class of shares held, and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.

#### *Financial information about subsidiary undertakings not included in the consolidation*

11. (1) There must be shown with respect to each subsidiary undertaking not included in the consolidation—
- (a) the aggregate amount of its capital and reserves as at the end of its relevant financial year, and
  - (b) its profit or loss for that year.

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- (2) The information referred to in sub-paragraph (1) need not be given if the group's investment in the subsidiary undertaking is included in the accounts by way of the equity method of valuation or if—
  - (a) the subsidiary undertaking is not required by any provision of [<sup>F92</sup>the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere, and
  - (b) the holding of the group is less than 50 per cent of the nominal value of the shares in the subsidiary undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not required in order for the society's group accounts to give a true and fair view.
- (4) For the purposes of this paragraph the "relevant financial year" of a subsidiary undertaking is—
  - (a) if its financial year ends with that of the society, that year; and
  - (b) if not, its financial year ending last before the end of the society's financial year.

#### Textual Amendments

**F92** Words in Sch. 13E para. 11(2)(a) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 186(2) (with arts. 6, 11, 12)

#### *Jointly controlled bodies*

12. (1) The following information must be given where a body corporate included in the consolidation has an interest in a jointly controlled body.
  - (2) The name of the jointly controlled body must be stated.
  - (3) There must be stated—
    - (a) if the body corporate is incorporated outside the United Kingdom, the country in which it is incorporated; and
    - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.
  - (4) The following information must be given with respect to the shares of the jointly controlled body held—
    - (a) by the society; and
    - (b) by the group,and the information required under paragraphs (a) and (b) must (if different) be given separately.
  - (5) There must be stated—
    - (a) the identity of each class of shares in the jointly controlled body held; and
    - (b) the proportion of the nominal value of the shares of that class represented by those shares.

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*Other significant holdings of society or group*

13. (1) The information required by paragraphs 14 and 15 must be given where at the end of the financial year the society has a significant holding in a body corporate which is not one of its subsidiary undertakings and does not fall within paragraph 12 (jointly controlled bodies).
- (2) A holding is significant for this purpose if—
- (a) it amounts to 20 per cent or more of the nominal value of the shares in the undertaking; or
  - (b) the amount of the holding (as stated or included in the society's individual accounts) exceeds one-tenth of the amount of the society's assets (as so stated).
14. (1) The name of the body corporate must be stated.
- (2) There must be stated—
- (a) if the body corporate is incorporated outside the United Kingdom, the country in which it is incorporated; and
  - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.
- (3) There must also be stated—
- (a) the identity of each class of shares in the body corporate held by the society; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.
- (4) The information otherwise required by this paragraph need not be given if it is not material—
- (a) for the purposes of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 69(F)(2);
  - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.
15. (1) There must be stated—
- (a) the aggregate amount of the capital and reserves of the body corporate as at the end of its relevant financial year; and
  - (b) its profits or loss for that year.
- (2) That information need not be given in respect of a body corporate if—
- (a) the body corporate is not required by any provision of [<sup>F93</sup>the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere; and
  - (b) the society's holding is less than 50 per cent of the nominal value of the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) for the purposes of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 69(F)(2);
  - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.

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- (4) For the purposes of this paragraph the “relevant financial year” of an undertaking is—
- (a) if its financial year ends with that of the society, that year; and
  - (b) if not, its financial year ending last before the end of the society’s financial year.

#### Textual Amendments

**F93** Words in Sch. 13E para. 15(2)(a) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 186(2) (with arts. 6, 11, 12)

16. (1) The information required by paragraphs 17 and 18 must be given where at the end of the financial year the group has a significant holding in a body corporate which is not a subsidiary undertaking of the society and does not fall within paragraph 12 (jointly controlled bodies).
- (2) A holding is significant for this purpose if—
- (a) it amounts to 20 per cent or more of the nominal value of the shares in the body corporate; or
  - (b) the amount of the holding (as stated or included in the group accounts) exceeds one-tenth of the amount of the group’s assets (as so stated).
17. (1) The name of the body corporate must be stated.
- (2) There must be stated—
- (a) if the body corporate is incorporated outside the United Kingdom, the country in which it is incorporated; and
  - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.
- (3) There must also be stated—
- (a) the identity of each class of shares in the body corporate held by the group; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.
- (4) Information otherwise required by this paragraph need not be given if it is not required in order for the society’s group accounts to give a true and fair view.
18. (1) There must be stated—
- (a) the aggregate amount of the capital and reserves of the body corporate as at the end of its relevant financial year; and
  - (b) its profit or loss for that year.
- (2) That information need not be given if—
- (a) the body corporate is not required by any provision of [F94the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere; and
  - (b) the holding of the group is less than 50 per cent of the nominal value of the shares in the undertaking.

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- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) for the purposes of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 69(F)(2);
  - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.
- (4) For the purposes of this paragraph the “relevant financial year” of an undertaking is—
- (a) if its financial year ends with that of the society, that year; and
  - (b) if not, its financial year ending last before the end of the society’s financial year.

#### **Textual Amendments**

**F94** Words in [Sch. 13E para. 18\(2\)\(a\)](#) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 186\(2\)](#) (with arts. 6, 11, 12)

#### *Construction of references to shares held by society or group*

19. (1) References in this Part of this Schedule to shares held by the society or the group shall be construed as follows.
- (2) For the purposes of paragraphs 10, 12(4) and (5) and 13 to 15—
- (a) shares held on behalf of a society by any person are treated as if they were held by the society; but
  - (b) shares held on behalf of a person other than the society are not treated as if they were held by the society.
- (3) References to shares held by the group are to any shares held by or on behalf of the society or any of its subsidiary undertakings; but shares held on behalf of a person other than the society or any of its subsidiary undertakings are not treated as if they were held by the group.
- (4) Shares held by way of security are treated as if they were held by the person providing the security—
- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in accordance with his instructions; or
  - (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of security, or of realising it, the rights attached to the shares are exercisable only in his interests.

#### *Interpretation: general*

20. In this Schedule “group” means a friendly society and its subsidiary undertakings.]

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## [<sup>F95</sup>SCHEDULE 13F

Section 69M

### DISCLOSURE OF AUDITOR REMUNERATION ETC

#### Textual Amendments

**F95** Sch. 13F inserted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), art. 1(2), **Sch. 1 para. 1**

#### *Disclosure required*

1. (1) The following must be shown—
  - (a) the amount of any remuneration receivable by the society's auditor for the auditing of the annual accounts, and
  - (b) the amount of any remuneration receivable in respect of the financial year by—
    - (i) the society's auditor, or
    - (ii) any person who was, at any time during that financial year, an associate of the society's auditor,for the supply of other services to the society or branch or any associate of the society or branch.
- (2) Where the remuneration includes benefits in kind, the nature and estimated money-value of those benefits must also be shown.
- (3) Separate disclosure is required in respect of the auditing of the accounts in question and of each type of service specified in paragraph 2, but not in respect of each service falling within a type of service.
- (4) Separate disclosure is required in respect of services supplied to the society and its subsidiaries on the one hand and to associated pension schemes on the other.
- (5) Where more than one person has been appointed as a society's auditor in respect of the financial year, separate disclosure is required in respect of the remuneration of each such person and his associates.
- (6) Where a friendly society is required to prepare consolidated group accounts—
  - (a) those accounts must comply with sub-paragraph (1)(b) as if the undertakings included in the consolidation were a single friendly society, and
  - (b) notes to the society's individual accounts do not have to disclose the information required by that provision if the notes state that the group accounts are so required.

#### *Types of service*

2. The types of service in respect of which disclosure is required are—
  - (a) the auditing of accounts of associates of the society pursuant to legislation (including that of countries and territories outside the United Kingdom);
  - (b) other services supplied pursuant to such legislation;
  - (c) other services relating to taxation;
  - (d) services relating to information technology;

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- (e) internal audit services;
- (f) valuation and actuarial services;
- (g) services relating to litigation;
- (h) services relating to recruitment and remuneration;
- (i) services relating to corporate finance transactions entered into or proposed to be entered into on behalf of the society or any of its associates;
- (j) all other services.

*Disclosure not required of remuneration for certain services provided by distant associate*

3. (1) Disclosure is not required of remuneration receivable for the supply of services falling within paragraph 2(j) supplied by a distant associate of the society's auditor where the total remuneration receivable for all of those services supplied by that associate does not exceed—
- (a) £10,000, or
  - (b) 1% of the total audit remuneration received by the society's auditor in the most recent financial year of the auditor which ended no later than the end of the financial year of the society to which the accounts relate.
- (2) In sub-paragraph (1)(b)—
- (a) “financial year of the auditor” means—
    - (i) the period of not more than 18 months in respect of which the auditor's profit and loss account is required to be made up (whether by law or by or in accordance with the auditor's constitution (if any)), or
    - (ii) failing any such requirement, the period of 12 months beginning with 1st April;
  - (b) “total audit remuneration received” means the total remuneration received for the auditing pursuant to legislation (including that of countries and territories outside the United Kingdom) of any accounts of any person.

*Duty of auditor to supply information*

4. The auditor of a friendly society must supply the directors of the society with such information as is necessary to enable the disclosure required by paragraph 1(1)(b) to be made.

*Meaning of “associate” and “distant associate” of auditor*

5. (1) This paragraph defines what is meant in this Schedule by an “associate” or a “distant associate” of a friendly society's auditor.
- (2) The following are associates of a society's auditor—
- (a) any person controlled by the society's auditor or by any associate of the society's auditor (whether alone or through two or more persons acting together to secure or exercise control), but only if that control does not arise solely by virtue of the society's auditor or any associate of the society's auditor acting—
    - (i) as an insolvency practitioner in relation to any person,
    - (ii) in the capacity of a receiver, or a receiver or manager, of the property of a society or other body corporate, or



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- (iii) as a judicial factor on the estate of any person;
  - (b) any person who, or group of persons acting together which, has control of the society's auditor;
  - (c) any person using a trading name which is the same as or similar to a trading name used by the society's auditor, but only if the society's auditor use that trading name with the intention of creating the impression of a connection between the auditor and that other person;
  - (d) any person who is party to an arrangement with the society's auditor, with or without any other person, under which costs, profits, quality control, business strategy or significant professional resources are shared.
- (3) Where the society's auditor is a partnership, the following are also associates of the auditor—
- (a) any partner in the society's auditor;
  - (b) any body corporate which is in the same group as a body corporate which is a partner in the society's auditor;
  - (c) any body corporate of which a partner in the society's auditor is a director;
  - (d) any partnership which has a partner in common with the society's auditor;
  - (e) any body corporate which is in the same group as a body corporate which is a partner in a partnership which has a partner in common with the society's auditor.
- (4) Where a society's auditor is a body corporate (other than one which is also a partnership as defined in sub-paragraph (6)(d)), the following are also associates of the auditor—
- (a) any director of the society's auditor;
  - (b) any body corporate which is in the same group as a body corporate which is a director of the society's auditor;
  - (c) any body corporate which is in the same group as the society's auditor;
  - (d) any partnership in which any such body corporate which is in the same group as the society's auditor is a partner;
  - (e) any partnership in which a director of the society's auditor is a partner;
  - (f) any body corporate which has a director in common with the society's auditor;
  - (g) any body corporate which is in the same group as a body corporate which has a director in common with the society's auditor.
- (5) A distant associate of a society's auditor is a person who is an associate of that auditor by reason only that that person is an associate within one or more of—
- (a) sub-paragraph (2)(a) where the person in question is controlled by a distant associate of the society's auditor but not by the auditor or by an associate who is not a distant associate;
  - (b) sub-paragraph (3)(c), (d) or (e);
  - (c) sub-paragraph (4)(e), (f) or (g).
- (6) For the purposes of this paragraph—
- (a) “acting as an insolvency practitioner” shall be construed in accordance with section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989;
  - (b) “director” includes any person occupying the position of director, by whatever name called;

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- (c) “partner” includes a member of a limited liability partnership;
- (d) “partnership” includes a limited liability partnership and a partnership constituted under the law of a country or a territory outside the United Kingdom;
- (e) a reference to “a receiver, or a receiver or manager, of the property of a society or other body corporate” includes a receiver, or (as the case may be) a receiver or manager, of part only of that property;
- (f) a person able, directly or indirectly to control or materially to influence the operating and financial policy of another person shall be treated as having control of that other person; and
- (g) a body corporate is in the same group as another body corporate if one is a subsidiary of the other.

#### *Interpretation*

6. In this Schedule—

“associate of the society” means—

- (a) any subsidiary of the society, other than a subsidiary in respect of which severe long-term restrictions substantially hinder the exercise of rights of the society over the assets or management of that subsidiary; or
- (b) any associated pension scheme;

“associated pension scheme”, in relation to a friendly society, means a scheme for the provision of benefits for or in respect of committee members or employees (or former committee members or employees) of the society or any subsidiary of the society where—

- (a) the benefits consist of or include any pension, lump sum, gratuity or other like benefit given or to be given on retirement or on death or in anticipation of retirement or, in connection with past service, after retirement or death; and
- (b) either—
  - (i) a majority of the trustees are appointed by, or by a person acting on behalf of the society or a subsidiary of the society; or
  - (ii) the society, or a subsidiary of the society, exercises a dominant influence over the appointment of the auditor (if any) of the scheme;

“remuneration” includes payments in respect of expenses and benefits in kind;

“subsidiary” means a subsidiary undertaking that is a body corporate.

#### *Application to registered branches*

7. This Schedule applies to a registered branch as it applies to a friendly society.]

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## SCHEDULE 14

Section 72.

### AUDITORS: APPOINTMENT, TENURE, QUALIFICATIONS AND REMUNERATION

#### *Appointment*

- 1 (1) The [<sup>F96</sup>first auditor] of a friendly society or registered branch may be appointed by the committee of management of the society or branch at any time before the first general meeting of the society or branch following the end of its initial financial year; [<sup>F97</sup>and an auditor] so appointed shall hold office until the conclusion of that meeting.
- (2) If the committee of management fails to exercise its powers under sub-paragraph (1) above, those powers may be exercised by the society or branch in general meeting.

#### **Textual Amendments**

- F96** Words in [Sch. 14 para. 1\(1\)](#) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), art. 1(2), [Sch. 2 para. 5\(a\)\(i\)](#)
- F97** Words in [Sch. 14 para. 1\(1\)](#) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), art. 1(2), [Sch. 2 para. 5\(a\)\(ii\)](#)

#### **Commencement Information**

- I67** [Sch. 14 para. 1](#) wholly in force; [Sch. 14 para. 1](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 14 para. 1](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16](#), art. 2, [Sch. 1](#); [Sch. 14 para. 1](#) in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213](#), art. 2(1), [Sch. 5](#)

- 2 The committee of management, or the society or branch in general meeting, may fill any casual vacancy in the office of auditor; but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.

#### **Commencement Information**

- I68** [Sch. 14 para. 2](#) wholly in force; [Sch. 14 para. 2](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 14 para. 2](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16](#), art. 2, [Sch. 1](#); [Sch. 14 para. 2](#) in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213](#), art. 2(1), [Sch. 5](#)

- 3 (1) If at any annual general meeting of a friendly society or registered branch no [<sup>F98</sup>auditor is] appointed or re-appointed, the [<sup>F99</sup>appropriate authority] may appoint a person to fill the vacancy; and the society or branch shall, within one week of the power of the [<sup>F99</sup>appropriate authority] becoming exercisable, give it notice of that fact.
- (2) If a society or branch fails to give the notice required by sub-paragraph (1) above, the society or branch shall be guilty of an offence and liable on summary conviction—
- (a) to a fine not exceeding level 3 on the standard scale; and
  - (b) in the case of a continuing offence to an additional fine not exceeding one-tenth of that level for every day during which the offence continues.

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#### Textual Amendments

- F98** Words in [Sch. 14 para. 3\(1\)](#) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), art. 1(2), [Sch. 2 para. 5\(b\)](#)
- F99** Words in [Sch. 14 para. 3](#) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 55\(2\)](#) (with [Sch. 12](#))

#### Commencement Information

- I69** [Sch. 14 para. 3](#) wholly in force; [Sch. 14 para. 3](#) not in force at Royal Assent see [s. 126\(2\)](#); [Sch. 14 para. 3](#) in force for certain purposes at 13.1.1993 by [S.I. 1993/16](#), art. 2, [Sch. 1](#); [Sch. 14 para. 3](#) in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213](#), art. 2(1), [Sch. 5](#)

### [<sup>F100</sup> *Appointments to which the Audit Directive applies*

#### Textual Amendments

- F100** [Sch. 14 para. 3A](#) and cross-heading inserted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 16\(2\)](#) (with arts. 6, 11, 12)

- 3A (1) Appointment as auditor of a friendly society to which the Audit Directive applies is an appointment as a statutory auditor to which the provisions of Part 42 of the Companies Act 2006 apply.
- (2) The following provisions of this Schedule do not apply in that case—
- (a) paragraphs 4 and 5 (eligibility for appointment),
  - (b) paragraph 6 (appointment of partnership),
  - (c) paragraph 7 (cases in which auditor need not be a member of a recognised supervisory body), and
  - (d) paragraph 8 (effect of ineligibility).]

