



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

## 2010 CHAPTER 7

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

VALID FROM 01/08/2014

#### **1 Registration of societies as co-operative or community benefit societies** **E+W** **+S**

- (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) a co-operative society, or
  - (b) 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

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*Changes to legislation: There are currently no known outstanding effects for the Co-operative and Community Benefit Societies and Credit Unions Act 2010, Section 1. (See end of Document for details)*

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

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(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.”

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