

SCHEDULE 5

Article 2(b)

Amendments of the Friendly Societies Act 1974

1. The Friendly Societies Act 1974(1) is amended as follows.
- 2.—(1) In the provisions listed in sub-paragraph (2)—
 - (a) for “Authority” substitute “FCA”; and
 - (b) for “Authority’s” substitute “FCA’s”.
- (2) The provisions are—
 - (a) section 12(1) (2) (establishment of new branches);
 - (b) section 15A(1)(3) (acknowledgement of registration and rules of new branch);
 - (c) section 16(4) (appeals from refusal to register);
 - (d) section 18(5) (registration of amendments of rules of society or branch);
 - (e) section 19(6) (acknowledgement of registration of amendment of rules);
 - (f) section 20(7) (appeals from refusal to register amendment of rule);
 - (g) section 24(8) (trustees of registered societies and branches);
 - (h) section 43(9) (annual return);
 - (i) section 55(1)(10) (power of the Public Trustee to hold securities of certain friendly societies and branches);
 - (j) section 81(1)(11) (power to change name);
 - (k) section 82(5)(12) (amalgamation and transfer of engagements);
 - (l) section 84(2) and (3)(13) (conversion of registered societies into companies);
 - (m) section 84A(6)(14) (conversion of registered societies into industrial and provident societies);
 - (n) section 85(3) and (4)(15) (conversion of society into branch);
 - (o) section 86(3) and (4)(16) (meaning and registration of special resolutions);
 - (p) section 91(1A), (2), (3) and (5)(17) (cancellation and suspension of registration);
 - (q) section 94(4) and (7)(18) (instrument of dissolution);

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- (1) 1974 c.46.
 - (2) Section 12 was amended by S.I. 2001/2617.
 - (3) Section 15A was inserted by paragraph 6 of Schedule 16 to the Friendly Societies Act 1992 (c.40) and amended by S.I. 2001/2617.
 - (4) Section 16 was amended by S.I. 2001/2617, and by Part 1 of Schedule 22 to the Friendly Societies Act 1992.
 - (5) Section 18 was amended by S.I. 2001/2617.
 - (6) Section 19 was amended by S.I. 2001/2617.
 - (7) Section 20 was amended by S.I. 2001/2617.
 - (8) Section 24 was substituted by paragraph 9 of Schedule 16 to the Friendly Societies Act 1992 and amended by S.I. 2001/2617.
 - (9) Section 43 was amended by paragraph 12 of Schedule 16 to the Friendly Societies Act 1992, S.I. 1996/1738 and S.I. 2001/2617.
 - (10) Section 55(1) was amended by S.I. 2001/2617.
 - (11) Section 81(1) was amended by S.I. 2001/2617.
 - (12) Section 82(5) was amended by Schedule 22 to the Friendly Societies Act 1992 and S.I. 2001/3649.
 - (13) Section 84(2) and (3) was amended by paragraph 31 of Schedule 16 to the Friendly Societies Act 1992, S.I. 2001/3649 and S.I. 2009/1941. There are other amending instruments, but none is relevant.
 - (14) Section 84A(6) was inserted by paragraph 32 of Schedule 16 to the Friendly Societies Act 1992 and amended by S.I. 2001/3649.
 - (15) Section 85 was amended by S.I. 2001/2617.
 - (16) Section 86(3) and (4) was amended by S.I. 2001/2617.
 - (17) Section 91 was amended by paragraph 37 of Schedule 16 to the Friendly Societies Act 1992 and S.I. 2001/2617.
 - (18) Section 94 was amended by S.I. 2001/2617 and S.I. 2001/3649.