#### *Eligibility for appointment*

- 4 (1) Subject to paragraph 7 below, a person is eligible for appointment as the auditor of a friendly society or registered branch only if he—
- (a) is a member of a recognised supervisory body; and
  - (b) is not ineligible for the appointment under the rules of that body.
- (2) An individual or a firm may be appointed as auditor of a friendly society or registered branch.
- (3) In this Schedule—
- F101** ...
- “recognised supervisory body” means a body which is a recognised supervisory body for the purposes of [<sup>F102</sup>Part 42 of the Companies Act 2006].

*Status: Point in time view as at 01/04/2013.*

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### Textual Amendments

**F101** Words in Sch. 14 para. 4(3) omitted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by virtue of The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), arts. 1(2), **7(2)**

**F102** Words in Sch. 14 para. 4(3) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), **Sch. 1 para. 16(3)** (with arts. 6, 11, 12)

### Commencement Information

**I70** Sch. 14 para. 4 wholly in force; Sch. 14 para. 4 not in force at Royal Assent see s. 126(2); Sch. 14 para. 4 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; Sch. 14 para. 4 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**

- 5 (1) A person is ineligible for appointment as an auditor of a friendly society or a registered branch of the society under this Schedule if he is—
- an officer or employee of the friendly society or any registered branch of the society;
  - a partner or employee of such a person or a partnership of which such a person is a partner,
- or, in the case of an incorporated friendly society, if he is [<sup>F103</sup>prohibited by section 1214(2) of the Companies Act 2006 (independence requirement) from acting as statutory auditor] of a subsidiary of the society or of a body jointly controlled by the society and some other person.
- (2) For this purpose an auditor of a friendly society or branch shall not be regarded as an officer or employee of the society or branch.
- (3) A person is also ineligible for appointment as auditor of a friendly society or branch if there exists between him or any associate of his and the society or branch or, if it is an incorporated friendly society, any of its subsidiaries, a connection of any such description as may be specified by regulations made by the [<sup>F104</sup>Treasury].
- (4) In this paragraph “associate” has the meaning given by [<sup>F105</sup>section 1260 of the Companies Act 2006].

### Textual Amendments

**F103** Words in Sch. 14 para. 5(1) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), **Sch. 1 para. 16(4)** (with arts. 6, 11, 12)

**F104** Word in Sch. 14 para. 5(3) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 127(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

**F105** Words in Sch. 14 para. 5(4) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), **Sch. 1 para. 187** (with arts. 6, 11, 12)

### Modifications etc. (not altering text)

**C9** Sch. 14 para. 5(3): Functions of the Friendly Societies Commission transferred (1.12.2001) by the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. II** (with art. 5); S.I. 2001/3538, **art. 2(1)**

*Status: Point in time view as at 01/04/2013.*

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**Commencement Information**

**I71** Sch. 14 para. 5 wholly in force; Sch. 14 para. 5 not in force at Royal Assent see s. 126(2); Sch. 14 para. 5 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 14 para. 5 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

*Appointment of partnerships*

- 6 (1) The following provisions apply to the appointment as auditor under this Schedule of a partnership constituted under the law of England and Wales or Northern Ireland, or under the law of any other country or territory in which a partnership is not a legal person.
- (2) The appointment is (unless a contrary intention appears) an appointment of the partnership as such and not of the partners.
- (3) Where the partnership ceases, the appointment shall be treated as extending to—
- (a) any partnership which succeeds to the practice of that partnership and is eligible for the appointment; and
  - (b) any person who succeeds to that practice having previously carried it on in partnership and is eligible for the appointment.
- (4) For this purpose a partnership shall be regarded as succeeding to the practice of another partnership only if the members of the successor partnership are substantially the same as those of the former partnership; and a partnership or other person shall be regarded as succeeding to the practice of a partnership only if it or he succeeds to the whole or substantially the whole of the business of the former partnership.
- (5) Where the partnership ceases and no person succeeds to the appointment under sub-paragraph (3) above, the appointment may with the consent of the recognised supervisory body be treated as extending to a partnership or other person eligible for the appointment who succeeds to the business of the former partnership or to such part of it as is agreed by the body shall be treated as comprising the appointment.

**Commencement Information**

**I72** Sch. 14 para. 6 wholly in force; Sch. 14 para. 6 not in force at Royal Assent see s. 126(2); Sch. 14 para. 6 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 14 para. 6 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

*Cases in which auditor need not be a member of a recognised supervisory body*

- 7 (1) A person who is not a member of a recognised supervisory body may be an auditor of a registered friendly society [<sup>F106</sup>or of a registered branch] if—
- (a) its receipts and payments in respect of the preceding financial year did not, in the aggregate, exceed £5,000; and
  - (b) the number of its members at the end of that year did not exceed 500; and
  - (c) the value of its assets at the end of that year did not, in the aggregate, exceed £5,000; <sup>F107</sup> . . .
  - <sup>F107</sup>(d) . . . . .
- <sup>F108</sup>(2) . . . . .

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- (3) A person who is not a member of a recognised supervisory body may also be an auditor of a registered branch if—
- (a) the conditions mentioned in sub-paragraph (1)(a) and (b) and sub-paragraph (2)(b) above are satisfied; and
  - (b) at the end of the preceding financial year at least 75 per cent of its assets had been transferred to the society of which it is a branch or to another registered branch of that society for the purpose of being invested, in accordance with the 1974 Act, by that society or other branch, and the value of its assets not so transferred did not, in the aggregate, exceed £5,000; and
  - (c) an auditor of the society or branch to which the assets were transferred must be a member of a recognised supervisory body.
- (4) Regulations made by the [F109 Treasury] may—
- (a) substitute for any sum or number for the time being specified in sub-paragraph (1) above, or for any sum or percentage for the time being specified in sub-paragraph (3) above, such sum, number or percentage as may be specified in the regulations; and
  - (b) prescribe what receipts and payments of a body shall be taken into account for the purposes of those sub-paragraphs.
- (5) A registered friendly society or registered branch which, by virtue of this paragraph, may appoint a person who is not a member of a recognised supervisory body as an auditor in respect of any financial year is in this Schedule referred to as an exempt society or, as the case may be, an exempt branch, in respect of that financial year.
- (6) Subject to any direction given by the [F110 appropriate authority] under sub-paragraph (7) below, a society or branch which in respect of any financial year is an exempt society or, as the case may be, an exempt branch shall in respect of that year appoint—
- (a) one or more qualified auditors; or
  - (b) two or more persons who are not qualified auditors,
- to audit its annual accounts for that year.
- (7) The [F110 appropriate authority] may give a direction in the case of any particular society or branch which is an exempt society or branch in respect of any financial year that sub-paragraph (4) above shall apply to it in respect of that year as if it were not an exempt society or branch.

#### Textual Amendments

- F106** Words in Sch. 14 para. 7(1) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 127(c)(i)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F107** Sch. 14 para. 7(1)(d) and the word “and” immediately preceding repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F108** Sch. 14 para. 7(2) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F109** Word in Sch. 14 para. 7(4) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 127(iv)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F110** Words in Sch. 14 para. 7(6)(7) substituted (1.4.2013) by **The Financial Services Act 2012 (Mutual Societies) Order 2013** (S.I. 2013/496), art. 1(1), **Sch. 9 para. 55(3)** (with Sch. 12)



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

**C10** Sch. 14 para. 7(4): Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. II** (with art. 5); S.I. 2001/3538, **art. 2(1)**

#### Commencement Information

**I73** Sch. 14 para. 7 wholly in force; Sch. 14 para. 7 not in force at Royal Assent see s. 126(2); Sch. 14 para. 7(4) in force at 13.9.1993 by S.I. 1993/2213, art. 2(1), **Sch. 3**; Sch. 14 para. 7 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 6**

#### *Effect of ineligibility*

- 8 (1) No person shall act as an auditor under this Act if he is ineligible for appointment to the office.
- (2) If during his term of office an auditor appointed under this Schedule become ineligible for appointment to the office, he shall thereupon vacate office and shall forthwith give notice in writing to the society concerned that he has vacated it by reason of ineligibility.
- (3) A person who acts as auditor under this Act in contravention of sub-paragraph (1) above, or fails to give notice of vacating his office as required by sub-paragraph (2) above, is guilty of an offence and liable—
- (a) on conviction on indictment, to a fine; and
  - (b) on summary conviction, to a fine not exceeding the statutory maximum and, in the case of a continuing offence, to an additional fine not exceeding one-tenth of the statutory maximum for every day during which the offence continues.
- (4) In proceedings against a person for an offence under this paragraph it is a defence for him to show that he did not know and had no reason to believe that he was, or had become, ineligible for appointment.

#### Commencement Information

**I74** Sch. 14 para. 8 wholly in force; Sch. 14 para. 8 not in force at Royal Assent see s. 126(2); Sch. 14 para. 8 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; Sch. 14 para. 8 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**

#### *Power of [F<sup>111</sup>appropriate authority] to require second audit*

#### Textual Amendments

**F111** Words in Sch. 14 para. 9 cross-heading substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 55(4)** (with Sch. 12)

- 9 (1) Where a person appointed auditor under this Schedule was, for any part of the period during which the audit was conducted, ineligible for appointment to that office, the [F<sup>112</sup>appropriate authority] may direct the friendly society or registered branch concerned to retain a person eligible for appointment as auditor under this Schedule—



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- (a) to audit the relevant accounts again; or
- (b) to review the first audit and to report (giving his reasons) whether a second audit is needed;

and the society or branch shall comply with such a direction within 21 days of its being given.

- (2) If a second audit is recommended, the society or branch shall forthwith take such steps as are necessary to comply with the recommendation.

<sup>F113</sup>(3) Where a direction is given to a society or branch under this paragraph the <sup>F114</sup>PRA must send a copy of the direction to the FCA and the FCA must place a copy of the direction in the public file of the society.

(3A) Where a society or branch receives a report under sub-paragraph (1)(b) above, it shall within 21 days send a copy of it to the <sup>F115</sup>FCA and, if the society is a PRA-authorised person, the PRA, and the FCA must place a copy of the report in the public file.]

(4) Any statutory or other provisions applying in relation to the first audit shall apply, so far as practicable, in relation to a second audit under this paragraph.

(5) If a society or branch fails to comply with the requirements of this paragraph, it is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale; and in the case of a continuing offence to an additional fine not exceeding one-tenth of that level for every day during which the offence continues.

(6) A direction under this paragraph is, on the application of the <sup>F116</sup>appropriate authority], enforceable by injunction or, in Scotland, by an order under section 45 of the <sup>M23</sup>Court of Session Act 1988.

(7) If a person accepts an appointment, or continues to act, as an auditor under this Act at a time when he knows he is ineligible, the society concerned may recover from him any costs incurred by it in complying with the requirements of this paragraph.

#### Textual Amendments

**F112** Words in Sch. 14 para. 9(1) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 55(5)(a) (with Sch. 12)

**F113** Sch. 14 para. 9(3)(3A) substituted (17.8.2001 or specified purposes and otherwise 1.12.2001) for Sch. 14 para. 9(3) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 127(d)(ii) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

**F114** Words in Sch. 14 para. 9(3) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 55(5)(b) (with Sch. 12)

**F115** Words in Sch. 14 para. 9(3A) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 55(5)(c) (with Sch. 12)

**F116** Words in Sch. 14 para. 9(6) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 55(5)(d) (with Sch. 12)

#### Commencement Information

**I75** Sch. 14 para. 9 wholly in force; Sch. 14 para. 9 not in force at Royal Assent see s. 126(2); Sch. 14 para. 9 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 14 para. 9 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

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### Marginal Citations

**M23** 1988 c. 36.

### *Removal of auditors*

- 10 (1) A friendly society or registered branch may by ordinary resolution in general meeting remove an auditor before the expiration of his term of office, notwithstanding anything in any agreement between it and him.
- (2) Where such a resolution is passed, the society or branch shall within 14 days give notice of that fact to the [<sup>F117</sup>FCA and, if the society is a PRA-*authorised person*, the PRA].
- (3) If a friendly society or branch fails to give the notice required by sub-paragraph (2) above, it shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale and in the case of a continuing offence to an additional fine not exceeding one-tenth of that level for every day during which the offence continues.
- (4) Nothing in this paragraph is to be taken as depriving a person removed under it of compensation or damages that may be payable to him in respect of the termination of his appointment as auditor or of any appointment terminating with that as auditor.
- (5) An auditor of a friendly society or registered branch who has been removed has, notwithstanding his removal, the rights conferred by section 75 above in relation to any general meeting of the society or branch at which—
- (a) his term of office would otherwise have expired; or
  - (b) it is proposed to fill the vacancy caused by his removal.

### Textual Amendments

**F117** Words in *Sch. 14 para. 10(2)* substituted (1.4.2013) by *The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)*, art. 1(1), **Sch. 9 para. 55(6)** (with *Sch. 12*)

### Commencement Information

**I76** *Sch. 14 para. 10* wholly in force; *Sch. 14 para. 10* not in force at Royal Assent see s. 126(2); *Sch. 14 para. 10* in force for certain purposes at 13.1.1993 by *S.I. 1993/16*, art. 2, **Sch. 1**; *Sch. 14 para. 10* in force to the extent not already in force at 1.1.1994 by *S.I. 1993/2213*, art. 2(1), **Sch. 5**

### *[<sup>F118</sup>Removal of auditor on improper grounds*

### Textual Amendments

**F118** *Sch. 14 para. 10A* and cross-heading inserted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by *The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140)*, arts. 1(2), **6(1)**

- 10A. (1) Where an auditor of a friendly society to which the Audit Directive applies is removed from office an application may be made to the High Court under this paragraph.

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- (2) The persons who may make such an application are—
- (a) any member of the society who was also a member at the time of the removal;
  - [<sup>F119</sup>(b) the FCA provided that, if the society is a PRA-authorized person, it has consulted the PRA;
  - (c) if the society is a PRA-authorized person, the PRA provided that it has consulted the FCA.]
- (3) If the court is satisfied that the removal was—
- (a) on grounds of divergence of opinion on accounting treatments or audit procedures, or
  - (b) on any other improper grounds,
- it may make such order as it thinks fit for giving relief in respect of the removal.
- (4) The court may, in particular—
- (a) declare that any resolution of the society removing an auditor, or appointing a new auditor in his place, is void;
  - (b) require the directors of the society to re-appoint the auditor until the next general meeting of the society;
  - (c) give directions as to the conduct of the society's affairs in the future.
- (5) In the application of this paragraph to a friendly society whose registered office is in Scotland or Northern Ireland, references to the High Court shall be read as references to the Court of Session or, as the case may be, the High Court in Northern Ireland.]

**Textual Amendments**

**F119** Sch. 14 para. 10A(2)(b)(c) substituted for Sch. 14 para. 10A(2)(b) (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 55(7)** (with Sch. 12)

*Rights of auditors who are removed or not re-appointed*

- 11 (1) Special notice is required for a resolution at a general meeting of a friendly society or registered branch—
- (a) removing an auditor before the expiration of his term of office; or
  - (b) appointing as auditor a person other than a retiring auditor.
- (2) On receipt of notice of such an intended resolution the friendly society or branch shall forthwith send a copy of it to the person proposed to be removed or, as the case may be, to the person proposed to be appointed and to the retiring auditor.
- (3) The auditor proposed to be removed or (as the case may be) the retiring auditor may make with respect to the intended resolution representations in writing to the society or branch (not exceeding a reasonable length) and request their notification to members of the society.
- (4) The society or branch shall (unless the representations are received by it too late for it to do so)—
- (a) in any notice of the resolution given to members of the society or branch, state the fact of the representations having been made;
  - (b) include in or with any such notice a copy of the representations; and

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- (c) make copies of them available to members at the meeting at which the resolution is to be moved.
- (5) If notice of any such representations is not given as required by sub-paragraph (4) above because received too late or because of the default of the society or branch, the auditor may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting.
- (6) The steps required by sub-paragraphs (4) or (5) above need not be taken if, on the application of the society or branch or of any other person claiming to be aggrieved, the court is satisfied that the rights conferred by this paragraph are being abused to secure needless publicity for defamatory matter; and the court may order the costs of the society or branch on the application to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application.

