



# Co-operative and Community Benefit Societies and Credit Unions Act 2010

## 2010 CHAPTER 7

### *Co-operative and community benefit societies*

#### **1 Registration of societies as co-operative or community benefit societies**

- (1) For section 1 of the [Industrial and Provident Societies Act 1965 \(c. 12\)](#) (societies that may be registered) substitute—

##### **“1 Societies that may be registered**

- (1) A society for carrying on any industry, business or trade (including dealings of any kind with land) may be registered under this Act as—
- a co-operative society, or
  - a community benefit society.

As to registration under this Act as a credit union, see the Credit Unions Act 1979.

- (2) A society may be registered as a co-operative society only if it is shown to the satisfaction of the Authority that the society is a bona fide co-operative society.

For this purpose “co-operative society” does not include a society that carries on, or intends to carry on, business with the object of making profits mainly for the payment of interest, dividends or bonuses on money invested or deposited with, or lent to, the society or any other person.

- (3) A society may be registered as a community benefit society only if it is shown to the satisfaction of the Authority that in view of the fact that the business of the society is being, or is intended to be, conducted for the benefit of the community, there are special reasons why the society should be registered under this Act rather than as a company under the Companies Acts.

(4) A society may not be registered as a co-operative society or community benefit society unless—

- (a) the society’s rules contain provision in respect of the matters mentioned in Schedule 1, and
- (b) the place that under those rules is to be the society’s registered office is situated in Great Britain or the Channel Islands.”.

(2) After section 4 of that Act insert—

**“4A Pre-2010 Act societies**

(1) In this Act “pre-2010 Act society” means a society (other than a credit union) that was registered or treated as registered under this Act immediately before the commencement of section 1 of the Co-operative and Community Benefit Societies and Credit Unions Act 2010.

(2) Nothing in that section affects the status of a pre-2010 Act society as registered or treated as registered under this Act.”.

(3) In section 16(1) of that Act (cancellation of registration: grounds), in paragraph (c)(ii) for “neither of the conditions specified in section 1(2) of this Act is fulfilled” substitute “the relevant registration condition is not met”.

(4) After that subsection insert—

“(1A) For the purposes of subsection (1)(c)(ii) the relevant registration condition is not met if—

- (a) in the case of a society registered as a co-operative society, the condition specified in section 1(2) is not met;
- (b) in the case of a society registered as a community benefit society, the condition specified in section 1(3) is not met;
- (c) in the case of a pre-2010 Act society, neither of the conditions specified in section 1(2) and (3) is met.”.

(5) In section 74(1) of that Act (interpretation - general), before the definition of “prescribed” insert—

““pre-2010 Act society” has the meaning given by section 4A(1);”.

(6) In section 20(1)(b) of the [Credit Unions Act 1979 \(c. 34\)](#) (cancellation of registration as credit union: adaptation of grounds), for “neither of the conditions in section 1(2) of that Act is fulfilled” substitute “the relevant registration condition is not met”.

(7) In section 1(9) of the [Co-operatives and Community Benefit Societies Act 2003 \(c. 15\)](#) (community benefit societies: power to restrict use of assets), for the definition of “community benefit society” substitute—

““community benefit society” means—

- (a) a society registered under the 1965 Act as a community benefit society,  
or
- (b) a pre-2010 Act society (as defined by section 4A(1) of the 1965 Act) which meets the condition in section 1(3) of that Act.”.

## 2 Re-naming of Industrial and Provident Societies Acts

The Acts listed below may be cited by the new short title indicated:

<i>Existing short title</i>	<i>New short title</i>
Industrial and Provident Societies Act 1965	Co-operative and Community Benefit Societies and Credit Unions Act 1965
Industrial and Provident Societies Act 1967	Co-operative and Community Benefit Societies and Credit Unions Act 1967
Friendly and Industrial and Provident Societies Act 1968	Co-operative and Community Benefit Societies and Credit Unions Act 1968
Industrial and Provident Societies Act 1975	Co-operative and Community Benefit Societies Act 1975
Industrial and Provident Societies Act 1978	Co-operative and Community Benefit Societies Act 1978
Industrial and Provident Societies Act 2002	Co-operative and Community Benefit Societies and Credit Unions Act 2002
Co-operatives and Community Benefit Societies Act 2003	Co-operative and Community Benefit Societies Act 2003

