



Co-operative and Community Benefit Societies Act 2014

2014 CHAPTER 14

PART 9

AMALGAMATIONS, CONVERSIONS, DISSOLUTION ETC

Conversion of society into company etc

112 Conversion of society into a company, amalgamation with a company etc

- (1) A registered society may by special resolution determine to—
- convert itself into a company,
 - amalgamate with a company, or
 - transfer its engagements to a company.

In this section “company” means a company under the Companies Acts.

- (2) A registered society’s registration under this Act becomes void and (subject to section 126) must be cancelled by the FCA if the society—
- is registered as a company,
 - amalgamates with a company, or
 - transfers all its engagements to a company.
- (3) Section 113 contains provisions about special resolutions under this section.
- (4) Section 114 contains further provisions about the conversion of a society into a company.
- (5) An amalgamation or transfer of engagements does not prejudice any right of a creditor of the society.

113 Special resolutions under section 112

- (1) This section supplements section 112.
- (2) A resolution is a “special resolution” if—
 - (a) the resolution is passed at a general meeting by at least 75% of the eligible members who vote,
 - (b) at least 50% of the eligible members vote on the resolution,
 - (c) notice of this meeting (“the first meeting”), specifying the intention to propose the resolution, is duly given in accordance with the society’s rules,
 - (d) the resolution is confirmed at a subsequent general meeting by over 50% of the eligible members who vote,
 - (e) notice of this meeting (“the second meeting”) is duly given, and
 - (f) the second meeting is held at least 14 days, and no more than one month, from the day of the first meeting.
- (3) In this section—
 - (a) “eligible member” means a member entitled under the society’s rules to vote;
 - (b) references to voting are to voting in person or, where the rules allow proxies, by proxy.
- (4) At a general meeting such as is mentioned in subsection (2), a declaration by the chair that—
 - (a) all reasonably practicable steps have been taken to ascertain the number of eligible members, and
 - (b) the resolution has been carried,is conclusive evidence of those facts.
- (5) Within 14 days from the day of the second meeting, the society must send the FCA a copy of the special resolution that is—
 - (a) signed by the chair of the second meeting, and
 - (b) countersigned by the society’s secretary.
- (6) The FCA must register the copy of the special resolution received under subsection (5).
- (7) The special resolution does not take effect until the copy of it has been registered.
- (8) Nothing in subsection (5) invalidates registration after the end of the 14 days mentioned there.
- (9) If the society is a PRA-authorized person, the FCA must send a copy of the special resolution to the PRA.

114 Conversion of society into a company: supplementary

- (1) This section applies in relation to the conversion of a society into a company under section 112.
- (2) Where—
 - (a) a special resolution for converting a registered society into a company contains the particulars required by the Companies Acts to be contained in a company’s memorandum of association, and
 - (b) the FCA has registered a copy of it,

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

a copy of it under the FCA's stamp and seal has the same effect as a memorandum of association duly authenticated under the Companies Acts.

- (3) Registration of a registered society as a company does not affect—
 - (a) any right or claim for the time being subsisting against the society, or
 - (b) any penalty for the time being incurred by the society.
- (4) For the purpose of enforcing any such right, claim or penalty, the society may be sued and proceeded against in the same way as if it had not become registered as a company.
- (5) Any such right or claim, and the liability to any such penalty, has priority as against the company's property over all other rights or claim against, or liabilities of, the company.