#### Commencement Information

**I77** Sch. 14 para. 11 wholly in force; Sch. 14 para. 11 not in force at Royal Assent see s. 126(2); Sch. 14 para. 11 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 14 para. 11 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

#### *Resignation of auditors*

- 12 (1) An auditor of a friendly society or registered branch may resign his office by depositing a notice in writing to that effect at the society's registered office.
- (2) The notice is not effective unless it is accompanied by the statement required by paragraph 14 below.
- (3) An effective notice of resignation operates to bring the auditor's term of office to an end as of the date on which the notice is deposited or on such later date as may be specified in it.
- (4) The society or branch shall within 14 days of the deposit of a notice of resignation send a copy of the notice to the [<sup>F120</sup>FCA and, if the society is a PRA-authorised person, the PRA].
- (5) If default is made in complying with sub-paragraph (4) above, the society or branch is guilty of an offence and liable—
- (a) on conviction on indictment, to a fine; and
  - (b) on summary conviction, to a fine not exceeding the statutory maximum and in the case of a continuing offence, to an additional fine not exceeding one-tenth of the statutory maximum for every day during which the offence continues.

#### Textual Amendments

**F120** Words in Sch. 14 para. 12(4) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 55(8) (with Sch. 12)

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### Commencement Information

**I78** Sch. 14 para. 12 wholly in force; Sch. 14 para. 12 not in force at Royal Assent see s. 126(2); Sch. 14 para. 12 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 14 para. 12 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

### *Rights of resigning auditors*

- 13 (1) This paragraph applies where an auditor's notice of resignation is accompanied by a statement of circumstances which he considers should be brought to the attention of members or creditors of the society or branch.
- (2) He may deposit with the notice a signed requisition calling on the committee of management of the society or branch forthwith duly to convene an extraordinary general meeting of the society or branch for the purpose of receiving and considering such explanation of the circumstances connected with his resignation as he may wish to place before the meeting.
- (3) The society or branch shall, at the request of the auditor (unless the statement is received too late to comply)—
- (a) in any notice of the meeting convened on his requisition or of any general meeting at which his term of office would otherwise have expired or at which it is proposed to fill the vacancy caused by his resignation, state the fact that the statement has been made;
  - (b) include in or with that notice a copy of a statement in writing by him (not exceeding a reasonable length) of the circumstances connected with his resignation; and
  - (c) make copies of the statement available to members at any such meeting.
- (4) If the committee of management does not within 21 days from the date of the deposit of a requisition under this paragraph proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, every member of the committee who failed to take all reasonable steps to secure that a meeting was convened as mentioned above is guilty of an offence and liable—
- (a) on conviction on indictment, to a fine; and
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.
- (5) If notice of the statement mentioned above is not given as required because received too late or because of the default of the society or branch, the auditor may (without prejudice to his right to be heard orally) require that the statement be read out at the meeting in question.
- (6) The steps required by sub-paragraphs (3) and (5) above need not be taken if, on the application of the society or branch or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this paragraph are being abused to secure needless publicity for defamatory matter; and the court may order the costs of the society or branch on such an application to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application.
- (7) An auditor who has resigned has, notwithstanding his resignation, the rights conferred by section 75 above in relation to any such general meeting of the society or branch as is mentioned in sub-paragraph (3) above; and in such a case, the references in that section to matters concerning the auditors as auditors shall be construed as references to matters concerning him as a former auditor.

*Status: Point in time view as at 01/04/2013.*

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### Commencement Information

**I79** Sch. 14 para. 13 wholly in force; Sch. 14 para. 13 not in force at Royal Assent see s. 126(2); Sch. 14 para. 13 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; Sch. 14 para. 13 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

### *Statement by person ceasing to hold office*

- 14 (1) Where an auditor of a friendly society or registered branch ceases for any reason to hold office, he shall deposit at the registered office of the society or branch concerned—
- (a) a statement of any circumstances connected with his ceasing to hold office which he considers should be brought to the attention of the members or creditors of the society or branch; or
  - (b) if he considers that there are no such circumstances, a statement that there are none.
- (2) In a case falling within sub-paragraph (1)(a) above it shall also be the duty of the auditor, unless he receives notice of an application under sub-paragraph (4) below before the end of the period of 21 days beginning with the day on which he deposited the statement, to send the [F121FCA and the PRA] a copy within a further 7 days.
- (3) In the case of resignation, the statement shall be deposited along with the notice of resignation; in the case of failure to seek re-appointment, the statement shall be deposited not less than 14 days before the end of the time allowed for next appointing auditors; in any other case, the statement shall be deposited not later than the end of the period of 14 days beginning with the date on which he ceases to hold office.
- (4) If the statement is of circumstances which the auditor considers should be brought to the attention of the members or creditors of the society or branch, the society shall within 14 days of the deposit of the statement either—
- (a) send a copy of it to every member who is, when the statement is deposited, entitled to vote at a meeting of the society or branch; or
  - (b) apply to the court.
- (5) The society or branch shall if it applies to the court notify the auditor of the application.
- (6) If the court is satisfied that the auditor is using the statement to secure needless publicity for defamatory matter—
- (a) it shall direct that copies of the statement need not be sent out; and
  - (b) it may further order the costs of the society or branch on the application to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application;
- and the society or branch shall within 14 days of the court's decision send to the persons mentioned in sub-paragraph (4)(a) above a statement setting out the effect of the order.
- (7) If the court is not so satisfied, the society or branch shall within 14 days of the court's decision—
- (a) send copies of the statement to the persons mentioned in sub-paragraph (4)(a) above; and



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(b) notify the auditor of the court's decision;  
and the auditor shall within 7 days of receiving such notice send a copy of the statement to the [<sup>F122</sup>FCA and the PRA].

[<sup>F123</sup>(8) A society is to be regarded as sending a person a copy of the statement for the purposes of sub-paragraph (4)(a) or (7)(a) if it makes the information available to the person on a website; and the end date for the purposes of section 119AB(4)(b) is the day falling 28 days after the later of the two dates referred to in section 119AB(4)(a).]

**Textual Amendments**

- F121** Words in Sch. 14 para. 14(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 55\(9\)](#) (with Sch. 12)
- F122** Words in Sch. 14 para. 14(7) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 55\(9\)](#) (with Sch. 12)
- F123** Sch. 14 para. 14(8) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), [16](#)

**Commencement Information**

- I80** Sch. 14 para. 14 wholly in force; Sch. 14 para. 14 not in force at Royal Assent see s. 126(2); Sch. 14 para. 14 in force for certain purposes at 13.1.1993 by [S.I. 1993/16](#), art. 2, [Sch. 1](#); Sch. 14 para. 14 in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213](#), art. 2(1), [Sch. 5](#)

*Offences of failing to comply with paragraph 14*

- 15 (1) If a person ceasing to hold office as auditor fails to comply with paragraph 14 above, he is guilty of an offence and liable—
- on conviction on indictment, to a fine; and
  - on summary conviction, to a fine not exceeding the statutory maximum.
- (2) If a society or branch makes default in complying with paragraph 14 above, it is guilty of an offence and liable—
- on conviction on indictment, to a fine, and
  - on summary conviction, to a fine not exceeding the statutory maximum and in the case of a continuing offence, to an additional fine not exceeding one-tenth of the statutory maximum for every day during which the offence continues.

**Commencement Information**

- I81** Sch. 14 para. 15 wholly in force; Sch. 14 para. 15 not in force at Royal Assent see s. 126(2); Sch. 14 para. 15 in force for certain purposes at 13.1.1993 by [S.I. 1993/16](#), art. 2, [Sch. 1](#); Sch. 14 para. 15 in force to the extent not already in force at 1.1.1994 by [S.I. 1993/2213](#), art. 2(1), [Sch. 5](#)

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*<sup>F124</sup>Duty of auditor to notify appropriate audit authority*

**Textual Amendments**

**F124** Sch. 14 paras. 15A-15C and cross-headings inserted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), arts. 1(2), **6(2)**

- 15A. (1) Where an auditor of a friendly society or registered branch ceases for any reason to hold office, he must notify the appropriate audit authority.
- (2) The notice must—
- (a) inform the appropriate audit authority that he has ceased to hold office, and
  - (b) be accompanied by a copy of the statement deposited by him at the registered office of the society or branch in accordance with paragraph 14.
- (3) If the statement so deposited is to the effect that he considers that there are no circumstances in connection with his ceasing to hold office that need to be brought to the attention of the members or creditors of the society or branch, the notice must also be accompanied by a statement of the reasons for his ceasing to hold office.
- (4) The auditor must comply with this paragraph at the same time as he deposits a statement at the registered office of the society or branch in accordance with paragraph 14.
- (5) If a person ceasing to hold office as auditor fails to comply with this paragraph, he is guilty of an offence and liable—
- (a) on conviction on indictment, to a fine, and
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

*Duty of friendly society or registered branch to notify appropriate audit authority*

- 15B. (1) Where an auditor of a friendly society or registered branch ceases to hold office before the end of his term of office, the society or branch must notify the appropriate audit authority.
- (2) The notice must—
- (a) inform the appropriate audit authority that the auditor has ceased to hold office, and
  - (b) be accompanied by—
    - (i) a statement by the society or branch of the reasons for his ceasing to hold office, or
    - (ii) if the copy of the statement deposited by the auditor at the registered office of the society or branch in accordance with paragraph 14(1) contains a statement of circumstances connected with his ceasing to hold office which he considers should be brought to the attention of the members or creditors of the society or branch, a copy of that statement.
- (3) The society or branch must give notice under this paragraph—
- (a) if the auditor resigns, not later than the end of the period of 14 days beginning with the date on which the auditor's notice of resignation is deposited at the society's or branch's registered office;



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- (b) in any other case, not later than the end of the period of 14 days beginning with the date on which the auditor ceases to hold office.
- (4) If a friendly society or registered branch fails to comply with this paragraph, it is guilty of an offence and liable—
  - (a) on conviction on indictment, to a fine, and
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

*Meaning of “appropriate audit authority”*

- 15C. In paragraphs 15A and 15B above “appropriate audit authority” means—
- (a) the Secretary of State, or
  - (b) if the Secretary of State has delegated functions under section 1252 of the Companies Act 2006 to a body whose functions include receiving the equivalent notice under section 522 or 523 of that Act, that body.]

*Remuneration of auditors*

- 16 (1) The remuneration of [<sup>F125</sup>auditor] appointed by a friendly society or registered branch in general meeting shall be fixed by the society or branch in general meeting or in such manner as the society or branch in general meeting may determine.
- (2) The remuneration of [<sup>F126</sup>auditor] appointed by the committee of management or the [<sup>F127</sup>appropriate authority] shall be fixed by the committee of management or the [<sup>F127</sup>appropriate authority] as the case may be.
- <sup>F128</sup>(3) .....
- (4) For the purposes of this paragraph “remuneration” includes sums paid in respect of expenses.
- (5) This paragraph applies in relation to benefits in kind as to payments in cash <sup>F129</sup>....
- <sup>F130</sup>(6) .....

**Textual Amendments**

- F125** Word in Sch. 14 para. 16(1) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), Sch. 2 para. 5(c)
- F126** Word in Sch. 14 para. 16(2) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), Sch. 2 para. 5(c)
- F127** Words in Sch. 14 para. 16(2) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 55(10) (with Sch. 12)
- F128** Sch. 14 para. 16(3) omitted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by virtue of The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), arts. 1(2), 4(4)(a)(i)
- F129** Words in Sch. 14 para. 16(5) omitted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by virtue of The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), arts. 1(2), 4(4)(a)(ii)

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**F130** Sch. 14 para. 16(6) omitted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by virtue of *The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008* (S.I. 2008/1140), arts. 1(2), **4(4)(a)(i)**

#### Commencement Information

**I82** Sch. 14 para. 16 wholly in force; Sch. 14 para. 16 not in force at Royal Assent see s. 126(2); Sch. 14 para. 16 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; Sch. 14 para. 16 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**

#### *Remuneration of auditors or their associates for non-audit work*

<sup>F131</sup> 17 .....

#### Textual Amendments

**F131** Sch. 14 para. 17 omitted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by virtue of *The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008* (S.I. 2008/1140), arts. 1(2), **4(4)(b)**

## SCHEDULE 15

Section 85.

### AMALGAMATIONS, TRANSFERS OF ENGAGEMENTS AND CONVERSION: SUPPLEMENTARY

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

**C11** Sch. 15: 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

## PART I

### PROVISION OF INFORMATION TO MEMBERS

#### *Statements relating to amalgamations and transfers*

- 1 (1) A friendly society which desires—
- (a) to amalgamate under section 85 above; or
  - (b) to transfer its engagements to any person, or to undertake to fulfil the engagements of another friendly society, under section 86 above;
- shall, subject to sub-paragraph (2) below, send a statement concerning the matters specified in paragraph 2 below to every member entitled (when the statements are sent) to vote on any resolution required by section 85, 86 or 90.
- (2) Sub-paragraph (1) above does not apply, in the case of a friendly society desirous of undertaking to fulfil another society's engagements, where the [<sup>F132</sup>appropriate authority] has consented under section 86(3)(b) or 90(2)(b) above to its proceeding by resolution of the committee of management.

*Status: Point in time view as at 01/04/2013.*

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- (3) The statement referred to in sub-paragraph (1) above shall be sent so as to arrive no later than 14 days (or such longer period as the rules may require for notice of any resolution required by section 85, 86 or 90 above) before—
- (a) the meeting at which any such resolution is to be moved; or
  - (b) where proxy voting is permitted, such earlier date as may be specified by the society, under its rules, as the final date for the receipt of [F133]appointments of proxies] to vote at the meeting.
- (4) If it appears to the [F132]appropriate authority] that it is impractical to include the summary mentioned in paragraph 2(1)(d) below in the statement referred to in sub-paragraph (1) above, the [F132]appropriate authority] may direct that the summary shall be sent separately from that statement within such period as the [F132]appropriate authority] may specify in the direction.

#### Textual Amendments

**F132** Words in Sch. 15 para. 1 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(2) (with Sch. 12)

**F133** Words in Sch. 15 para. 1(3)(b) substituted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), 21(1)(e)

- 2 (1) The matters of which a statement required by paragraph 1 above is to give particulars are the following, namely—
- (a) the financial position of the society and that of every other society or person participating in the amalgamation or transfer;
  - (b) any interest of the members of the committee of management of the society in the amalgamation or transfer;
  - (c) the compensation or other consideration (if any) proposed to be paid to or in respect of—
    - (i) the members of the committee of management or other officers of the society; and
    - (ii) the officers of every other society or person participating in the amalgamation or transfer;
  - (d) in the case of a transfer, a summary of any actuary's report which the society is directed to furnish to the [F134]appropriate authority] under section 88 above; and
  - (e) any other matter which the [F134]appropriate authority] requires in the case of the particular amalgamation or transfer.
- (2) No statement shall be sent unless its contents, so far as they concern the matters specified in this paragraph, have been approved by the [F134]appropriate authority].
- [F135](3) The PRA must consult the FCA before approving a statement under sub-paragraph (2).]

#### Textual Amendments

**F134** Words in Sch. 15 para. 2 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(2) (with Sch. 12)

*Status: Point in time view as at 01/04/2013.*

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**F135** Sch. 15 para. 2(3) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(3)** (with Sch. 12)

*Statements relating to conversion of society into company*

- 3 (1) A friendly society which desires to convert into a company under section 91 above shall send a statement concerning—
- (a) such matters as may be prescribed in regulations made by the <sup>F136</sup> . . . Treasury; and
  - (b) such other matters as may be required by the [<sup>F137</sup>appropriate authority] in the case of the particular conversion;
- to every member entitled (when the statements are sent) to vote on any resolution required by subsection (2) of that section.
- (2) Regulations under sub-paragraph (1) above may include among the prescribed matters any alternatives to a proposed conversion which may be available.

**Textual Amendments**

**F136** Words in Sch. 15 para. 3(1)(a) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

**F137** Words in Sch. 15 para. 3 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(2)** (with Sch. 12)

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

**C12** Sch. 15 para. 3(1)(a): Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. II** (with art. 5); S.I. 2001/3538, **art. 2(1)**

- 4 The statement referred to in paragraph 3 above shall be sent so as to arrive no later than 14 days (or such longer period as the rules may require for notice of any resolution required by section 91 above) before—
- (a) the meeting at which any such resolution is to be moved; or
  - (b) where proxy voting is permitted, such earlier date as may be specified by the society, under its rules, as the final date for the receipt of [<sup>F138</sup>appointments of proxies] to vote at the meeting;
- but no such statement may be sent unless its contents, so far as they concern the matters mentioned in that paragraph, have been approved by the [<sup>F139</sup>appropriate authority].

**Textual Amendments**

**F138** Words in Sch. 15 para. 4(b) substituted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), **21(1)(d)**

**F139** Words in Sch. 15 para. 4 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(2)** (with Sch. 12)

[<sup>F140</sup>4ZA. The PRA must consult the FCA before approving a statement under paragraph 4.]