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

- (r) section 99(6)(**19**) (punishment of fraud, etc, and recovery of property misapplied);
 - (s) section 101(1) and (1A)(**20**) (prosecution of offences, recovery of costs or expenses);
 - (t) section 104A(**21**) (fees for inspection or copying of documents);
 - (u) section 109(1)(b) and (d)(**22**) (regulations);
 - (v) section 110(1) and (3)(**23**) (evidence and deposit of documents);
 - (w) section 111(3)(**24**) (interpretation: seal); and
 - (x) paragraphs 7 and 15 of Schedule 2(**25**) (matters to be provided for by the rules of societies registered under this Act).
- 3.** In section 30A(11)(**26**) (publication of accounts and balance sheets), for “Authority” substitute “appropriate authority”.
- 4.** In section 32(**27**) (audit of exempt societies and branches), for “Authority”, in each place, substitute “appropriate authority”.
- 5.** In section 32A(4) and (5)(**28**) (power of societies to disapply section 31 (obligation to appoint auditors)) , for “Authority”, in each place, substitute “appropriate authority”.
- 6.—(1)** Section 39C(**29**) (power to require accounts of past years to be audited) is amended as follows.
- (2) In subsection (1), for “Authority”—
 - (a) in the opening words of that subsection, substitute “appropriate authority”; and
 - (b) in paragraph (b), in each place, substitute “FCA and, if the registered society or branch is a PRA-authorised person, the PRA”.
 - (3) In subsection (2), for “Authority” substitute “appropriate authority”.
 - (4) In the heading, for “Authority’s power” substitute “Power of appropriate authority”.
- 7.—(1)** Section 41(**30**) (valuations) is amended as follows.
- (2) In subsection (1)—
 - (a) in paragraph (b), for “Authority” substitute “FCA and, if the registered society or branch is a PRA-authorised person, the PRA”; and
 - (b) in the closing words of that subsection, for “Authority” substitute “appropriate authority”.
 - (3) In subsection (3)—
 - (a) in the opening words of that subsection, omit “to the Authority”; and
 - (b) in paragraph (b), for “Authority” substitute “appropriate authority”.
 - (4) In subsection (5), for “Authority” substitute “appropriate authority”.

(19) Section 99(6) was amended by [S.I. 2001/2617](#).

(20) Section 101 was amended by [S.I. 2001/2617](#).

(21) Section 104A was substituted by [S.I. 2001/2617](#).

(22) Section 109(1) was amended by [S.I. 2001/2617](#) and [S.I. 2001/3649](#).

(23) Section 110 was amended by [S.I. 2001/2617](#).

(24) Section 111(3) was substituted by [S.I. 2001/2617](#).

(25) Paragraphs 7 and 15 of Schedule 2 were amended by paragraphs 1 and 51(2) of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).

(26) Section 30A was inserted by [S.I. 1996/1738](#) and amended by [S.I. 2001/2617](#).

(27) Section 32 was amended by paragraph 12 of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).

(28) Section 32A was inserted by [S.I. 1996/1738](#) and amended by [S.I. 2001/2617](#). There are other amending instruments, but none is relevant.

(29) Section 39C was inserted by [S.I. 1996/1738](#) and amended by [S.I. 2001/2617](#).

(30) Section 41 was amended by paragraph 12 of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).

- (5) In subsection (6)—
- (a) in the opening words of that subsection—
 - (i) for “Authority” substitute “appropriate authority”; and
 - (ii) for “Authority’s” substitute “its”; and
 - (b) in paragraph (b), omit “to the Authority”.
- 8.—(1)** Section 42(**31**) (regulations and directions relating to valuations) is amended as follows.
- (2) In subsection (2), for “the Authority”, in each place, substitute “the FCA and, if the registered society or branch is a PRA-authorised person, the PRA”.
- (3) In subsection (4)—
- (a) in the opening words of that subsection, for “Authority”, in each place, substitute “appropriate authority”; and
 - (b) in paragraph (b), for “Authority”, in each place, substitute “FCA and, if the registered society or branch is a PRA-authorised person, the PRA”.
- (4) In subsection (5), for “Authority” substitute “appropriate authority”.
- 9.** After section 43(6)(**32**) (annual return) insert—
- “(7) If the registered society or branch is a PRA-authorised person, it shall send to the PRA a copy of the annual return sent to the FCA under subsection (1).”.
- 10.** In section 65A(7)(**33**) (group insurance business), for “Authority” substitute “FCA or the PRA”.
- 11.** In section 76(3C)(**34**) (decision of disputes generally), for “Authority” substitute “FCA or the PRA”.
- 12.** After section 85(4) (conversion of society into branch) insert—
- “(4A) Before making a finding under subsection (4) in relation to a society which is a PRA-authorised person, the FCA must consult the PRA.”.
- 13.—(1)** Section 87(**35**) (power to apply for winding up of registered friendly societies) is amended as follows.
- (2) In subsection (1), for “Authority”—
- (a) in the first place, substitute “FCA or the PRA”; and
 - (b) in the second place, substitute “FCA, after consulting the PRA, or the PRA, after consulting the FCA,”.
- (3) After subsection (2), insert—
- “(3) Subsection (1) does not require the FCA to consult the PRA if the society in question is not a PRA-authorised person.
- (4) The PRA may only present a petition under subsection (1) in respect of a society which is a PRA-authorised person.”.
- (4) In the heading, for “Authority” substitute “FCA and of PRA”.

(31) Section 42 was amended by paragraph 12 of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).

(32) Section 43(6) was amended by paragraph 12 of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).

(33) Section 65A was inserted by paragraph 23 of Schedule 16 to the Friendly Societies Act 1992 and amended by [S.I. 2001/2617](#).

(34) Section 76(3C) was inserted by [S.I. 2001/2617](#).

