



Mutuals' Deferred Shares Act 2015

2015 CHAPTER 13

1 Power to permit or facilitate the issue of deferred shares

- (1) The Treasury may by regulations make provision to permit or facilitate the issue of deferred shares by a friendly society or mutual insurer.
- (2) “Deferred shares” are instruments that—
 - (a) are issued by a friendly society or mutual insurer (“the issuer”) with the consent of the appropriate authority,
 - (b) can be transferred but not withdrawn,
 - (c) prohibit repayment of principal other than—
 - (i) on the winding up or dissolution of the issuer where all other sums due from the issuer to creditors claiming in the winding up or dissolution are paid in full, or
 - (ii) where the appropriate authority has consented to the repayment, and
 - (d) have such characteristics as are specified in regulations made by the Treasury under this paragraph.
- (3) Regulations under subsection (1) may modify any of the following—
 - (a) the Friendly Societies Act 1992 (as amended from time to time);
 - (b) the Companies Act 2006 (as amended from time to time);
 - (c) any other primary legislation relating to friendly societies or mutual insurers (whenever passed);
 - (d) any instrument made under the legislation mentioned in any of paragraphs (a) to (c) (whenever made).
- (4) Regulations under subsection (1)—
 - (a) may not make provision that would permit or facilitate the issue of deferred shares by a friendly society or mutual insurer where it is not authorised to do so by its memorandum, rules or constitution;
 - (b) may make consequential, supplementary, incidental, transitional or saving provision;
 - (c) may make different provision for different purposes.

Status: This is the original version (as it was originally enacted).

- (5) A deferred share issued by virtue of regulations made under subsection (1) is not a share within the meaning of the Companies Acts.
- (6) The power to make regulations under this section is exercisable by statutory instrument.
- (7) A statutory instrument containing regulations under this section may not be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.