*Status: Point in time view as at 01/04/2013.*

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#### Textual Amendments

**F140** Sch. 15 para. 4ZA inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 56(4)** (with Sch. 12)

- [<sup>F141</sup>4A(1) A society is to be regarded as sending a member—
- (a) the statement required by paragraph 1; or
  - (b) the statement required by paragraph 3,
- if it makes the statement available to the member on a website; and the end date for the purposes of section 119AB(4)(b) is the day falling 28 days after the later of the two dates referred to in section 119AB(4)(a).
- (2) If the statement is absent from a website for part of the period referred to in section 119AB(4), and the absence is disregarded for the purposes of section 119AB(5), that absence does not invalidate—
- (a) the proceedings of a meeting of the society,
  - (b) a subsequent amalgamation of the society,
  - (c) a transfer of engagements by or to the society, or
  - (d) a conversion of the society into a company.]

#### Textual Amendments

**F141** Sch. 15 para. 4A inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **17**

## PART II

CONFIRMATION BY [<sup>F142</sup>APPROPRIATE AUTHORITY]

#### Textual Amendments

**F142** Words in Sch. 15 Pt. 2 heading substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 56(5)** (with Sch. 12)

### *Applications for confirmation*

- 5 (1) An application by a friendly society for confirmation by the [<sup>F143</sup>appropriate authority]—
- (a) of an amalgamation under section 85 above,
  - (b) of a transfer of engagements of a friendly society under section 86 above, or
  - (c) of the conversion of a friendly society into a company under section 91 above,
- shall be made in such manner as [<sup>F144</sup>the [<sup>F143</sup>appropriate authority] may direct].
- (2) An application for confirmation of an amalgamation shall be made jointly by the friendly societies concerned.

*Status: Point in time view as at 01/04/2013.*

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- [<sup>F145</sup>(3) The [<sup>F146</sup>appropriate authority] may, on the application or with the consent of a friendly society, direct in relation to any provision of regulations made for the purposes of sub-paragraph (1) above that the provisions shall not apply to the society, or shall apply to it with such modifications as may be specified in the direction.
- <sup>F145</sup>(4) A direction under sub-paragraph (3) above may be subject to conditions.
- <sup>F145</sup>(5) A direction under sub-paragraph (3) above may be revoked by the [<sup>F147</sup>appropriate authority] at any time; and the [<sup>F147</sup>appropriate authority] may at any time vary any such direction on the application or with the consent of the society to which it applies.
- [ The PRA must send the FCA a copy of any direction, variation or revocation it makes  
<sup>F148</sup>(5A) under this paragraph.]
- <sup>F145</sup>(6) Where the [<sup>F149</sup>appropriate authority]—
- (a) makes a direction under subsection (3) above, or
  - (b) revokes or varies such a direction,
- [<sup>F150</sup>the FCA must] cause the direction, variation or revocation to be entered on a register kept by it for the purposes of this subsection.
- <sup>F145</sup>(7) The register kept for the purposes of subsection (6) above shall be available for inspection on reasonable notice by members of the public.
- <sup>F145</sup>(8) The [<sup>F151</sup>[<sup>F152</sup>FCA] shall keep] a copy of—
- (a) any direction made <sup>F153</sup>... under subsection (3) above, and
  - (b) any revocation or variation of any such direction,
- <sup>F154</sup> . . . in the public file of the society to which it relates.]

### Textual Amendments

- F143** Words in Sch. 15 para. 5(1) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(a) (with Sch. 12)
- F144** Words in Sch. 15 para. 5(1) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 128(e)(ii) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F145** Sch. 15 para. 5(3)-(8) inserted (1.8.1996) by S.I. 1996/1188, art. 8
- F146** Words in Sch. 15 para. 5(3) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(a) (with Sch. 12)
- F147** Words in Sch. 15 para. 5(5) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(a) (with Sch. 12)
- F148** Sch. 15 para. 5(5A) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(b) (with Sch. 12)
- F149** Words in Sch. 15 para. 5(6) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(c)(i) (with Sch. 12)
- F150** Words in Sch. 15 para. 5(6) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(c)(ii) (with Sch. 12)
- F151** Words in Sch. 15 para. 5(8) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 128(g)(i) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F152** Word in Sch. 15 para. 5(8) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(d)(i) (with Sch. 12)



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**F153** Words in Sch. 15 para. 5(8) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(d)(ii) (with Sch. 12)

**F154** Words in Sch. 15 para. 5(8) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

6 (1) Where a friendly society applies for confirmation of an amalgamation, transfer or conversion, it shall publish a notice of the application—

- (a) in one or more of the London Gazette, the Edinburgh Gazette or the Belfast Gazette, as the Commission directs, and,
- (b) if it so directs, in one or more newspapers.

[<sup>F155</sup>(1A) Where an application for confirmation of a transfer is made by a friendly society to which section 37(2) or (3) above applies and <sup>F156</sup> . . . -

<sup>F157</sup> . . . as regards any policy included in the proposed transfer, [<sup>F158</sup>an EEA State] other than the United Kingdom is the State in which the risk or commitment is situated;  
<sup>F157</sup> . . .

<sup>F159</sup>(b) . . . . . the society shall also; if the [<sup>F160</sup>appropriate authority] so directs publish the notice in two national newspapers in that State.]

(2) The notice shall—

- (a) state that any interested party has the right to make representations to the [<sup>F160</sup>appropriate authority] with respect to the application;
- (b) specify a date determined by the [<sup>F160</sup>appropriate authority] before which any written representations or notice of a person’s intention to make oral representation must be received by the [<sup>F160</sup>appropriate authority]; and
- (c) specify a date determined by the [<sup>F160</sup>appropriate authority] as the day on which it intends to hear any oral representations.

(3) Where a friendly society participating in a transfer is required under section 88 above to furnish an actuary’s report, the society shall publish a notice in the manner required by sub-paragraph (1) above—

(a) stating that such a report has been obtained;

[<sup>F161</sup>(b) stating—

- (i) the addresses of the offices of the society, and
- (ii) where the society is directed in accordance with sub-paragraph (1A) above to publish a notice of the application in two national newspapers in a State other than the United Kingdom, the address of such place in that State as the [<sup>F160</sup>appropriate authority] directs,

at which copies of the report shall be available for inspection for a period of not less than 21 days beginning with the date of the first publication of the notice; and]

(c) containing such particulars of any other matter relating to the report which the [<sup>F160</sup>appropriate authority] requires in the case of the transfer in question;

and such a society may include the notice required by this sub-paragraph in the notice required by sub-paragraph (1) above.

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#### Textual Amendments

- F155** Sch. 15 para.6(1A) inserted (1.9.1994) by S.I. 1994/1984, reg. 25, **Sch. 4 para. 1(1)**  
**F156** Word in Sch. 15 Pt. II para. 6(1A) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**  
**F157** Words in Sch. 15 Pt. II para. 6(1A)(a) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**  
**F158** Words in Sch. 15 Pt. II para. 6 substituted (1.1.1998) by S.I. 1997/2849, **reg. 3**  
**F159** Sch. 15 Pt. II para. 6(1A)(b) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch**  
**F160** Words in Sch. 15 para. 6 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(7)** (with Sch. 12)  
**F161** Sch. 15 para. 6(3)(b) substituted (1.9.1994) by S.I. 1994/1984, reg. 25, **Sch. 4 para. 1(2)**

- 7 After the date specified in the notice in pursuance of paragraph 6(2)(b) above, the [F162 appropriate authority] shall—
- (a) determine the time and place at which oral representations may be made;
  - (b) give notice of that determination to the friendly society applying for confirmation and to any persons who have give notice of their intention to make oral representations; and
  - (c) send copies of any written representations received by the [F162 appropriate authority] to that society;
- and the [F162 appropriate authority] shall allow that society an opportunity to comment on the written representations (whether at a hearing or in writing) before the expiration of such period as the [F162 appropriate authority] specifies in a notice to the society.

#### Textual Amendments

- F162** Words in Sch. 15 para. 7 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(7)** (with Sch. 12)

*Confirmation by [F163 appropriate authority]: General*

#### Textual Amendments

- F163** Words in Sch. 15 para. 8 cross-heading substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(8)** (with Sch. 12)

- 8 (1) Where an application is duly made for confirmation by the [F164 appropriate authority] of an amalgamation, transfer of engagements or conversion, the [F164 appropriate authority] shall confirm the amalgamation, transfer or conversion unless it is precluded from doing so by any of the following provisions of this Schedule.
- (2) If it appears to the [F164 appropriate authority], in relation to any amalgamation or transfer of engagements, that there is a substantial risk that the successor society or the person taking the transfer will not be able lawfully to carry out the engagements to be transferred to it under section 85(4) or 86(5) above, the [F164 appropriate authority]—
- (a) shall not confirm the amalgamation or transfer; and



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(b) where it has confirmed the amalgamation or transfer, shall <sup>F165</sup> . . . withdraw its confirmation;

but it may not withdraw its confirmation on or after the transfer date for the amalgamation or transfer.

(3) For the purposes of sub-paragraph (2) above, the [<sup>F164</sup>appropriate authority] may have regard to any requirements of the law of a country or territory outside the United Kingdom which appear to the [<sup>F164</sup>appropriate authority] to be relevant.

**Textual Amendments**

**F164** Words in Sch. 15 paras. 8-10 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(9) (with Sch. 12)

**F165** Words in Sch. 15 para. 8(2)(b) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

9 (1) Subject to sub-paragraph (3) below, the [<sup>F164</sup>appropriate authority] shall not confirm an amalgamation or transfer if it considers that—

- (a) some information material to the members' decision (including any decision on an affected members' resolution under section 86 above) about the amalgamation or transfer was not made available to all the members eligible to vote;
- (b) the vote on any resolution approving the amalgamation or transfer does not represent the views of the members eligible to vote; or
- (c) some relevant requirement of this Act or the rules of any friendly society participating in the amalgamation or transfer was not fulfilled or not fulfilled as regards that society.

(2) Subject to sub-paragraph (3) below, the [<sup>F164</sup>appropriate authority] shall not confirm the conversion of a society if it considers that—

- (a) some information material to the members' decision about the conversion was not made available to all the members eligible to vote;
- (b) the vote on any resolution approving the conversion does not represent the views of the members eligible to vote;

<sup>F166</sup>(c) . . . . .

(d) some relevant requirement of this Act or the rules of the society was not fulfilled.

(3) The [<sup>F164</sup>appropriate authority] shall not be precluded from confirming an amalgamation, transfer or conversion by virtue only of the non-fulfilment of some relevant requirement of this Act or the rules of a friendly society if it appears to the [<sup>F164</sup>appropriate authority] that it could not have been material to the members' decision about the amalgamation, transfer or conversion and the [<sup>F164</sup>appropriate authority] gives a direction that the failure is to be disregarded for the purposes of this paragraph.

**Textual Amendments**

**F164** Words in Sch. 15 paras. 8-10 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(9) (with Sch. 12)

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**F166** Sch. 15 para. 9(2)(c) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

- 10 (1) Where the [<sup>F164</sup>appropriate authority] would be precluded—
- (a) from confirming an amalgamation or transfer by reason of any of the defects specified in paragraph 9(1) above, or
  - (b) from confirming a conversion by reason of any of the defects specified in paragraph 9(2) above, [<sup>F167</sup>or
  - (c) from confirming a conversion by reason of paragraph 11 below,]

it may give to any friendly society participating in the amalgamation or transfer or, as the case may be, to the society proposing to convert a direction under sub-paragraph (2) below.

- (2) A direction under this sub-paragraph is a direction requiring a friendly society—
- (a) to take such steps to remedy the defect or defects, including the calling of a further meeting, [<sup>F168</sup>or (as the case may be) to remove the risk referred to in paragraph 11 below,] as are specified in the direction; and
  - (b) to furnish the [<sup>F164</sup>appropriate authority] with evidence that those steps have been taken;

and if the [<sup>F164</sup>appropriate authority] is satisfied that the steps have been taken and the defect or defects has or have been substantially remedied, [<sup>F169</sup>or (as the case may be) that the risk has been removed,] the [<sup>F164</sup>appropriate authority] shall confirm the amalgamation, transfer or conversion.

#### Textual Amendments

- F164** Words in Sch. 15 paras. 8-10 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(9) (with Sch. 12)
- F167** Sch. 15 para. 10(1)(c) and the word “or” immediately preceding inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 128(k) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F168** Words in Sch. 15 para. 10(2)(a) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 128(l)(i) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F169** Words in Sch. 15 para. 10(2) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 128(l)(ii) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

F170 . . .

#### Textual Amendments

- F170** Cross-heading repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

- [<sup>F171</sup>11 The [<sup>F172</sup>appropriate authority] shall not confirm an amalgamation, transfer of engagements or conversion unless it is satisfied that there is no substantial risk that the successor society, the proposed transferee, or the company into which the society is converted, will not have—

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- (a) such permission (if any) under [<sup>F173</sup>Part 4A] of the Financial Services and Markets Act 2000, or
  - (b) such permission (if any) under paragraph 15 of Schedule 3 to that Act (as a result of qualifying for authorisation under paragraph 12 of that Schedule),
- as will enable it to carry on the business which it will have as a result of the amalgamation, transfer or conversion without contravening section 19 of that Act (the general prohibition).]

#### Textual Amendments

- F171** Sch. 15 para. 11 substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 128(n)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F172** Words in Sch. 15 para. 11 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(10)(a)** (with Sch. 12)
- F173** Words in Sch. 15 para. 11 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(10)(b)** (with Sch. 12)

[<sup>F174</sup>11(1)] The PRA must consult the FCA before confirming an amalgamation, transfer of engagements or a conversion.

(2) The PRA must notify the FCA if it makes any such confirmation.]

#### Textual Amendments

- F174** Sch. 15 para. 11A inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(11)** (with Sch. 12)

#### *Confirmation of transfers of engagements*

- 12 The [<sup>F175</sup>appropriate authority] shall not confirm a transfer unless it is satisfied—
- (a) that all the engagements included in the transfer may be transferred under section 86 above to the transferee;
  - (b) that the transfer is in the interests of the members of each friendly society participating in the transfer; and
  - (c) where the transfer is not of all the engagements of the transferor, that the purposes of each friendly society participating in the transfer will, after the transfer, continue to include the carrying on of one or more activities falling within Schedule 2 to this Act.

#### Textual Amendments

- F175** Words in Sch. 15 para. 12 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(12)** (with Sch. 12)

[<sup>F176</sup>13

- (1) The [<sup>F177</sup>appropriate authority] shall not confirm a transfer in any case where the transferee is required by section 87 above to furnish the [<sup>F177</sup>appropriate authority] with a report unless it is satisfied (after taking the proposed transfer into account) either that the transferee will possess the margin of solvency required by rules made

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by the <sup>F178</sup>appropriate authority under Part 9A] of the Financial Services and Markets Act 2000 or, where no margin of solvency is required by such rules, that the value of the transferee's assets will exceed its liabilities.

- (2) The <sup>F177</sup>appropriate authority] shall not confirm a transfer of any engagements the fulfilment of which will constitute effecting or carrying out contracts of insurance in the United Kingdom unless it is satisfied (after taking the proposed transfer into account) either that the transferee will possess the margin of solvency required by rules made by the <sup>F178</sup>appropriate authority under Part 9A] of the Financial Services and Markets Act 2000 or, where no margin of solvency is required by such rules, that the value of the transferee's assets will exceed its liabilities.
- (3) This paragraph does not apply to any transfer of engagements to which paragraph 15 or 15A below applies.
- (4) The reference in sub-paragraph (2) to effecting or carrying out contracts of insurance must be read with—
  - (a) section 22 of the Financial Services and Markets Act 2000;
  - (b) any relevant order under that section; and
  - (c) Schedule 2 to that Act.]

#### Textual Amendments

**F176** Sch. 13 para. 15 substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 206(1)

**F177** Words in Sch. 15 para. 13 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(13)(a) (with Sch. 12)

**F178** Words in Sch. 15 para. 13 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(13)(b) (with Sch. 12)

#### Textual Amendments

**F179** Sch. 15 para. 14 omitted (17.8.2001 for specified purposes and otherwise *prosp.*) by virtue of S.I. 2001/2617, arts. 2(a), 8(1), 13(1), Sch. 3 para. 128(r) (with art. 13(3), Sch. 5) and is repealed (*prosp.*) by S.I. 2001/3538, art. 2(1)

<sup>F180</sup>15(1) This paragraph applies to any transfer of engagements (other than contracts of reinsurance) where—

- (a) the effecting of the engagements constituted the carrying on of general business;
- (b) the transferor is a friendly society to which section 37(3) above applies; and
- (c) the transferee is—
  - (i) a friendly society to which section 37(2) or (3) above applies;
  - <sup>F181</sup>(ii) a UK firm which has an EEA right deriving from any of the insurance directives;]
  - <sup>F182</sup>(iii) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to the Financial Services and Markets Act 2000;]
  - <sup>F183</sup>(iv) . . . . .
  - <sup>F184</sup>(v) an insurance company whose head office is in Switzerland, which has permission under <sup>F185</sup>Part 4A] of the Financial Services and

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Markets Act 2000 to effect or carry out contracts of insurance, which permission is not limited to reinsurance business;]

(vi) an insurance company whose margin of solvency is required to be supervised in accordance with Article 25 or 26 of the first general insurance Directive.

