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STATUTORY INSTRUMENTS

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**1997 No. 741**

**FRIENDLY SOCIETIES**

**The Friendly Societies (General Charge and Fees) Regulations 1997**

<i>Made</i>	- - - -	<i>10th March 1997</i>
<i>Laid before Parliament</i>		<i>11th March 1997</i>
<i>Coming into force</i>	- -	<i>1st April 1997</i>

The Treasury, in exercise of the powers conferred on them by sections 2(2) and (4) and 114(2) of the Friendly Societies Act 1992<sup>(1)</sup> and section 104(1) of the Friendly Societies Act 1974<sup>(2)</sup>, hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Friendly Societies (General Charge and Fees) Regulations 1997 and shall come into force on 1st April 1997.

**Interpretation**

2. In these Regulations:

“the 1974 Act” means the Friendly Societies Act 1974;

“the 1992 Act” means the Friendly Societies Act 1992;

“accounting year” means the period of 12 months ending with 31st March;

“amalgamation” means an amalgamation under section 85 of the 1992 Act or under section 82 of the 1974 Act;

“the central office” has the meaning given in section 119 of the 1992 Act;

“the Chief Registrar” means the Chief Registrar of Friendly Societies;

“the Commission” means the Friendly Societies Commission established under section 1 of the 1992 Act;

“conversion” means a conversion under section 91 of the 1992 Act or under section 84 of the 1974 Act;

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(1) 1992 c. 40.

(2) 1994 c. 46.

“society” means a society registered under the 1974 Act or a society incorporated under the 1992 Act; and

“transfer of engagements” means a transfer of engagements under section 86 of the 1992 Act or under section 82 of the 1974 Act.

### **General charge in respect of the accounting year beginning 1st April 1997**

3.—(1) A friendly society which on 1st April 1997 is a registered or incorporated society shall pay to the Commission, with respect to the accounting year beginning on that date, a sum determined in accordance with Schedule 1 to these Regulations using the value of the friendly society’s specified income for the year ended 31st December 1996 as determined in accordance with that Schedule.

(2) Where, after 31st December 1996 and before 1st April 1997, a friendly society has transferred its engagements to another friendly society, the transferee friendly society shall, in addition to any other sum payable by it under this regulation, pay, with respect to the accounting year beginning 1st April 1997, any sum which would have been payable by the transferor friendly society had it been subject to paragraph (1) above.

### **Payment of the general charge**

4. Any sums payable under regulation 3 above by a friendly society shall be paid on or before 1st November 1997.

### **Fees in respect of particular functions of central office, Chief Registrar and Commission**

5.—(1) Upon making an application of a nature specified in Schedule 2 to these Regulations, the person who makes that application shall pay the relevant fee specified in that Schedule in respect of the examination of the application by the central office, the Chief Registrar or the Commission (as the case may be).

(2) Any sums payable under paragraph (1) above shall be paid, in respect of functions performed by the Chief Registrar or the central office, to the Chief Registrar and in respect of functions performed by the Commission, to the Commission.

(3) The fees specified at paragraph 20 and 22 in Schedule 2 to these Regulations may be reduced by the Commission to the fees specified at paragraphs 21 and 23 of Schedule 2 in any case where application is made to the Commission by any of the societies concerned in a proposed amalgamation, transfer of engagements or conversion, as the case may be, which are societies to which section 37(2) or (3) of the 1992 Act does not apply, to the effect that such society would otherwise be deterred from proceeding with such amalgamation, transfer of engagements or conversion, as the case may be, if the fees specified at paragraph 20 or 22, as the case may be, were to apply.

### **Inspection and copying fees**

6. Any person wishing to inspect or to be furnished with a copy of any document in the custody of the central office shall, upon making such request to inspect or to be furnished with a copy, as the case may be, pay to the Chief Registrar the relevant fee specified in Schedule 3 to these Regulations.