## 3 Application of provisions relating to directors disqualification

In the [Company Directors Disqualification Act 1986 \(c. 46\)](#), after section 22D insert—

### **“22E Application of Act to societies registered under the Industrial and Provident Societies Act 1965**

- (1) In this section “registered society” means a society registered or deemed to be registered under the Industrial and Provident Societies Act 1965 (“the 1965 Act”).
- (2) This Act applies to registered societies as it applies to companies.
- (3) Accordingly, in this Act—
  - (a) references to a company include a registered society, and
  - (b) references to a director or an officer of a company include a member of the committee or an officer of a registered society.In paragraph (b) “committee” and “officer” have the same meaning as in the 1965 Act: see section 74(1) of that Act.
- (4) As they apply in relation to registered societies, the provisions of this Act have effect with the following modifications—
  - (a) in section 2(1) (disqualification on conviction of indictable offence), the reference to striking off includes cancellation of the registration of a society under the 1965 Act;
  - (b) in section 3 (disqualification for persistent breaches) and section 5 (disqualification on summary conviction), references to the companies legislation shall be read as references to the legislation relating to registered societies;

- (c) in section 8(1) (disqualification after investigation), the reference to investigative material shall be read as including—
    - (i) any report made under section 47 or 49(1) of the 1965 Act (inspection of books or appointment of inspector), and
    - (ii) any information, books, accounts or other documents obtained under section 48 of the 1965 Act;
  - (d) references to the registrar shall be read as references to the Financial Services Authority;
  - (e) references to a shadow director shall be disregarded.
- (5) In the application of Schedule 1 to the members of the committee of a registered society, references to provisions of the Companies Act 2006 shall be read as including references to the corresponding provisions of the legislation relating to registered societies.
- (6) In this section “the legislation relating to registered societies” means the Industrial and Provident Societies Acts 1965 to 2003, the Credit Unions Act 1979 and the Co-operative and Community Benefit Societies and Credit Unions Act 2010.”

#### **4 Power to apply certain other provisions relating to companies**

- (1) The Treasury may by regulations—
- (a) make provision applying to societies registered under the [Industrial and Provident Societies Act 1965 \(c. 12\)](#) any provision mentioned in subsection (2), or
  - (b) make provision for such societies corresponding to any such provision, in either case, with such modifications as appear to the Treasury to be appropriate.
- (2) The provisions are—
- (a) Parts 14 and 15 of the [Companies Act 1985 \(c. 6\)](#) (investigations);
  - (b) Part 5 of the [Companies Act 2006 \(c. 46\)](#) (company names);
  - (c) Part 31 of that Act (dissolution and restoration to the register).
- (3) Regulations made by virtue of subsection (2)(a) may amend or repeal the following provisions—
- (a) section 47 of the [Industrial and Provident Societies Act 1965 \(c. 12\)](#) (inspection of books by order of Authority);
  - (b) section 48 of that Act (production of documents and provision of information);
  - (c) section 49 of that Act (appointment of inspectors and calling of special meeting), so far as relating to the appointment of inspectors.
- (4) Regulations made by virtue of subsection (2)(b) may amend or repeal section 5 of the [Industrial and Provident Societies Act 1965](#) (name of society).
- (5) Regulations made by virtue of subsection (2)(c) may amend or repeal the following provisions of the [Industrial and Provident Societies Act 1965](#)—
- (a) section 16(1)(a)(iii) (cancellation of registration: society having ceased to exist);
  - (b) section 59 (restriction on dissolution or cancellation of registration).

- (6) Subsections (3) to (5) above are not to be read as restricting the power conferred by section 6 of this Act (general power to make consequential amendments).
- (7) Regulations under this section may—
  - (a) confer power to make orders, regulations and other subordinate legislation;
  - (b) create criminal offences, but only—
    - (i) in circumstances corresponding to an offence under the Companies Acts, and
    - (ii) subject to a maximum penalty no greater than is provided for in respect of the corresponding offence;
  - (c) provide for the charging of fees, but not any charge in the nature of taxation.
- (8) Before making any regulations under this section the Treasury must consult such persons as appear to them to be appropriate.