(2) The [<sup>F186</sup>appropriate authority] shall not confirm the transfer unless—

- <sup>F187</sup>(a) .....
- (b) it is <sup>F188</sup> . . . satisfied that every policy included in the transfer evidences a contract which was entered into before the date of the application;
- (c) the relevant authority certifies that the transferee possesses the necessary margin of solvency after taking the proposed transfer into account; and
- (d) where the establishment from which the policies are to be transferred is situated in [<sup>F189</sup>an EEA State] other than the United Kingdom, the [<sup>F186</sup>appropriate authority] is satisfied—
  - (i) that the supervisory authority in that [<sup>F189</sup>EEA State] has been consulted about the proposed transfer; and
  - (ii) either that the authority has responded or that the period of three months beginning with the consultation has elapsed.

(3) Where, as regards any policy <sup>F190</sup> . . . which is included in the proposed transfer, the risk is situated in a [<sup>F189</sup>an EEA State] other than the United Kingdom, the [<sup>F186</sup>appropriate authority] shall not confirm the transfer unless it is satisfied—

- (a) that the supervisory authority in that [<sup>F189</sup>an EEA State] has been notified of the proposed transfer;
- (b) either that the authority has consented to the transfer or that the authority has not refused its consent to the transfer within the period of three months beginning with the notification.

<sup>F191</sup>(4) .....

<sup>F192</sup>(5) .....

<sup>F193</sup>(6) In this paragraph “the relevant authority” means—

- (a) if the transferee falls within paragraph (1)(c)(iii), its home state regulator;
- (b) if the transferee falls within paragraph (1)(c)(v), the supervisory authority in Switzerland;
- (c) if the transferee falls within paragraph (1)(c)(vi), the [<sup>F186</sup>appropriate authority] or other supervisory body responsible for the supervision;
- (d) in any other case, the [<sup>F186</sup> appropriate authority].]

#### Textual Amendments

**F180** Sch. 15 para. 15 substituted (1.9.1994) by S.I. 1994/1984 reg. 25, Sch. 4 para. 3

**F181** Sch. 15 para. 15(1)(c)(ii) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 207(2)(a)

**F182** Sch. 15 para. 15(1)(c)(iii) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 207(2)(b)

**F183** Sch. 15 para. 15(1)(c)(iv) repealed (1.12.2001) by virtue of S.I. 2001/3649, arts. 1, 207(2)(c)

**F184** Sch. 15 para. 15(1)(c)(v) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 207(2)(d)

**F185** Words in Sch. 15 para. 15(1)(v) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(14)(a) (with Sch. 12)

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- F186** Words in Sch. 15 para. 15 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(14)(b)** (with Sch. 12)
- F187** Sch. 15 para. 15(2)(a) repealed (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13, **Sch. 3 para. 128(t)(i)**; Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F188** Word in Sch. 15 para. 15(2)(b) repealed (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13, **Sch. 3 para. 128(t)(ii)**; Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F189** Words in Sch. 15 Pt. II para. 15 substituted (1.1.1998) by S.I. 1997/2849, **reg. 3**
- F190** Words in Sch. 15 para. 15(3) repealed (1.1.1998) by S.I. 1997/2849, **reg. 5, Sch.**
- F191** Sch. 15 para. 15(4) repealed (1.1.1998) by S.I. 1997/2849, **reg. 5, Sch.**
- F192** Sch. 15 para. 15(5) repealed (1.1.1998) by S.I. 1997/2849, **reg. 5, Sch.**
- F193** Sch. 15 para. 15(6) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, **207(3)**

[<sup>F194</sup>15(A)] This paragraph applies to any transfer of engagements (other than contracts of reinsurance) where—

- (a) the effecting of the engagements constituted the carrying on of long term business;
- (b) the transferor is a friendly society to which section 37(3) above applies; and
- (c) the transferee is—
  - (i) a friendly society to which section 37(2) or (3) above applies;
    - [ a UK firm which has an EEA right deriving from any of the <sup>F195</sup>(ii) insurance directives;]
    - [ an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 <sup>F196</sup>(iii) to the Financial Services and Markets Act 2000;]
  - (iv) .....
  - (v) an insurance company whose margin of solvency is required to be supervised in accordance with [<sup>F197</sup>Article 55 or 56 of the life assurance consolidation Directive].

(2) The [<sup>F198</sup>appropriate authority] shall not confirm the transfer unless—

- <sup>F199</sup>(a) .....
- (b) the relevant authority certifies that the transferee possesses the necessary margin of solvency after taking the proposed transfer into account; and
- (c) where the establishment from which the policies are to be transferred is situated in [<sup>F200</sup>an EEA State] other than the United Kingdom, the [<sup>F198</sup>appropriate authority] is satisfied—
  - (i) that the supervisory authority in that [<sup>F200</sup> EEA State] has been consulted about the proposed scheme; and
  - (ii) either that the authority has responded or that the period of three months beginning with the consultation has elapsed.

(3) Where, as regards any policy <sup>F201</sup>... which is included in the proposed transfer, [<sup>F200</sup>an EEA State] other than the United Kingdom, is the State in which the commitment is situated, the [<sup>F198</sup>appropriate authority] shall not confirm the transfer unless it is satisfied—

- (a) that the supervisory authority in that [<sup>F200</sup>an EEA State] has been notified of the proposed scheme; and



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- (b) either that the authority has consented to the scheme or that the authority has not refused its consent to the scheme within the period of three months beginning with the notification.

F202(4) . . . . .

F203(5) . . . . .

[ In this paragraph “the relevant authority” means—

- F204(6) (a) if the transferee falls within paragraph (1)(c)(iii), its home state regulator;
- (b) if the transferee falls within paragraph (1)(c)(v), the [F198appropriate authority] or other supervisory body responsible for the supervision;
- (c) in any other case, the [F198appropriate authority].]

**Textual Amendments**

- F194 Sch. 15 para 15A substituted (1.9.1994) by S.I. 1994/1984, reg. 25, **Sch. 4 para. 4**
- F195 Sch. 15 para. 15A(1)(c)(ii) substituted (1.12.2001) by S.I. 2001/3649, **arts. 1, 208(2)(a)**
- F196 Sch. 15 para. 15A(1)(c)(iii) substituted (1.12.2001) by S.I. 2001/3649, **arts. 1, 208(2)(b)**
- F197 Words in Sch. 15 para. 15A(1)(c)(v) substituted (11.1.2005) by The Life Assurance Consolidation Directive (Consequential Amendments) Regulations 2004 (S.I. 2004/3379), regs. 1, **3(5)**
- F198 Words in Sch. 15 para. 15A substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(15)** (with Sch. 12)
- F199 Sch. 15 para. 15A(2)(a) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F200 Words in Sch. 15 Pt. II para. 15A substituted (1.1.1998) by 1997/2849, reg. 3
- F201 Words in Sch. 15 Pt. II para. 15A(3) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**
- F202 Sch. 15 Pt. II para. 15A(4) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**
- F203 Sch. 15 Pt. II para. 15A(5) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**
- F204 Sch. 15 para. 15A(6) substituted (1.12.2001) by S.I. 2001/3649, **arts. 1, 208(3)**

**Textual Amendments**

- F205 Sch. 15 para. 16 omitted (17.8.2001 for specified purposes and otherwise *prosp.*) by S.I. 2001/2617, arts. 2(a), 8(1), 13(1), Sch. 3 para. 128(v) (with art. 13(3), **Sch. 5**) and is repealed (*prosp.*) by S.I. 2001/2617, arts. 2(b), 13(2), Sch. 4 (with art. 13(3), **Sch. 5**)

F206 *[Rights of policy holders]*

**Textual Amendments**

- F206 Sch. 15 para. 16A and Cross-heading inserted (1.9.1994) by S.I. 1994/1984, reg. 25, **Sch. 4 para. 5**

[F20716(A)] This paragraph applies where the [F208appropriate authority] confirms a transfer in accordance with paragraph 15 above and F209 . . . –

- F210(.) as regards any policy included in the transfer, [F211an EEA State] other than the United Kingdom is the [F211EEA State] in which the risk is situated; F210 . . .

F212(b) . . . . .

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- (2) The [<sup>F208</sup>appropriate authority] shall direct that–
- (a) notice of its decision, and of the execution of any instrument giving effect to the transfer, shall be published in the [<sup>F211</sup>EEA State]<sup>F209</sup> . . . ; and
  - (b) the notice shall specify the period during which the policy holder may exercise any right to cancel the policy;
- and the instrument shall not bind the policy holder if either such a notice is not so published or the policy holder exercises any such right during the period so specified.
- (3) The law of the [<sup>F211</sup>EEA State]<sup>F209</sup> . . . shall determine–
- (a) whether the policy holder has a right to cancel the policy; and
  - (b) the conditions applicable to any such right.]

#### Textual Amendments

- F207** Sch. 15 para. 16A inserted (1.9.1994) by S.I. 1994/1984, reg. 25 Sch. 4 para. 5
- F208** Words in Sch. 15 para. 16A substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(16) (with Sch. 12)
- F209** Words in Sch. 15 para. 16A repealed (1.1.1998) by S.I. 1997/2849, reg. 5, Sch.
- F210** Words in Sch. 15 para. 16A(1)(a) repealed (1.1.1998) by S.I. 1997/2849, reg. (5), Sch.
- F211** Words in Sch. 15 para. 16A substituted (1.1.1998) by S.I. 1997/2849, reg. 3
- F212** Sch. 15 para. 16A(1)(b) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, Sch.

- [<sup>F213</sup>16B] This paragraph applies where the [<sup>F214</sup>appropriate authority] confirms a transfer in accordance with paragraph 15A above and <sup>F215</sup> . . . –
- <sup>F216</sup>( . ) as regards any policy included in the transfer, [<sup>F217</sup>an EEA State] other than the United Kingdom is the State in which the commitment is situated; <sup>F216</sup> . . .
- <sup>F218</sup>(b) . . . . .
- (2) The [<sup>F214</sup>appropriate authority] shall direct that–
- (a) notice of the making of any order, or the execution of any instrument, giving effect to the transfer shall be published in the [<sup>F217</sup> EEA State]<sup>F215</sup> . . . which is the State in which the commitment is situated; and
  - (b) the notice shall specify the period during which the policy holder may exercise any right to cancel the policy;
- and the instrument or order shall not bind the policy holder if either such a notice is not so published or the policy holder exercises any such right during the period so specified.
- (3) The law of the [<sup>F217</sup> EEA State]<sup>F215</sup> . . . which is the State in which the commitment is situated shall determine–
- (a) whether the policy holder has a right to cancel the policy; and
  - (b) the conditions applicable to any such right.]

#### Textual Amendments

- F213** Sch. 15 para. 16B inserted (1.9.1994) by S.I. 1994/1984, reg. 25 Sch. 4 para. 6
- F214** Words in Sch. 15 para. 16B substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(16) (with Sch. 12)
- F215** Words in Sch. 15 para. 16B repealed (1.1.1998) by S.I. 1997/2849, reg. 5, Sch.



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- F216** Words in Sch. 15 para. 16B(1)(a) repealed (1.1.1998) by S.I. 1997/2849, reg. (5), Sch.
- F217** Words in Sch. 15 para. 16B substituted (1.1.1998) by S.I. 1997/2849, reg. 3
- F218** Sch. 15 para. 16B(1)(b) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, Sch.

### *Effect of failure to comply with relevant requirements*

- 17 A failure to comply with a relevant requirement of this Act or any rules of a friendly society shall not invalidate any amalgamation, transfer of engagements or conversion; but a society which—
- (a) participates in an amalgamation or transfer or converts into a company; and
  - (b) fails without reasonable excuse to comply with such a requirement;
- shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.

### *Interpretation*

[<sup>F219</sup>18(1) In this Part of this Schedule expressions used which are defined in [<sup>F220</sup>Schedule 3 to the Financial Services and Markets Act 2000] but are not defined for the purposes of this Part of this Schedule have the same meaning as they have for the purposes of that Act.

(2) In this Part of this Schedule—

“policy” means a contract (other than a contract of reinsurance) the effecting of which by a friendly society to which section 37(2) or (3) above applies constituted the carrying on of insurance business of any class;

“policy holder” means a member whose contract with such a society is a contract the effecting of which by the society constituted the carrying on of insurance business (other than reinsurance business) of any class;

“relevant requirement”, with reference to this Act or the rules of a friendly society, means a requirement of this Part of this Act or of any rules prescribing the procedure to be followed by the society in approving or effecting an amalgamation or transfer of engagements or its conversion into a company.

<sup>F221</sup>(3) . . . . . ]

### **Textual Amendments**

- F219** Sch. 15 para. 18 substituted (1.9.1994) by S.I. 1994/1984, reg. 25, Sch. 4 para. 7
- F220** Words in Sch. 15 para. 18 substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 209
- F221** Sch. 15 para. 18(3) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, Sch.

## SCHEDULE 16

Section 95.

### AMENDMENTS OF 1974 ACT

1 The 1974 Act shall be amended as follows.

2 (1) In subsection (1) of section 4—

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- (a) after the word “Act” there shall be inserted the words “ and the 1992 Act ”; and
  - (b) in paragraph (a), after the word “Wales,” there shall be inserted the words “ Northern Ireland, ”.
- (2) After subsection (2) of that section there shall be inserted the following subsection—
- “(2A) The central office shall maintain separate registers under this Act or, as the case may be, the 1992 Act in relation to societies whose registered offices are in Northern Ireland.”
- (3) In subsection (3) of that section, after the word “Act”, in each place where it occurs, there shall be inserted the words “ or the 1992 Act ”.

#### Commencement Information

**I83** Sch. 16 para. 2 wholly in force; Sch. 16 para. 2 not in force at Royal Assent see s. 126(2); Sch. 16 para. 2(1)(a)(3) in force at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 2; Sch. 16 para. 2(1)(b)(2) in force at 1.1.1994 by S.I. 1993/3226, art. 2(1), Sch. 2

F222<sub>3</sub>

#### Textual Amendments

**F222** Sch. 16 para. 3 repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

- 4 In section 7, in subsection (1)—
- (a) for the words “may be” there shall be substituted the words “ may remain ”;
  - (b) in paragraph (a), for the words from “any” to the end of the paragraph there shall be substituted the words “ any purpose falling within Schedule 2 to the 1992 Act ”; and
  - (c) after paragraph (f) there shall be inserted the words—
- “but no society may become registered under this Act after the commencement of section 93 of the 1992 Act.”

#### Commencement Information

**I84** Sch. 16 para. 4 wholly in force; Sch. 16 para. 4 not in force at Royal Assent see s. 126(2); Sch. 16 para. 4(a)(c) in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3; Sch. 16 para. 4(b) in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 6

- 5 In section 13(1), for the words from “except” to the end of the subsection there shall be substituted the words “ after the commencement of section 93 of the 1992 Act ”.
- 6 (1) For section 15 there shall be substituted the following section—

#### “15A Acknowledgement of registration and rules of new branch.

- (1) On being satisfied that a branch has complied with the provisions of this Act as to registration, the registrar shall issue to that branch an acknowledgement of registration.

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- (2) An acknowledgement under subsection (1) above shall be conclusive evidence that the branch in question is duly registered under this Act, unless it is proved that the registration of the society of which it is a branch has been suspended or cancelled.
  - (3) An acknowledgement under subsection (1) above shall also constitute an acknowledgement, and be conclusive evidence, of the rules of the branch in force at the date of its registration.”
- (2) Section 17 shall cease to have effect.
- (3) Sub-paragraphs (1) and (2) above shall not affect the operation of section 15(2) and section 17 in relation to an acknowledgement of registration issued to a registered society under section 15(1).
- 7 In section 21, for the words “sum not exceeding 10p” there shall be substituted the words “reasonable fee”.
- 8 After section 23 there shall be inserted the following section—

*“ Reinsurance*

**23A Reinsurance.**

- (1) The rules of a registered friendly society may provide for the carrying on by the society of any reinsurance business to which subsection (2) below applies but only to such extent or in such circumstances as may from time to time be approved by the appropriate actuary.
  - (2) This subsection applies to business consisting of the effecting and carrying out of contracts of reinsurance which—
    - (a) are insured or to be insured by any other registered society or any incorporated friendly society; and
    - (b) are of a class or part of a class of insurance business which the society carrying on the re-insurance business itself carries on.
  - (3) In this section “the appropriate actuary” has the same meaning as in the 1992 Act.”
- 9 For section 24 there shall be substituted the following section—

**“24 Trustees of registered societies and branches.**

- (1) Every registered society and branch shall have one or more trustees.
- (2) The trustees may be appointed—
  - (a) by a resolution of the society or branch in general meeting; or
  - (b) in such other manner as the rules of the society or branch may provide.
- (3) If a trustee is appointed under subsection (2)(a) above, the society or branch shall send to the registrar a copy of the resolution appointing him, signed by the trustee so appointed and by the secretary of the society or branch.