### **Revocation of regulations relating to preceding accounting year**

7. The Friendly Societies (General Charge and Fees) Regulations 1996(3) are revoked.

10th March 1997

*Patrick McLoughlin*  
*Richard Ottaway*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## SCHEDULE 1

Regulation 3

### GENERAL CHARGE PAYABLE BY SOCIETIES

1. The sum specified in this Schedule is the sum determined by the formula—

$$A \times B$$

where

A=0.31/100, and

B=the specified income for the year ended 31st December 1996 as determined in accordance with paragraphs 2 to 4 below provided that—

- (a) where the resultant sum exceeds £25,000.00, the sum is £25,000.00; and
- (b) where the resultant sum is less than £225.00, the sum is £225.00.

#### Specified income

2. In respect of a society to which section 37(2) or (3) of the 1992 Act applies, which is an incorporated friendly society or which carries on reinsurance business and which, for the year ended 31st December 1996, was required under section 69 of the 1992 Act to prepare annual accounts in the form specified in section 70 of the 1992 Act and in the Friendly Societies (Accounts and Related Provisions) Regulations 1994<sup>(4)</sup> (“the Accounts Regulations”), the value of the specified income for that year is the sum of the amounts entered as income items I.1, I.2a.(b), II.1, II.2.(b) and III.3.(b) in the income and expenditure account prepared by the society in accordance with Part I of Schedule 1 to the Accounts Regulations and the specified income for the year ended 31 December 1996 of every registered branch of the society as determined in accordance with paragraph 4 below.

3. In respect of a society to which section 37(2) or (3) of the 1992 Act does not apply, which is a registered society and which does not carry on reinsurance business and which, for the year ended 31st December 1996, was required under section 69 of the 1992 Act to prepare annual accounts in the form specified in section 70 of the 1992 Act and in the Accounts Regulations, the value of the specified income for that year is the sum of the amounts entered as income items 1.(a), 1.(b)(i) and 1.(c) in the income and expenditure account prepared by the society in accordance with Part 1 of Schedule 7 to the Accounts Regulations and the specified income for the year ended 31 December 1996 of every registered branch of the society as determined in accordance with paragraph 4 below.

4. In respect of a registered branch which, for the year ended 31 December 1996, was required under section 69 of the 1992 Act to prepare annual accounts in the form specified in section 70 of the 1992 Act and in the Accounts Regulations the value of the specified income for that year is the sum of the amounts entered as income item 1.(a), 1.(b)(i) and 1.(c) in the income and expenditure account prepared by the branch in accordance with Part 1 of Schedule 7 to the Accounts Regulations or which would be so entered were the branch required to prepare its income and expenditure account in accordance with that Part of that Schedule.

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<sup>(4)</sup> S.I. 1994/1983.

## SCHEDULE 2

Regulation 5

## FEES PAYABLE FOR CENTRAL OFFICE, CHIEF REGISTRAR OR COM MISSION FUNCTIONS

<i>Nature of application/function</i>	<i>Fee payable £</i>
1. For the incorporation of a friendly society and the registration of the friendly society's memorandum and rules—	740
(a) where it relates to a new friendly society	
(b) where it relates to an existing friendly society	615
2. For the registration of a branch	165
3. For the grant of authorisation under section 32 of the 1992 Act in respect of each class of insurance business and each description of non-insurance business authorised	1025
4. For the grant of authorisation under section 33 of the 1992 Act	170
5. For the registration of an annual return or a set of annual accounts (except where the society or branch concerned has by written notice sent to the central office irrevocably elected to pay the fees specified in paragraph 6 of this Schedule)—	110
(a) in the case of an annual return or a set of annual accounts for a year of account ended on or before 31st December 1996	
(i) where it relates to a society	
(ii) where it relates to a branch	45
(b) in the case of an annual return or a set of accounts for any subsequent year of account—	115
(i) where it relates to a society	
(ii) where it relates to a branch	50
6. The fees specified in this paragraph shall be payable where the society or branch concerned has by notice made an election under paragraph 5 of this Schedule:	410
(a) for the acknowledgement of registration of an amendment of rules (including approval of name in the case of an amendment effecting a change of name of a society or branch)—	

