



Co-operative and Community Benefit Societies Act 2014

2014 CHAPTER 14

PART 1 **E+W+S**

REGISTRATION

Cancellation of registration

5 **Cancellation of registration: conditions for cancellation** **E+W+S**

- (1) The FCA may, in writing, cancel the registration of a registered society if any of conditions A to E is met.
- (2) Condition A is that—
 - (a) the society has requested the cancellation of its registration,
 - (b) the request is evidenced in such way as the FCA from time to time directs, and
 - (c) the FCA considers it appropriate to cancel the registration.
- (3) Condition B is that any of the following is proved to the FCA's satisfaction—
 - (a) that an acknowledgment of registration has been obtained by fraud or mistake;
 - (b) that the society has less than 3 members (and does not have 2 members both of which are registered societies);
 - (c) that the society has ceased to exist.
- (4) Condition C is that it is proved to the FCA's satisfaction—
 - (a) that the society exists for an illegal purpose, or
 - (b) that the society has wilfully and after notice from the FCA violated any of the provisions of this Act.
- (5) Condition D is that it appears to the FCA—
 - (a) in the case of a society registered as a co-operative society, that the condition in section 2(2)(a)(i) is not met;

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- (b) in the case of a society registered as a community benefit society, that the condition in section 2(2)(a)(ii) is not met;
 - (c) in the case of a pre-commencement society, that neither of the conditions in section 2(2)(a) is met.
- (6) Condition E is that—
- (a) the society's registered rules contain provision of a kind authorised by section 22 (rules of agricultural, horticultural or forestry society), and
 - (b) it appears to the FCA that—
 - (i) the society no longer consists mainly of members of a kind mentioned in that section, or
 - (ii) the activities carried on by the society do not mainly consist in making advances to its members for the purposes mentioned there.

Modifications etc. (not altering text)

- C1** S. 5 applied (with modifications) by 1979 c. 34, s. 20(1)-(1ZD) (as substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 10(2)** (with Sch. 5))
- C2** S. 5(3)(b) modified by 1979 c. 34, s. 6(1A) (as inserted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 6(3)** (with Sch. 5))

6 Cancellation of registration: procedure and effect **E+W+S**

- (1) The FCA must give a registered society at least 2 months' notice in writing of the proposed cancellation of its registration, specifying briefly the ground of the proposed cancellation.
- (2) Subsection (1) does not apply to any cancellation—
 - (a) made by virtue of condition A in section 5 (cancellation at society's request),
 - (b) made by virtue of section 112(2) (cancellation following conversion into a company etc), or
 - (c) made after a relevant certificate within the meaning of section 126 (certificate that society's property has been transferred to persons entitled to it) has been lodged with the FCA.
- (3) If the society appeals under section 9 before the end of the period of notice, its registration may not be cancelled before the date the appeal is determined or abandoned.

For the FCA's power to suspend the society's registration in these circumstances, see section 8(3).
- (4) For the right of the society to make representations and to be heard by the FCA in a case where condition D in section 5 is relied on, see section 7.
- (5) The FCA must consult the PRA before cancelling the registration of a registered society that is a PRA-authorised person.
- (6) The FCA must ensure that, as soon as practicable after a society's registration is cancelled, notice of the cancellation is published in—
 - (a) the Gazette, and

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(b) a local newspaper circulating in or about the locality in which the society's registered office is situated.

(7) As from the date of publication of the notice in the Gazette, the society ceases to be entitled to any of the privileges of this Act as a registered society.

This does not affect any liability incurred by the society (which may be enforced against it as if the cancellation had not occurred).

7 **Cancellation of registration: additional procedure in cases involving condition**

D E+W+S

(1) This section applies where the FCA gives a registered society a notice under section 6 (notice of proposed cancellation of registration) specifying a ground set out in condition D in section 5.

(2) The FCA must consider any representations about the proposed cancellation that the society makes to it in the period of notice.

(3) If the society requests, the FCA must give the society an opportunity of being heard by the FCA before its registration is cancelled.

(4) If, at any time after the end of one month from the date the notice is given, it appears to the FCA that there have not been taken the steps which by that time could reasonably have been taken for the purpose of—

- (a) converting the society into a company, amalgamating it with a company, or transferring its engagements to a company, in accordance with section 112, or
- (b) dissolving the society under section 119 or 123,

the FCA may give such directions as it considers appropriate for securing that the society's affairs are wound up before its registration is cancelled.

(5) The FCA must consult the PRA before giving directions under subsection (4) to a registered society that is a PRA-authorized person.

(6) A person who contravenes or fails to comply with a direction under subsection (4) commits an offence.

(7) A person guilty of an offence under this section is liable on summary conviction—

- (a) in England and Wales, to a fine not exceeding level 3 on the standard scale;
- (b) in Scotland, to a fine not exceeding level 3 on the standard scale or imprisonment for a term not exceeding 3 months (or both).

Modifications etc. (not altering text)

C3 S. 7 applied (with modifications) by 1979 c. 34, s. 20(1C) (as substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 10\(4\)](#) (with [Sch. 5](#)))

Changes to legislation:

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