



Friendly Societies Act 1992

1992 CHAPTER 40

PART II

INCORPORATED FRIENDLY SOCIETIES

Constitution and purposes of incorporated friendly societies

13 Control of subsidiaries and other bodies corporate

- (1) Subject to the following provisions of this section, an incorporated friendly society may include among its purposes any of the following activities—
 - (a) forming subsidiaries;
 - (b) taking part with others in forming bodies corporate to be jointly controlled by it;
 - (c) otherwise acquiring, or keeping, control or joint control of bodies corporate.
- (2) An incorporated friendly society may form or take part in forming or may otherwise acquire control or joint control of the following bodies corporate (referred to as “qualifying bodies”) but no others—
 - (a) companies whose objects are limited to the carrying on of any one or more of the activities specified in Schedule 7 to this Act; and
 - (b) bodies formed in another member State whose purposes are limited to the carrying on of any one or more of those activities in another member State.
- (3) A company or other body corporate is not a qualifying body if its objects or purposes enable it to form or take part in forming or otherwise to acquire control or joint control of bodies corporate.
- (4) An incorporated friendly society may not take part in forming or acquire control of a body corporate jointly with any person other than another incorporated friendly society without the consent of the Commission.
- (5) The Commission may give consent without conditions or subject to such conditions as it thinks fit.

Status: This is the original version (as it was originally enacted).

- (6) Any alteration of the memorandum of an incorporated friendly society to include among its purposes and powers the carrying on of any activity such as is mentioned in subsection (1) above must be adopted by a special resolution of the society in general meeting; and any amendment of a provision in its memorandum which permits it to do so must also be so adopted.
- (7) A registered friendly society may not include in a memorandum adopted for the purposes of paragraph 2(1)(c) of Schedule 3 to this Act any provision enabling it on incorporation to carry on any activity such as is mentioned in subsection (1) above unless its inclusion has been authorised by a special resolution of the society in general meeting.
- (8) The Commission may by order made with the consent of the Treasury vary Schedule 7 to this Act by adding to or deleting from it any activity or by varying the description of any activity for the time being specified in it.
- (9) For the purposes of this Act—
- (a) an incorporated friendly society has control of a body corporate if the society—
 - (i) holds a majority of the voting rights in it; or
 - (ii) is a member of it and has the right to appoint or remove a majority of its board of directors; or
 - (iii) is a member of it and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in it;
 - (b) a body corporate is a subsidiary of an incorporated friendly society if the society has control of it.
 - (c) an incorporated friendly society has joint control of a body corporate if, in pursuance of an agreement or other arrangement between them, the society and another person—
 - (i) hold a majority of the voting rights in that body; or
 - (ii) are members of it and together have the right to appoint or remove a majority of its board of directors; or
 - (iii) are members of it and alone control, pursuant to an agreement with other shareholders or members, a majority of the voting rights in it;
 - (d) a body corporate is a body jointly controlled by an incorporated friendly society if the society has joint control of it;
- and a society acquires joint control whenever any of the conditions mentioned in paragraph (c) above are satisfied with respect to a body corporate, notwithstanding that it may already be a subsidiary of the society.
- (10) Schedule 8 to this Act shall have effect for supplementing this section.
- (11) In this section “company” means a company within the meaning of the Companies Act 1985 or the Companies (Northern Ireland) Order 1986.