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<i>Nature of application/function</i>	<i>Fee payable £</i>
(i) if the amendment substitutes an entire set of rules for the existing set of rules (except as provided in paragraph 19 of this Schedule)—	
(A) where made by a society	
(B) where made by a branch	130
(ii) if the amendment does not substitute an entire set of rules for the existing set of rules—	205
(A) where made by a society	
(B) where made by a branch	55
(b) (b) for the acknowledgement of registration of a notice of change in the situation of the registered office—	40
(A) of a society	
(B) of a branch	40
(c) (c) for the acknowledgement issued in respect of a notice of appointment of a trustee or trustees—	40
(A) of a society	
(B) of a branch	40
(d) (d) for the acknowledgement of registration of a change of name of an incorporated friendly society	160
(e) (e) for the acknowledgement of registration of an alteration of the memorandum of an incorporated friendly society	225
7. For the registration of a special resolution—	250
(a) where the special resolution relates to an amalgamation or a transfer of engagements	
(b) (b) where the special resolution relates to a conversion	515
8. For the appointment of an inspector or calling of a special meeting by the Chief Registrar	205
9. For the calling of a special meeting by the Commission	515

<i>Nature of application/function</i>	<i>Fee payable £</i>
<b>10.</b> For the appointment of an inspector by the Commission	205
<b>11.</b> For the registration of an instrument of dissolution or alteration therein—	360
(A) of a society	
(B) of a branch	260
<b>12.</b> For an award of dissolution where the matter is settled without a hearing or upon one hearing without an adjournment	52
<b>13.</b> For an award of dissolution where more than one hearing is required or where the hearing is adjourned—	52
the same fee as where the matter is settled upon one hearing without adjournment and in addition for every hearing after the first and for every adjournment	
<b>14.</b> For a direction for division or appropriation of the assets of a society—	20 % of that value £200 with an additional £10 for every £100 or part thereof in excess of £1,000
(a) where the value of the assets is £1,000 or less	
(b) where the value of the assets exceeds £1,000	
<b>15.</b> For an investigation into the affairs of a society or branch with a view to an award of dissolution thereof	825
<b>16.</b> For a document required to be signed by a Registrar, or to bear the seal of the central office, not chargeable with any other fee, provided that such fee shall not be paid by a society or branch which has not by notice elected as in paragraph 6 of this Schedule	40
<b>17.</b> For the approval of a form of model rules relating to a society registered as a working men's club submitted by a sponsoring association or body	670
<b>18.</b> For the approval of a form of model rules relating to a society registered as a working men's club submitted by a sponsoring association or body where such form of model rules amends an already approved form of model rules and contains a maximum of six amendments	205
<b>19.</b> For the registration of an amendment of rules of a society registered as a working men's club, being a substitution of an entire set of rules	90

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<i>Nature of application/function</i>	<i>Fee payable £</i>
for the existing set of rules, where the entire set of rules is in the form of model rules and where the application for registration is made through and endorsed by the association or body which has sponsored the rules contained in the said model	
<b>20.</b> For the confirmation of an amalgamation or a transfer of engagements	2050
<b>21.</b> For the confirmation of an amalgamation or a transfer of engagements where a society which is not a society to which section 37(2) or (3) of the 1992 Act applies has made an application which is accepted by the Commission for a reduction in the fee otherwise payable	205
<b>22.</b> For the approval by the Commission of a statement relating to an amalgamation or a transfer of engagements required to be sent by a society to its members under paragraph 1 of Schedule 15 to the 1992 Act or of a statement relating to a conversion required to be sent by a society to its members under paragraph 3 of that Schedule	2050
<b>23.</b> For the approval by the Commission of a statement required to be sent by a society to its members as described in paragraph 22 of this Schedule where a society which is not a society to which section 37(2) or (3) of the 1992 Act applies has made an application which is accepted by the Commission for a reduction in the fee otherwise payable	310
<b>24.</b> For the registration of a copy of an instrument of transfer of engagements	165
<b>25.</b> For the registration of a scheme under section 6(5) of the 1992 Act	103
<b>26.</b> For a request to cancel the registration of the society	40
<b>27.</b> For the confirmation of a conversion	2050
<b>28.</b> For the consent of the Commission that an instrument of dissolution or alteration shall be of effect for the purpose of effecting or facilitating a transfer of engagements to any other friendly society or to a company	2050
<b>29.</b> For the consent of the Commission for a society to form or acquire control of a body	2050