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(4) If a trustee is appointed under subsection (2)(b) above, the society or branch shall send to the registrar—

- (a) notice of his appointment signed by the secretary of the society or branch; and
- (b) an acceptance of office signed by the trustee so appointed.

(5) In the case of the appointment of a trustee of a branch, any document referred to in subsection (3) or (4) above shall be sent to the registrar through an officer appointed in that behalf by the society of which the branch forms part.

(6) The same person may not be a secretary or treasurer of a registered society or branch and also a trustee of that society or branch.”

10 For section 26 there shall be substituted the following section—

**“26 Proof of appointment of officers and trustees.**

If any such list as is referred to in section 12(1)(c) above is signed—

- (a) by every trustee and other officer named in the list; and
- (b) by the secretary of the branch,

then on the registration of the branch the list shall be evidence that the persons so named have been duly appointed.”

11 Sections 27 and 28 shall cease to have effect.

12 Sections 29 to 45 shall cease to have effect in relation to registered friendly societies and registered branches of such societies.

13 In section 35, after subsection (5) there shall be inserted the following subsection—

“(5A) In the application of subsection (4) above to a society whose registered office is in Northern Ireland, the reference to the High Court shall be construed as a reference to the High Court in Northern Ireland.”

14 In section 40, after subsection (2) there shall be added the following subsection—

“(3) For the purposes of regulations made by virtue of this section, section 10 of the Friendly and Industrial and Provident Societies Act 1968 shall be taken to extend to Northern Ireland.”

15 (1) In section 46, in subsection (1), paragraphs (a) and (b) shall be omitted.

(2) Sub-paragraph (1) above has effect without prejudice to the generality of paragraph (e) of that subsection.

(3) After subsection (2) of that section there shall be inserted the following subsection—

“(2A) Subsections (2) to (12) of section 14 of the 1992 Act shall apply in respect of the powers of investment of the trustees of a registered friendly society as they apply to the powers of investment of an incorporated friendly society; and the consent required for any such investment as is available to the trustees of a registered friendly society by virtue of this subsection shall be the same as that required under subsection (1) above.”

16 In section 49—

- (a) in paragraph (b), for “ £200” there shall be substituted “ £800 ”; and
- (b) in paragraph (c), for “£50” there shall be substituted “ £200 ”.

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- 17 In section 50, after subsection (2) there shall be inserted the following subsection—
- “(2A) Subsection (2) above does not apply to advances made by a registered friendly society or a branch of such a society.”
- 18 (1) In section 51—
- (a) at the end of subsection (2) there shall be added the words “ ; but those restrictions shall not apply to investments made by the trustees of a registered friendly society or of a branch of such a society ”; and
- (b) at the end of subsection (4) there shall be inserted the words “ or Part II of the Housing (Northern Ireland) Order 1981. ”.

#### Commencement Information

**I85** Sch. 16 para. 18 wholly in force; Sch. 16 para. 18 not in force at Royal Assent see s. 126(2); Sch. 16 para. 18(1)(a) in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 6; Sch. 16 para. 18(1)(b) in force at 1.1.1994 by S.I. 1993/3226, art. 2(1), Sch. 2

- 19 In section 53, for subsection (1) there shall be substituted the following subsection—
- “(1) A registered society or branch may, if its rules so provide, acquire and hold land for the purpose of carrying on any of its activities in the names of its trustees and may dispose of, or otherwise deal with, any land so held; and—
- (a) no person shall be bound to enquire as to the authority of the trustees to dispose of or deal with land;
- (b) the receipt of the trustees shall be a discharge for all sums of money arising from, or in connection with, the disposal of or other dealing with land.”
- (2) Subsection (3) of that section shall be omitted.
- 20 In section 55, at the end of subsection (4) there shall be added the words “ or Northern Ireland ”.
- 21 After section 57 there shall be inserted the following section—

#### “57A Discharge of certain mortgages in Northern Ireland.

- (1) Where, in the case of any mortgage to a registered society or branch of any property, a receipt in full for any moneys secured thereby on that property is endorsed on or annexed to the mortgage, being a receipt—
- (a) signed by the trustees of the society or branch and counter-signed by the secretary thereof; and
- (b) in the form set out in Schedule 4 to this Act or in any other form specified in the rules of the society or branch or any schedule thereto, that receipt shall be fully effective to vacate the mortgage and vest in the mortgagor the estate of and in the property comprised in the mortgage.
- (2) If the mortgage is registered in accordance with the Registration of Deeds Act (Northern Ireland) 1970 the registrar under that Act shall—
- (a) on production of the receipt mentioned in subsection (1) above make a note in the Abstract Book against the entry relating to the mortgage that the mortgage is satisfied; and

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- (b) grant a certificate, either on the mortgage or separately, that the mortgage is satisfied.
  - (3) The certificate granted under subsection (2)(b) above shall—
    - (a) be received in all courts and proceedings without further proof; and
    - (b) have the effect of clearing the register of the mortgage.
  - (4) In this section “mortgage” includes a further charge and “mortgagor”, in relation to a mortgage, means the person for the time being entitled to the equity of redemption.
  - (5) This section extends to Northern Ireland only.”
- 22 After section 63 there shall be inserted the following section—

**“63A Register of members of registered friendly societies.**

- (1) Every registered friendly society shall maintain a register of the names and addresses of the members of the society.
  - (2) The register shall be kept at the registered office of the society or at such other place or places as the committee of management thinks fit.
  - (3) A society need not enter in the register the address of a member who became a member before the commencement of this section while it has no address for him and his whereabouts are unknown.
  - (4) Where it appears to a society that the address shown in the register for a member is no longer current, the society—
    - (a) may remove that address from the register; and
    - (b) need not enter in the register an address for that member while it has no address for him and his whereabouts are unknown.
  - (5) If a society contravenes subsection (1) above, it shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.”
- 23 After section 65 there shall be inserted the following sections—

**“65A Group insurance business.**

- (1) If the rules of a registered friendly society expressly so direct, the society may carry on any group insurance business.
- (2) In this Act “group insurance business” means business (carried on in accordance with the society’s rules and subject to any regulations under section 11 of the 1992 Act) which—
  - (a) is of a description falling within Head A, or class 2 of Head B, of Schedule 2 to the 1992 Act; and
  - (b) is carried on as the business of providing benefits, in pursuance of a contract with a qualifying person, for or in respect of the members of a group scheme.
- (3) For the purposes of this section—

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“group scheme” means a scheme or other arrangement under which benefits are to be provided for or in respect of persons who are members of the scheme and who qualify for membership by virtue of—

- (a) being employees of a particular employer; or
- (b) being members of some other group of persons of a description specified in regulations under section 11 of the 1992 Act;

“qualifying person” means a person who has established or is otherwise responsible for the operation of a group scheme or a trustee of such a scheme;

and “member”, in relation to a group scheme, includes any person for or in respect of whom benefits are to be provided under the scheme, whatever the terms in which such persons are described in the scheme.

- (4) Group insurance business may be carried on by a registered friendly society whether or not members of the group scheme are, or are required by the society to be, members of the society.
- (5) Where a registered friendly society carries on any group insurance business and the rules of the society so provide, any qualifying person with whom the society contracts (or his nominee) may be accorded the rights of a member of the society (including any right to vote) for the purpose of participating in the affairs of the society in the interests of the members of the group scheme with which he is concerned.
- (6) The rules of an incorporated friendly society may not prevent a person from being a member of the society in his private capacity by reason only of the fact that he has been accorded the rights of a member by virtue of subsection (5) above.
- (7) A person who is accorded the rights of a member of a society by virtue of subsection (5) above shall, for the purposes of any power which is conferred on the registrar or the Commission by this Act or the 1992 Act and is exercisable in the interests of members of the society, be treated as if he were a member of the society.
- (8) The Commission may make regulations under section 11(7) of the 1992 Act which apply to group insurance business carried on by registered friendly societies.

#### **65B Terms on which benefits are provided by friendly societies.**

- (1) The terms on which a registered friendly society provides any benefit shall be—
  - (a) specified in its rules; or
  - (b) determined in a manner specified in its rules.
- (2) If they are not specified in the society’s rules, the society—
  - (a) shall make copies of them available free of charge to members of the society at every office of the society; and
  - (b) shall send, free of charge, copies of them to any member of the society who demands them.

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- (3) If, on demand made of it under subsection (2) above, a society fails, in accordance with that subsection, to make available or, as the case may be within 7 days of the demand, to send to a person a copy of the terms on which a benefit is to be provided, the society shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.”

24 Sections 70 to 75 shall cease to have effect.

#### Commencement Information

**186** Sch. 16 para. 24 partly in force; Sch. 16 para. 24 not in force at Royal Assent see s. 126(2); Sch. 16 para. 24 in force to the extent specified at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3

25 (1) Section 76 shall be amended as follows.

(2) In subsection (1)—

- (a) for the words “section 77 below” there shall be substituted the words “subsection (3A) below”; and  
(b) in paragraphs (c) to (e) the words “or branch” shall be omitted in each place where they occur.

(3) For subsection (3) there shall be substituted the following subsections—

“(3A) This section does not apply to a dispute if—

- (a) the registered society concerned is a registered friendly society; or  
(b) the registered branch concerned is a branch of a registered friendly society.

(3B) The county court or, in Scotland, the sheriff may hear and determine a dispute falling within subsection (1) above if the parties agree that it shall be so determined instead of being determined under the rules.”

- (4) In subsection (4), at the end of paragraph (b) there shall be added the words “; and  
(c) does not include a dispute between the parties mentioned in subsection (1)(a) or (b) above which has arisen as a result of and incidentally to a dispute between a member, or a person aggrieved who has ceased to be a member, of a registered society or branch and a person claiming through him or under the rules of the registered society or branch.”

26 Section 77 shall cease to have effect.

27 In section 78(1), after the words “Act 1950” there shall be inserted the words “ or the corresponding provisions of the Arbitration Act (Northern Ireland) 1937 ”.

28 In section 80—

- (a) in subsection (1), at the beginning there shall be inserted the words “ Subject to subsection (1A) below, ”;  
(b) after subsection (1) there shall be inserted the following subsection—

“(1A) Subsection (1) above does not apply in any case where the lender is a registered friendly society or a branch of such a society.”

29 (1) Section 82 (amalgamation and transfer of engagements) shall be amended as follows.



*Status: Point in time view as at 01/04/2013.*

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- (2) In subsection (2), after the word “transfer” there shall be inserted the words “ to any extent ”.
- (3) In subsection (3)—
- (a) after the word “transfer” there shall be inserted the words “ to any extent ”; and
  - (b) at the end there shall be added the words “ or to an industrial and provident society ”.
- (4) After subsection (3) there shall be inserted the following subsections—
- “(3A) A registered society, in order to transfer some but not all of its engagements, must in addition to passing the special resolution required by subsection (2) or (3) above resolve to do so by an affected members’ resolution, that is, a resolution passed by the appropriate majority of the members whose engagements with the society are included in the transfer and who, under the rules of the society, would be entitled to vote on a special resolution.
- (3B) In subsection (3A) above, “appropriate majority” means a majority consisting of not less than three quarters of those members who vote.”.
- (5) After subsection (7) there shall be added the following subsections—
- “(8) This section does not apply to an amalgamation of or transfer of engagements by a registered friendly society.
- (9) In this section “industrial and provident society” means a society registered or deemed to be registered under the Industrial and Provident Societies Act 1965 or the Industrial and Provident Societies Act (Northern Ireland) 1969.”

F223 30 .....

**Textual Amendments**

**F223** Sch. 16 para. 30 repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

31 Section 84 shall cease to apply to registered friendly societies.

32 After section 84 there shall be inserted the following section—

**“84A Conversion of registered societies into industrial and provident societies.**

- (1) A registered society other than a registered friendly society may apply for registration under the Industrial and Provident Societies Act 1965 if the proposal to apply for registration has been submitted to the members of the society for their consent by the procedure required for a proposal to amend the rules of the society and consent has been obtained in accordance with that procedure.
- (2) On the registration under the Industrial and Provident Societies Act 1965 of a registered society all property held immediately before that registration by any person in trust for the society or any branch of the society (whether or

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not a registered branch) shall become by virtue of this subsection property of the industrial and provident society.

- (3) After its registration under that Act, the society shall continue to be entitled to all rights and subject to all liabilities to which it was entitled or subject immediately before registration.
- (4) It is hereby declared for the avoidance of doubt that—
  - (a) the reference in subsection (2)(a) above to property includes a reference to property situated outside the United Kingdom; and
  - (b) the reference to rights and liabilities of such a society or branch includes a reference and liabilities under the law of any country or territory outside the United Kingdom.
- (5) Not later than the end of the period of 90 days beginning with the day on which a registered society is registered under the Industrial and Provident Societies Act 1965—
  - (a) the trustees of the society shall deliver to the registered office of the industrial and provident society any property of the registered society or any branch of the registered society held by them and any documents relating to the property, rights and liabilities of the registered society or to its financial affairs;
  - (b) the trustees of any branch of the registered society shall deliver to that office any property of the branch or any other branch of the society held by them and any documents relating to the property, rights and liabilities of the branch or to its financial affairs; and
  - (c) if he holds property on trust for the society or any branch of the society, the Public Trustee shall deliver to that office the property so held by him and any documents relating to it;

but nothing in this Act shall have effect to relieve the trustees of a registered society or branch or the Public Trustee from any liability arising from acts or omissions before that registration.
- (6) If a registered society is registered under the Industrial and Provident Societies Act 1965, the registration of that society under this Act shall thereupon become void and shall be cancelled by the Chief Registrar or, under the direction of the Chief Registrar, by the assistant registrar for Scotland.
- (7) Schedule 6A to this Act shall have effect to supplement this section.
- (8) In the application of this section to Northern Ireland, references in this section and Schedule 6A to the Industrial and Provident Societies Act 1965 shall be construed as references to the Industrial and Provident Societies Act (Northern Ireland) 1969.”

#### Commencement Information

**I87** Sch. 16 para. 32 wholly in force; Sch. 16 para. 32 not in force at Royal Assent see s. 126(2); Sch. 16 para. 32 (except para. (8)) in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3; Sch. 16 para. 32 (except subsection (8) of s. 84A) in force for all remaining purposes at 13.9.1993 by S.I. 1993/2213, art. 2(1), Sch. 2; Sch. 16 para. 32 (to the extent that it inserts section 84A(8) of the 1974 Act) in force at 1.1.1994 by S.I. 1993/3226, art. 2(1), Sch. 2

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- 33 In section 86—
- (a) in subsection (1), at the beginning there shall be inserted the words “ Subject to subsection (2A) below ” and, after the words “registered society”, there shall be inserted the words “ or branch ”;
  - (b) after subsection (2) there shall be inserted the following subsection—

“(2A) For the purposes of this Act “special resolution”, in relation to a registered friendly society, shall be construed in accordance with paragraph 7 of Schedule 12 to the 1992 Act.”

- 34 For section 87 there shall be substituted the following section—

*“ Winding-up, suspension of business and inspection*

**87 Power of Commission to apply for winding-up of registered friendly societies and branches.**

- (1) If, on receiving the report on the state and conduct of the activities of a registered friendly society from a person appointed under section 65 of the 1992 Act, it appears to the Commission that it is in the interests of the members of the society or of the public that the society should be wound up, then, unless the society is already being wound up by the court, the Commission may present a petition to the High Court or, in Scotland, to the Court of Session for the society to be wound up by the court in accordance with the Insolvency Act 1986 or, as the case may be, the Insolvency (Northern Ireland) Order 1989 if the court thinks it just and equitable that this should be done.
- (2) Subsection (1) above applies in relation to a registered branch of a registered friendly society as it applies in relation to such a society.”

- 35 Sections 88 and 89 shall cease to have effect.

- 36 Section 90 shall cease to have effect in relation to registered friendly societies.

- 37 In section 91(4), after the words “section 85(4) above” there shall be inserted the words “ or under any provision of the 1992 Act ”.

- 38 In section 93—

- (a) in subsection (1)(b), for the words from the beginning to “dissolution” there shall be substituted the words “ by an instrument of dissolution approved by a special resolution of the society or branch; ”;
- (b) in subsection (1)(c), after the words “section 95(3)” there shall be inserted the words “ or 95A(1) ”; and
- (c) in subsection (3), for the words from “to the county” to “within” there shall be substituted the words “—
  - (a) in England and Wales, to the county court for the district,
  - (b) in Scotland, to the sheriff of the sheriffdom, or
  - (c) in Northern Ireland, to the county court for the division,

within ”.