(35) Section 87 was amended by paragraph 34 of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).

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

14. In section 90(**36**) (appointment of inspectors and calling of special meetings), for “the Authority”, in each place, substitute “the FCA or the PRA”.

15. In section 91(1)(**37**) (cancellation and suspension of registration), for “Authority”—

- (a) in the first place, substitute “FCA, having consulted the PRA if the society is a PRA-
authorised person,”, and
- (b) in each other place, substitute “FCA”.

16. In section 93(1)(c)(**38**) (dissolution of societies and branches), for “Authority” substitute “FCA or the PRA”.

17.—(1) Section 94(**39**) (instrument of dissolution) is amended as follows.

(2) In subsection (2)(d), for “Authority” substitute “FCA or the PRA”.

(3) After subsection (4), insert—

“(4A) If the society or branch is a PRA-
authorised person, a copy of the instrument and
declaration sent to the FCA under paragraph (4) shall be sent to the PRA.”.

18.—(1) Section 95(**40**) (dissolution by award) is amended as follows.

(2) In subsections (1), (3), (4) and (6), for “Authority”, in each place, substitute “appropriate authority”.

(3) After subsection (3), insert—

“(3A) The PRA must consult the FCA before making an award and direction under
subsection (3).”.

19.—(1) Section 95A(**41**) (dissolution of registered friendly societies and branches by award) is amended as follows.

(2) In subsections (1), (2) and (4), for “Authority”, in each place, substitute “appropriate authority”.

(3) After subsection (1), insert—

“(1A) The PRA must consult the FCA before making an award or a direction under
subsection (1).”.

20. In section 97(**42**) (notice of proceedings or order to set aside dissolution of society or branch), for “Authority”, in each place, substitute “FCA and, if the society or branch is a PRA-
authorised person, the PRA”.

21. In section 98(1)(b) and (7)(**43**) (offences), for “Authority”, in each place, substitute “FCA or the PRA”.

22.—(1) Section 101(**44**) (prosecution of offences, recovery of costs or expenses) is amended as follows.

(36) Section 90 was amended by paragraph 36 of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).

(37) Section 91(1) was amended by [S.I. 2001/2617](#).

(38) Section 93(1)(c) was amended by [S.I. 2001/2617](#).

(39) Section 94 was amended by paragraph 38(b) of Schedule 16 to the Friendly Societies Act 1992 [S.I. 2001/2617](#) and [S.I. 2001/3649](#).

(40) Section 95 was amended by paragraph 39 of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).

(41) Section 95A was inserted by paragraph 39 of Schedule 16 to the Friendly Societies Act 1992 and amended by [S.I. 2001/2617](#).

(42) Section 97 was amended by paragraph 41 of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).

(43) Section 98 was amended by paragraph 42 of Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#). There are other amending instruments, but none is relevant.

(44) Section 101 was amended by [S.I. 2001/2617](#).

- (2) After subsection (1A), insert—
- “(1B) Summary proceedings for an offence under a provision listed in subsection (1C) may also be commenced by the PRA, in the circumstances specified in that subsection in relation to that provision, after notifying the FCA.
- (1C) The provisions and the circumstances are—
- (a) section 32 (audit of exempt societies and branches), if the failure referred to in subsection (4) of that section is a failure to comply with a direction given by the PRA under subsection (2) of that section;
 - (b) section 39C (power to require accounts of past years to be audited), if the failure referred to in subsection (2) of that section is a failure to comply with a direction given by the PRA under subsection (1) of that section; and
 - (c) section 98 (offences), if the neglect or refusal referred to in subsection (1)(b) of that section relates to an act or information required by the PRA.”.

(3) In subsection (2), for “Authority” substitute “FCA or the PRA”.

23. In section 109(1)(c)(**45**) (regulations), for “Authority” substitute “FCA and of the PRA”.

24. In section 110(2) and (2A), for “Authority” substitute “FCA or the PRA”.

25. In section 111(1)(**46**) (interpretation)—

 - (a) omit the definition of “the Authority”; and
 - (b) at the appropriate places, insert—

““the appropriate authority” means—

 - (a) in relation to a society which is a PRA-authorized person, the PRA; and
 - (b) in relation to a society which is not a PRA-authorized person, the FCA;”;

““the FCA” means the Financial Conduct Authority;”;

““the PRA” means the Prudential Regulation Authority;”;

““PRA-authorized person” has the meaning in section 2B of the Financial Services and Markets Act 2000;”.

(45) Section 109(1)(c) was amended by [S.I. 2001/2617](#).

(46) Section 111 was amended by Schedule 16 to the Friendly Societies Act 1992 and [S.I. 2001/2617](#).