<i>Nature of application/function</i>	<i>Fee payable £</i>
corporate jointly with a person other than another incorporated friendly society	
<b>30.</b> For the consent of the Commission for a society to undertake to fulfil the engagements of another society by a special resolution of the committee of management	310
<b>31.</b> For the grant of a dispensation by the Commission of the requirements of section 47(1) to (6) of the 1992 Act	50
<b>32.</b> For a direction to a society by notice extending the period (by not more than 3 months) within which the society shall send three copies of the abstract of the actuary's report which it is required to send to the Commission under section 46(3) of the 1992 Act	50
<b>33.</b> For a direction to a society by notice extending the period (by not more than 6 months) within which the society shall cause to be made and sent to the Commission the abstract of the actuary's report which under section 47(2) of the 1992 Act should be made and sent to the Commission	50
<b>34.</b> For the extension by the Commission of the period within which, under regulation 57(1) of the Friendly Societies (Insurance Business) Regulations 1994 <sup>(5)</sup> , a society is required to deposit three copies of the statement or underwriting account prepared by the society under regulation 55(1), (3) or (5), or 56(1) or (2) of those Regulations.	50
<b>35.</b> For the consent of the Commission for a society to value implicit items in accordance with the provisions of regulations 9 to 11, with respect to long term business, and regulation 11, with respect to general business, of the Friendly Societies (Insurance Business) Regulations 1994	200

## SCHEDULE 3

Regulation 6

<i>Facility sought</i>	<i>Fee payable £</i>
<b>1.</b> The inspection on any particular day of documents relating to a single society or branch	8.00
<b>2.</b> For the provision of a copy of the whole of or an extract from any document—	3.00

(5) S.I. 1994/1981, amended by S.I. 1996/3008.

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<i>Facility sought</i>	<i>Fee payable £</i>
(a) where the copy is not certified as a true copy of a document in the custody of the Registrar—	
(i) where the copy does not exceed 5 pages, or for the first 5 pages of a copy which exceeds 5 pages	
(ii) for every page of a copy after the fifth page	0.60
(b) (b) where the copy is certified as provided in sub-paragraph (a) above (as an addition to whatever fee would be payable if the copy were not so certified)	8.00
<b>3.</b> In addition to any fee payable under paragraph 2 above, for the provision of a copy, or copies, of the whole of, or an extract from, any document by post	5.00

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These regulations provide for a general charge to be paid by friendly societies towards the expenses of the Friendly Societies Commission. The charge is levied with respect to the Commission's accounting year beginning 1st April 1997 and is expected to raise £840,000 (an increase of 8.4% from that raised for the accounting year beginning 1st April 1996). Each friendly society (subject to a requirement to pay a minimum of £225 and a maximum of £25,000) is required to pay a sum equal to its specified income, as identified in its annual accounts for the year ended 31st December 1996 and, where a society has a registered branch, the specified income of the registered branch.

These Regulations also, by regulations 5 and 6 and the respective schedules, require and prescribe fees to be paid for matters transacted under the Friendly Societies Act 1974 or the Friendly Societies Act 1992.

A review of the cost of supplying services and of the structure of fees has been undertaken to ensure that the transaction charges relate closely to the cost of delivering the service. As a result charges for the matters transacted in paragraphs 1 to 6(a), 6(d) to 15, 17, 18 and 20 to 30 of Schedule 2 have been increased by an average of 3% and fees have been introduced for the transaction of the matters described in paragraphs 31 to 35.

The Regulations also revoke the Friendly Societies (General Charge and Fees) Regulations 1996.