*Status: Point in time view as at 01/04/2013.*

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#### Commencement Information

**188** Sch. 16 para. 38 wholly in force; Sch. 16 para. 38 not in force at Royal Assent see s. 126(2); Sch. 16 para. 38(a) in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3; Sch. 16 para. 38(b)(c) (to the extent that it introduces paras. (a)(b) into section 93(3)) in force at 28.4.1993 by S.I. 1993/1186, art. 2(3), Sch. 3; Sch. 16 para. 38(c) (to the extent that it introduces para. (c) into s. 93(3) of the 1974 Act) in force at 1.1.1994 by S.I. 1993/3226, art. 2(1), Sch. 2

39 Section 95 shall cease to have effect in relation to registered friendly societies and, after that section, there shall be inserted the following section—

#### “95A Dissolution of registered friendly societies and branches by award.

- (1) Subject to subsection (2) below, if upon an investigation under section 65 of the 1992 Act it appears to the Commission—
  - (a) that the funds of a registered friendly society or of a registered branch of such a society are insufficient to meet the existing claims on them, or
  - (b) that the rates of contribution fixed in the rules of the society or branch are insufficient to cover the benefits assured to be given by the society or branch,

the Commission may, if it considers it expedient to do so, award that the society or branch be dissolved and its affairs wound up; and where such an award is made the Commission shall direct in what manner the assets of the society or branch shall be divided or appropriated.

- (2) Where the Commission makes an award under this section, it may suspend the operation thereof for such period as it may deem necessary to enable the society or branch to make such alterations and adjustments of contributions and benefits as will in its judgment prevent the necessity of the award of dissolution coming into operation; and where within that period the alterations and adjustments are made, the Commission may cancel the award.
- (3) The Commission proceeding under this section shall have the same powers and authorities, enforceable by the same penalties, as the Chief Registrar has under section 95 above.
- (4) Within twenty-one days after the making of an award under this section, the Commission shall send to the central office notice of the award of dissolution and upon its receipt the central office shall cause notice of the award to be advertised in the Gazette and in some newspaper in general circulation in the neighbourhood of the registered office of the society or branch; and unless—
  - (a) within three months from the date on which that advertisement appears, a member or other person interested or having any claim on the funds of the society or branch commences proceedings to set aside the dissolution of the society or branch consequent upon the award, and
  - (b) the dissolution is set aside accordingly,
 the society or branch shall be legally dissolved from the date of the advertisement.

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(5) The expenses of every award, and of advertising every notice, under this section shall be paid out of the funds of the society or branch before any other appropriation thereof is made.”

40 In section 96, after the words “section 95(3)” there shall be inserted the words “ or 95A(1) ”.

41 In section 97, in subsection (1)(b) after the words “section 95 (6)(a)” there shall be inserted the words “ or 95A(4)(a) ”.

42 In section 98—

- (a) in subsection (1)(g), for the words from “a certificate” to “false” there shall be substituted the words “ to the society or branch from which the money is claimed a false death ”;
- (b) in subsection (2), at the end there shall be inserted the words “ or the Industrial Assurance (Northern Ireland) Order 1979 ”;
- (c) in subsection (8), after “1923” there shall be inserted the words “ and Article 46(2) of the Industrial Assurance (Northern Ireland) Order 1979 ”.

#### Commencement Information

**I89** Sch. 16 para. 42 wholly in force; Sch. 16 para. 42 not in force at Royal Assent see s. 126(2); Sch. 16 para. 42(a) in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3; Sch. 16 para. 42(b)(c) in force at 1.1.1994 by S.I. 1993/3226, art. 2(1), Sch. 2

43 In section 100(a), at the end there shall be added the words “ other than a registered friendly society or branch of such a society ”.

F224<sup>44</sup> .....

#### Textual Amendments

**F224** Sch. 16 para. 44 repealed (1.4.2005) by Courts Act 2003 (c. 39), s. 110(1), Sch. 10; S.I. 2005/910, art. 3(aa)

45 Section 106 shall cease to have effect.

46 In section 107, after subsection (2) there shall be inserted the following subsection—

“(2A) In the application of this section to Northern Ireland, references to the Secretary of State shall be construed as references to the Department of Health and Social Services for Northern Ireland.”

F225<sup>47</sup> .....

#### Textual Amendments

**F225** Sch. 16 para. 47 repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

48 In section 111(1)—

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- (a) in the definition of “collecting society” at the end there shall be added the words “ or the Industrial Assurance (Northern Ireland) Order 1979 ”;
- (b) after that definition there shall be inserted the following definition—  
““Commission” means the Friendly Societies Commission;”;
- (c) in the definition of “the Companies Acts” after “1985” there shall be inserted the words “ or, in Northern Ireland, the Companies (Northern Ireland) Order 1986 ”;
- (d) in the definition of “Gazette”, after paragraph (b) there shall be inserted the following paragraph—  
“(c) the Belfast Gazette if the registered office of the society or branch is in Northern Ireland”;
- (e) after the definition of “signed” there shall be inserted the following definition—  
““the 1992 Act” means the Friendly Societies Act 1992”.

#### Commencement Information

**190** Sch. 16 para. 48 wholly in force; Sch. 16 para. 48 not in force at Royal Assent see s. 126(2); Sch. 16 para. 48(b)(e) in force at 1.2.1993 by S.I. 1993/16, art. 2, Sch. 3; Sch. 16 para. 48(a)(c)(d) in force at 1.1.1994 by S.I. 1993/3226, art. 2(1), Sch. 2

- 49 Section 115 shall cease to have effect.
- 50 In section 117(3), after the words “extends to” there shall be inserted the words “ Northern Ireland, ”.
- 51 (1) In paragraph 3 of Schedule 2—
  - (a) in sub-paragraph (1), for the words “sub-paragraph (2)” there shall be substituted the words “ sub-paragraphs (2) and (3) ” and the words “the fines and” and “or fine” shall be omitted;
  - (b) after sub-paragraph (2) there shall be inserted the following sub-paragraph—  
“(3) Nothing in sub-paragraph (1) above shall prevent a registered friendly society from specifying in its rules the manner in which the conditions under which any member may become entitled to any benefit assured by the society are to be determined, instead of specifying the conditions themselves.”
- (2) Paragraphs 7, 12 and 15 of that Schedule shall cease to have effect in relation to registered friendly societies.
- 52 After Schedule 6 there shall be inserted the following Schedule—

“SCHEDULE  
6A

CONVERSION OF REGISTERED SOCIETIES INTO INDUSTRIAL  
AND PROVIDENT SOCIETIES: SUPPLEMENTARY

- 1 This Schedule has effect in relation to any registered society (“the society”) which is registered under the Industrial and Provident Societies Act 1965 and, in this Schedule, “registration” means registration under that Act.

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- 2 (1) On the registration of the society any appointment as trustee of the society or any branch of it shall determine.
- (2) All officers of the society other than its trustees shall upon its registration become officers of the industrial and provident society holding corresponding offices in that society.
- 3 Any agreement made, transaction effected or other thing done by, to or in relation to the society or any branch of it (whether registered or not) which is in force or effective immediately before its registration shall have effect as if made, effected or done by, to or in relation to the industrial and provident society, in all respects, as if the industrial and provident society were the same person as the society or branch and accordingly references to the society or branch—
  - (a) in any agreement (whether or not in writing) and in any deed, bond or instrument;
  - (b) in any process or other document issued, prepared or employed for the purposes of any proceeding before any court or other tribunal or authority; and
  - (c) in any other document whatsoever (other than an enactment) relating to or affecting any property, right or liability of the registered society or branch,shall be taken as referring to the industrial and provident society.
- 4 (1) Any agreement made by the society or any branch of it which is in force immediately before the society's registration shall have effect as if—
  - (a) for references to members of the society or branch there were substituted references to members of the industrial and provident society;
  - (b) for references to officers of the society or branch other than its trustees there were substituted references to the corresponding officers of the industrial and provident society; and
  - (c) for references to the trustees of the registered society or branch there were substituted references to the industrial and provident society.
- (2) References in sub-paragraph (1) above to an agreement include references to a deed, bond or other instrument.
- (3) It is hereby declared for the avoidance of doubt that—
  - (a) the effect of section 84A of this Act in relation to any contract of employment with the society or any of its branches in force immediately before the society's registration is merely to modify the contract by substituting the industrial and provident society as the employer (and not to terminate the contract or vary it in any other way); and
  - (b) that section is effective to vest the rights and liabilities of the society or branch under any agreement or arrangement for the payment of pensions, allowances or gratuities in the industrial and provident society along with all other rights and liabilities of the society or branch;



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and accordingly any period of employment with the society or branch shall count for all purposes as a period of employment with the industrial and provident society.”

#### F226 SCHEDULE 17

##### Textual Amendments

**F226** Schs. 17-19 repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

#### F227 SCHEDULE 18

##### Textual Amendments

**F227** Schs. 17-19 repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

#### F228 SCHEDULE 19

##### Textual Amendments

**F228** Schs. 17-19 repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

#### F229 SCHEDULE 20

##### Textual Amendments

**F229** Sch. 20 repealed (1.12.2001) by S.I. 2001/3649, **arts. 1, 202(b)**

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SCHEDULE 21

Section 120.

AMENDMENTS

PART I

AMENDMENTS OF ENACTMENTS

*Loan Societies Act 1840*

- 1 The duty of the Chief Registrar to lay before Parliament the documents mentioned in section 27 of the <sup>M27</sup>Loan Societies Act 1840 (accounts etc of loan societies) is abolished.

**Marginal Citations**

M27 1840 c. 110

*National Savings Bank Act 1971*

F246<sub>2</sub> .....

**Textual Amendments**

F246 Sch. 21 paras. 2-4 repealed (with effect from 1.9.2005) by Finance (No. 2) Act 2005 (c. 22), Sch. 11 Pt. 5(2)

F246<sub>3</sub> .....

**Textual Amendments**

F246 Sch. 21 paras. 2-4 repealed (with effect from 1.9.2005) by Finance (No. 2) Act 2005 (c. 22), Sch. 11 Pt. 5(2)

*National Debt Act 1972*

F246<sub>4</sub> .....

**Textual Amendments**

F246 Sch. 21 paras. 2-4 repealed (with effect from 1.9.2005) by Finance (No. 2) Act 2005 (c. 22), Sch. 11 Pt. 5(2)

*Solicitors Act 1974*

F247<sub>5</sub> .....

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**Textual Amendments**

**F247** Sch. 21 para. 5 repealed (1.1.2010) by [Legal Services Act 2007 \(c. 29\)](#), s. 211(2), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/3250, art. 2(i)(ix)

*Insurance Companies Act 1982*

6 (1) In section 49 of the <sup>M28</sup>Insurance Companies Act 1982, (sanction of court for transfer of long term business) at the beginning of subsection (1) there shall be inserted “ Subject to section 49A below ”.

(2) After that section there shall be inserted the following section—

**“49A Transfer of long term business to friendly society.**

(1) Section 49 above applies, with the following adaptations, to a transfer of business to an incorporated friendly society or registered friendly society authorised under Part IV of the Friendly Societies Act 1992.

(2) In subsection (3)(c) (service of documents), after the words “the Secretary of State” there shall be inserted the words “and on the Friendly Societies Commission”.

(3) In subsection (5) (persons entitled to be heard on petition), in paragraph (a) after the words “the Secretary of State” there shall be inserted the words “and the Friendly Societies Commission”.

(4) In subsection (6) (requirement that transferee company be authorised to carry on long term business), for the words “authorised under section 3 or 4 above” there shall be substituted the words “authorised under Part IV of the Friendly Societies Act 1992.””

**Marginal Citations**

**M28** 1982 c. 50.

*Companies Act 1985*

F2487 .....

**Textual Amendments**

**F248** Sch. 21 para. 7 repealed (6.4.2005) by [Companies \(Audit, Investigations and Community Enterprise\) Act 2004 \(c. 27\)](#), s. 65(1), **Sch. 8**; S.I. 2004/3322, art. 2(2), Sch. 2

*Company Directors Disqualification Act 1986*

8 After section 22A of the <sup>M29</sup>Company Directors Disqualification Act 1986 (application of Act to building societies) there shall be inserted the following section—

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**“22B Application of Act to incorporated friendly societies.**

- (1) This Act applies to incorporated friendly societies as it applies to companies.
- (2) References in this Act to a company, or to a director or an officer of a company include, respectively, references to an incorporated friendly society within the meaning of the Friendly Societies Act 1992 or to a member of the committee of management or officer, within the meaning of that Act, of an incorporated friendly society.
- (3) In relation to an incorporated friendly society every reference to a shadow director shall be omitted.
- (4) In the application of Schedule 1 to the members of the committee of management of an incorporated friendly society, references to provisions of the Insolvency Act or the Companies Act include references to the corresponding provisions of the Friendly Societies Act 1992.”

**Marginal Citations**

**M29** 1986 c. 46.

*Banking Act 1987*

- 9 In section 84(1) of the <sup>M30</sup>Banking Act 1987 (disclosure of information obtained under that Act), in the Table showing the authorities to which, and functions for the purposes of which, disclosure may be made, after the entry beginning “The Chief Registrar of friendly societies” there shall be inserted the following entry—

“The Friendly Societies Commission.	Functions under the enactments relating to friendly societies or under the Financial Services Act 1986.”
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**Marginal Citations**

**M30** 1987 c. 22.

*Income and Corporation Taxes Act 1988*

- F249<sup>10</sup> .....

**Textual Amendments**

**F249** Sch. 21 para. 10 repealed (1.12.2001) by S.I. 2001/3629, art. 109, Sch.

*Companies Act 1989*

- 11 In section 87 of the <sup>M31</sup>Companies Act 1989 (disclosure of information obtained under that Act), in subsection (4), in the Table showing the authorities to which,

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and functions for the purposes of which, disclosure may be made after the entry beginning “The Chief Registrar of friendly societies” there shall be inserted the following entry—

“The Friendly Societies Commission. Functions under the enactments relating to friendly societies or under the Financial Services Act 1986.”

**Marginal Citations**

M31 1989 c.40.

*Tribunals and Inquiries Act 1992*

F250 12 .....

**Textual Amendments**

F250 Sch. 21 para. 12 repealed (1.1.1994) by S.I. 1993/3084, reg.9

F251 13 .....

**Textual Amendments**

F251 Sch. 21 para. 13 repealed (1.1.1994) by S.I. 1993/3084, reg.9

F252 14 .....

**Textual Amendments**

F252 Sch. 21 para. 14 repealed (1.1.1994) by S.I. 1993/3084, reg.9

F253 15 .....

**Textual Amendments**

F253 Sch. 21 para. 15 repealed (1.1.1994) by S.I. 1993/3084, reg.9

F254 16 .....

**Textual Amendments**

F254 Sch. 21 para. 16 repealed (1.1.1994) by S.I. 1993/3084, reg.9

*Trade Union and Labour Relations (Consolidation) Act 1992*

F255 17 .....

*Status: Point in time view as at 01/04/2013.*

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### Textual Amendments

**F255** Sch. 21 para. 17 repealed (1.1.1994) by S.I. 1993/3084, reg.9

### *Social Security Contributions and Benefits (Northern Ireland) Act 1992*

- 18 In section 171(2) of the <sup>M32</sup>Social Security Contributions and Benefits (Northern Ireland) Act 1992, after “157” there shall be inserted the words “ and regulations made by the Chief Registrar of friendly societies under paragraph 10(2) of Schedule 1 to this Act. ”

### Marginal Citations

**M32** 1992 c. 7.

- 19 (1) In Schedule 1 to that Act, in paragraph 10(2)—
- (a) for the words “Friendly Societies Act (Northern Ireland) 1970” there shall be substituted “ Friendly Societies Act 1974 ”; and
  - (b) for the words “Registrar of Friendly Societies for Northern Ireland” there shall be substituted “ Chief Registrar of Friendly Societies ”.
- (2) In that Schedule, in paragraph 10 for sub-paragraph (3) there shall be substituted the following sub-paragraph—
- “(3) The power conferred by sub-paragraph (2) above on the Chief Registrar of Friendly Societies to make regulations shall be exercisable by statutory instrument, and—
- (a) the Statutory Instruments Act 1946 shall apply to that power as if the Chief Registrar were a Minister of the Crown, and
  - (b) section 171(3) to (5) above shall apply to those regulations as they apply to regulations made by the Department.”

## PART II

### AMENDMENTS OF NORTHERN IRELAND LEGISLATION

### *Parliamentary Commissioner Act (Northern Ireland) 1969*

**F256**<sup>20</sup> .....

### Textual Amendments

**F256** Sch. 21 Pt. II para. 20 repealed (16.7.1996) by S.I. 1996/1298 (N.I. 8) art. 21(2), Sch. 6

### *Industrial and Provident Societies Act (Northern Ireland) 1969*

- 21 In section 101(1) of the <sup>M33</sup>Industrial and Provident Societies Act (Northern Ireland) Act 1969, in the definition of “registrar”, for the words “friendly societies” there shall be substituted “ credit unions ”.

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#### Marginal Citations

**M33** 1969 c.24 (N.I.).

#### *Social Security Pensions (Northern Ireland) Order 1975*

[<sup>F257</sup>22 In Article 67(1) of the commref NUM="M845">Social Security Pensions (Northern Ireland) Order 1975 for the words “Registrar of Friendly Societies for Northern Ireland” there shall be substituted “ Chief Registrar of Friendly Societies ”.]

#### Textual Amendments

**F257** By this it is provided that [Sch. 21 para. 22](#) is repealed (N.I.) (7.2.1994) by [1993 c. 49, s. 182\(1\)](#), [Sch. 4](#); [S.R. 1994/17, art. 2](#)

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

**C13** [Sch. 21 para. 22](#) expressed to be repealed (7.2.1994) by [1993 c. 49, s. 182](#), [Sch. 4](#)

[<sup>F258</sup>23 In Article 67(4) of that Order for the words “Friendly Societies Act (Northern Ireland) 1970” there shall be substituted “ Friendly Societies Act 1974 ”.]

#### Textual Amendments

**F258** By this it is provided that [Sch. 21 para. 23](#) is repealed (N.I.) (7.2.1994) by [1993 c. 49, s. 182\(1\)](#), [Sch. 4](#); [S.R. 1994/17, art. 2](#)

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

**C14** [Sch. 21 para. 23](#) expressed to be repealed (7.2.1994) by [1993 c. 49, s. 182](#), [Sch. 4](#)

#### *Statutory Rules (Northern Ireland) Order 1979*

24 In Article 7(5) of the <sup>M34</sup>Statutory Rules (Northern Ireland) Order 1979 for the words “Friendly Societies” there shall be substituted “ Credit Unions ”.

#### Marginal Citations

**M34** S.I. 1979/1573 (N.I.12).

25 In Part I of Schedule 1 to that Order, for the words “The Registrar of Friendly Societies for Northern Ireland” there shall be substituted “ The Registrar of Credit Unions for Northern Ireland ”.

#### *Housing (Northern Ireland) Order 1981*

26 In Article 114 of the <sup>M35</sup>Housing (Northern Ireland) Order 1981, in the definition of “registrar”, for the words “of Friendly Societies for Northern Ireland” there shall be substituted “ for the purposes of the Act of 1969 ”.



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**Marginal Citations**

**M35** [S.I. 1981/156 \(N.I.3\)](#).

*Property (Discharge of Mortgage by Receipt)(Northern Ireland) Order 1983*

- 27 In Article 3(10) of the <sup>M36</sup>Property (Discharge of Mortgage by Receipt)(Northern Ireland) Order 1983 for the words “section 48 of the Friendly Societies Act (Northern Ireland) 1970” there shall be substituted “ section 57A of the Friendly Societies Act 1974 ”.

**Marginal Citations**

**M36** [S.I. 1983/766 \(N.I.9\)](#).

*Credit Unions (Northern Ireland) Order 1985*

- 28 In Article 2(2) of the <sup>M37</sup>Credit Unions (Northern Ireland) Order 1985 for the definition of “registrar” there shall be substituted—  
““registrar” has the meaning assigned to it by Article 2A;”.

**Marginal Citations**

**M37** [S.I. 1985/1205 \(N.I.12\)](#).

- 29 After Article 2 there shall be inserted the following Article—

**The registrar and assistant registrar**

- “2A (1) The person appointed by the Head of the Department to perform in Northern Ireland the functions of registrar under this Order shall be known as the Registrar of Credit Unions for Northern Ireland (in this Order referred to as “the registrar”).
- (2) A person appointed by the Department to assist the registrar shall be known as the Assistant Registrar of Credit Unions for Northern Ireland (in this Order referred to as “the assistant registrar”).
- (3) Anything which is required or authorised to be done by or to the registrar under this Order may be done by or to the assistant registrar.”

*Companies (Northern Ireland) Order 1986*

- 30 (1) In Article 442 of the <sup>M38</sup>Companies (Northern Ireland) Order 1986, in paragraph (1), after sub-paragraph (dd) there shall be inserted the following sub-paragraphs—  
“(de) for the purpose of enabling or assisting the Chief Registrar of friendly societies or the Assistant Registrar of friendly societies for Scotland to discharge their functions under the enactments relating to friendly societies;

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(df) for the purpose of enabling or assisting the Friendly Societies Commission to discharge its functions under the Financial Services Act 1986.”

(2) In paragraph (3) of that Article, after sub-paragraph (j) there shall be inserted the following sub-paragraph—

“(jj) the Friendly Societies Commission”.

**Marginal Citations**

**M38** [S.I. 1986/1032 \(N.I.6\)](#).

*Companies (Northern Ireland) Order 1989*

31 After Article 2 of the <sup>M39</sup>Companies (Northern Ireland) Order 1989 there shall be inserted the following Article—

**Application of Order to incorporated friendly societies**

“2A (1) This Order applies to incorporated friendly societies as it applies to companies.

(2) References in this Order to a company, or to a director or an officer of a company include, respectively, references to an incorporated friendly society within the meaning of the Friendly Societies Act 1992 or to a member of the committee of management or officer, within the meaning of that Act, of an incorporated friendly society.

(3) In relation to an incorporated friendly society every reference to a shadow director shall be omitted.

(4) In the application of Schedule 1 to the members of the committee of management of an incorporated friendly society, references to provisions of the Insolvency Order or the Companies Order include references to the corresponding provisions of the Friendly Societies Act 1992.”

**Marginal Citations**

**M39** [S.I. 1989/2404 \(N.I. 18\)](#).

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## SCHEDULE 22

Section 120.

### REPEALS

#### PART I

#### GENERAL

##### Commencement Information

**I123** Sch. 22 Pt. I partly in force; Sch. 22 Pt. I not in force at Royal Assent see s. 126(2); Sch. 22 Pt. I in force to the extent specified at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 2; Sch. 22 Pt. I in force to the extent specified at 1.2.1993 by S.I. 1993/16, art. 2, Schs. 3, 4; Sch. 22 Pt. I in force to the extent specified at 5.2.1993 by S.I. 1993/197, art. 2(b); Sch. 22 Pt. I in force to the extent specified at 28.4.1993 by S.I. 1993/1186, art. 2(1)(3), Schs. 1, 3; Sch. 22 Pt. I in force to the extent specified at 13.9.1993 by S.I. 1993/2213, art. 2(1), Sch. 3; Sch. 22 Pt. I in force to the extent specified at 1.1.1994 by S.I. 1993/2213, art. 2(1), Schs. 5, 6; Sch. 22 Pt. I in force to the extent specified at 1.1.1994 by S.I. 1993/3226, art. 2(1), Sch. 2; Sch. 22 Pt. I in force to the extent specified at 1.11.1994 by S.I. 1994/2543, art. 2(3)(b)(i)(ii)

Chapter	Short title	Extent of repeal
3 & 4 Vict., c.110	Loan Societies Act 1840.	In section 27, the words “and shall be laid by him before both Houses of Parliament”.
59 & 60 Vict., c.25	Friendly Societies Act 1896.	Section 62, so far as unrepealed. Sections 64 to 67, so far as unrepealed.
13 & 14 Geo. 5 c.8.	Industrial Assurance Act 1923.	Section 2. Section 3. Section 4. Sections 6 to 8. Section 15. Section 16. In section 18, in subsection (1), the words “In the case of a collecting society or industrial assurance company,”, paragraph (c), in paragraph (d), the words “society or” (twice), in paragraph (f), the words “society or” (three times) and in paragraph (g) the words “collecting society or” and

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the words from “the”, in the second place where it occurs in that paragraph, to “or”, in the second place where it so occurs, and in subsection (3) the words “in the case of a collecting society or industrial assurance company”, the words “society or” and the words from “award” to “a company,”.

In section 19, in subsection (1), the words “collecting society and”, in subsection (2), the words “society or” (twice), subsection (3)(b) and the word “or” immediately preceding it and in subsection (4), the words “or company” (twice).

Section 20(1)(b).

Section 31.

Sections 35 and 36.

Section 38.

Section 44.

Section 45(2).

Schedule 1.

19 & 20 Geo. 5 c. 28.

Industrial Assurance and Friendly Societies Act 1929.

The whole Act, so far as unrepealed.

12 Geo. 6 c.39.

Industrial Assurance and Friendly Societies Act 1948.

Sections 1 and 2.

Section 4.

Sections 6 and 7.

Sections 10 and 11.

Section 13(3).

Section 17A(2)

In section 23(1), at the end of paragraph (c) the word “and”.

Schedules 1 and 2.

In Schedule 3, in paragraph (b), the entry relating to subsections (2), (4)

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		and (5) of section 2, and paragraphs (c) and (d).
4 & 5 Eliz. 2 c.19.	Friendly Societies Act 1955.	Section 3(2). Section 6.
6 & 7 Eliz.2 c.27.	Industrial Assurance Act 1948 (Amendment) Act 1958.	The whole Act.
1967 c.81.	Companies Act 1967	In Schedule 6, Part II.
1969 c.12.	Industrial and Provident Societies Act 1969	In section 60(3), the words "or (2)".
1974 c.39.	Consumer Credit Act 1974.	In section 189(1), in the definition of "friendly society", the words "or a society within the meaning of the Friendly Societies Act (Northern Ireland) 1970".
1974 c.46.	Friendly Societies Act 1974.	Section 6(2). Section 8. Section 9(2) and (3). Section 11(1). Section 13(2). In section 16, the words "society or" in each place they appear. Section 17. Sections 27 and 28. In section 30(5), paragraph (a) and the words "paragraph (a) or". In section 46, subsection (1) (a) and (b) and subsection (3). Section 53(3). Sections 70 to 75. In section 76, in subsection (1)(c), (d) and (e) the words "or branch" in each place where they occur, and, in subsection (5) the words from "and in subsection (3)" onwards. Section 77.

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In section 78, in subsection (1) the words “or the Chief or assistant registrar” and subsections (2) and (3).

In section 79(1), the words “or a magistrates’ court”.

In section 80(1), paragraph (c) and the word “and” immediately preceding it.

In section 82, subsection (4) and, in subsection (5), the words “to a company under the Companies Acts”.

Sections 88 and 89.

In section 98, subsection (1) (e) and, in subsection (4), the words “in the amalgamation or transfer of engagements or”.

Section 106.

In section 107(1), the words “national insurance and”.

Section 111(6).

Section 115.

In section 117(3), the words “but does not extend to Northern Ireland.”

Schedule 1.

In Schedule 2, in paragraph 3(1) the words “the fines” and “fines” and in paragraph 14 the words from “by consent” onwards.

Schedules 3, 5 and 6.

In Schedule 9, paragraphs 2, 5, 6, 8 and 10(1).

1984 c.43.

Finance Act 1984.

In section 73(4), the words “section 1 of the Friendly Societies Act (Northern Ireland) 1970 and”.

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		In section 73(5), the words from “according” to “1970; or”.
1984 c.62.	Friendly Societies Act 1984.	Section 3.
1985 c.40.	Companies Act 1985.	In section 449(3), in paragraph (j) the words “and the Registrar of Friendly Societies for Northern Ireland” and in paragraph (k) the words “and the Industrial Assurance Commission for Northern Ireland”.
1986 c.53.	Building Societies Act 1986.	In section 7(4)(c)(ii), the words “or the Friendly Societies Act (Northern Ireland) 1970.”
1986 c.60.	Financial Services Act 1986.	In section 139, subsections (3) and (4) and in subsection (5) the words “and section 77 of the said Act of 1974” and “and section 65 of the Friendly Societies Act (Northern Ireland) 1970”.  In section 189(5)(c), the word “registered”.  In section 207(1), the definition of “registered friendly society”.  In Schedule 11, in paragraph 1, in the definition beginning “a member society” the words from “and for the purposes” onwards, in paragraph 26, in sub-paragraph (1), the figure “(1)”, and sub-paragraph (3), paragraph 27, in paragraph 38(1)(a) the word “registered” and paragraph 43.  In Schedule 15, in paragraph 14(1) the word “registered” and in paragraph 14(3), the words “registered”, “or as the case may be, the Friendly Societies Act (Northern Ireland) 1970”, “or as the case may be, section 70 of the said Act of 1970” and “or, as

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		the case may be, section 75 of the said Act of 1970".
1987 c. 22.	Banking Act 1987.	In section 84(1), in the Table, in the entry beginning "The Chief Registrar of Friendly Societies", the words "the Registrar of friendly societies for Northern Ireland" and the words "or under the Financial Services Act 1986".  In section 96(7), the words from "and in relation to" onwards.  In Schedule 2, in paragraph 6(1), the words from "or section 1(1)(a)" onwards.
1988 c.1.	Income and Corporation Taxes Act 1988.	In section 461(9), the words "or section 81 of the Friendly Societies Act (Northern Ireland) 1970".  In section 466(2), the definition of "registrar".  In Schedule 15, in paragraph 4(3)(b) the words from "or paragraph" to "1970".  In Schedule 29, paragraph 11.
1989 c. 40.	Companies Act 1989.	In section 87(4), in the Table, in the entry beginning "The Chief Registrar of friendly societies", the words "the Registrar of Friendly Societies for Northern Ireland" and the words "the Financial Services Act 1986 or".
...	...	...

## PART II

### NORTHERN IRELAND LEGISLATION

#### Commencement Information

**I124** Sch. 22 Pt. II partly in force; Sch. 22 Pt. II not in force at Royal Assent see s. 126(2); Sch. 22 Pt. II in force to the extent specified at 1.1.1994 by S.I. 1993/3226, art. 2, Sch. 2; Sch. 22 Pt. II in force to the extent specified at 1.11.1994 by S.I. 1994/2543 art. 2(3)(c)(i)(ii)



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<b>Chapter or Number</b>	<b>Short title</b>	<b>Extent of repeal</b>
1967 c.5 (N.I.).	Administration of Estates (Small Payments) Act (Northern Ireland) 1967.	In section 6(1), in paragraph (b), the words “and section 58 of the Friendly Societies Act (Northern Ireland) 1970”, and paragraph (c).
1970 c.31 (N.I.).	Friendly Societies Act (Northern Ireland) 1970.	The whole Act.
S.I. 1976/1041 (N.I.14).	Births and Deaths Registration (Northern Ireland) Order 1976.	In Schedule 1, the entry relating to the Friendly Societies Act (Northern Ireland) 1970.
S.I. 1979/1574 (N.I. 13).	Industrial Assurance (Northern Ireland) Order 1979.	<p>In Article 2(2), the definition of “the Commissioner”, and in the definition of “registered friendly society” the words from “Articles” to “7 and”.</p> <p>Articles 4(1) and (3).</p> <p>Articles 5 to 11.</p> <p>Article 23(2).</p> <p>In Article 24, the words “collecting society or”.</p> <p>In Article 25, in paragraph (1), the words “collecting society and”, in paragraph (2), the words “society or” and “collecting society or”, and in paragraph (4), the words “collecting society or” and “society or”.</p> <p>Articles 39 and 41.</p> <p>Article 49(1)(c).</p> <p>Articles 50 and 51.</p> <p>Article 52(1)(b) and (ii).</p> <p>Schedules 1 and 2.</p> <p>In Schedule 4, in paragraph 1(a), the entry relating to Article 9(1) to (4), in paragraph 1(b), the words “of the Act of 1896” and “section 62 of the Act of 1896” and paragraph 2.</p>

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		<p>In Schedule 5—</p> <p>in paragraph 3, the words “a collecting society or” and “society or”;</p> <p>in paragraph 5(1), the words “society or” and in head (b), the words “collecting society or”;</p> <p>in paragraph 5(2), the words “collecting society or”;</p> <p>in paragraph 6, the words “collecting society or” and the words from “the society” to “may be,”;</p> <p>in paragraph 7, the words “collecting society or” and sub-paragraph (a).</p> <p>In Schedule 8, the amendments of the Friendly Societies (Northern Ireland) Act 1970.</p>
S.I. 1981/156 (N.I. 3).	Housing (Northern Ireland) Order 1981.	<p>In Schedule 10, in paragraph 6, the word from “Friendly Societies (Northern Ireland) 1970” onwards.</p> <p>In Schedule 11, in Part II, the amendment of the Friendly Societies Act (Northern Ireland) 1970.</p>
S.I. 1984/703 (N.I. 3).	Fines and Penalties (Northern Ireland) Order 1984.	In Schedule 3, the entries relating to the Friendly Societies Act (Northern Ireland) 1970.
S.I. 1986/1032 (N.I. 6).	Companies (Northern Ireland) Order 1986.	In Article 13(3)(j) the words “the Registrar of Friendly Societies”.
S.I. 1986/1035 (N.I. 9).	Companies Consolidation (Consequential Provisions) (Northern Ireland) Order 1986.	In Schedule 1, in Part I, the entries relating to the Friendly Societies Act (Northern Ireland) 1970.

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