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STATUTORY INSTRUMENTS

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**2014 No. 229**

**INDUSTRIAL AND PROVIDENT SOCIETIES  
CREDIT UNIONS**

The [<sup>F1</sup>Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014]

<i>Made</i>	- - - -	<i>4th February 2014</i>
<i>Laid before Parliament</i>		<i>7th February 2014</i>
<i>Coming into force</i>	- -	<i>6th April 2014</i>

The Treasury make the following Order in exercise of the powers conferred on them by section 255(1)(a), (4) and (5) of the Enterprise Act 2002 <sup>M1</sup>.

The Secretary of State concurs in the making of this Order.

**Textual Amendments**

**F1** Title amended (1.8.2014) by virtue of The Co-operative and [Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 33**

**Marginal Citations**

**M1** 2002 c. 40.

**Citation, commencement and interpretation** **U.K.**

1.—(1) This Order may be cited as the [<sup>F2</sup>Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014], and comes into force on 6th April 2014.

(2) In this Order—

<sup>F3</sup>  
...

<sup>F3</sup>  
...

“the 1986 Act” means the Insolvency Act 1986 <sup>M2</sup>[<sup>F4</sup>(see also paragraph (5))];

“the 2006 Act” means the Companies Act 2006 <sup>M3</sup>;

[<sup>F5</sup>“the 2014 Act” means the Co-operative and Community Benefit Societies Act 2014;]

[<sup>F6</sup>“the 2015 Act” means the Small Business, Enterprise and Employment Act 2015;]

“authorised person” has the meaning given in section 31(2) of FSMA;

“authorised deposit taker” has the meaning given in section 359(4) of FSMA <sup>M4</sup>;

<sup>F7</sup> ...

“deposit” has the meaning given by article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 <sup>M5</sup>;

<sup>F7</sup> ...

“FSMA” means the Financial Services and Markets Act 2000 <sup>M6</sup>;

“member”, in relation to a relevant society, means a person whose name is entered as a member in the register kept by the society in accordance with [<sup>F8</sup>section 30(1) of the 2014 Act];

<sup>F7</sup> ...

[<sup>F9</sup>“relevant CCBS” means a co-operative society or community benefit society, that is registered under the 2014 Act but not a society that is—

- (a) registered as a social landlord under Part 1 of the Housing Act 1996 or Part 2 of the Housing (Scotland) Act 2010; or
- (b) a credit union within the meaning of section 31(1) of the Credit Unions Act 1979];

“relevant person” has the meaning given in section 213(9)(a) of FSMA <sup>M7</sup>; and

“relevant society” means a [<sup>F10</sup>registered society which] is not—

- (a) a private registered provider of social housing; or
- (b) registered as a social landlord under Part 1 of the Housing Act 1996 <sup>M8</sup> or under Part 2 of the Housing (Scotland) Act 2010 <sup>M9</sup>.

(3) The definition of “authorised deposit taker” is to be construed in accordance with—

- (a) section 22 of, and Schedule 2 to, FSMA <sup>M10</sup>; and
- (b) any relevant order under section 22 <sup>M11</sup>.

(4) For the purposes of this Order a relevant society is “in administration” while the appointment of an administrator of the society under Schedule B1 to the 1986 Act <sup>M12</sup> has effect.

[<sup>F11</sup>(5) In this Order a reference to the 1986 Act is to the 1986 Act without the amendments made by section 1 of, and Schedules 1 to 3 to, the Corporate Insolvency and Governance Act 2020.]

#### Textual Amendments

- F2** Words in art. 1(1) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), [Sch. para. 33](#)
- F3** Words in art. 1(2) omitted (1.8.2014) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), [3\(a\)](#)
- F4** Words in art. 1(2) inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), [Sch. 3 para. 54\(a\)](#) (with ss. 2(2), 5(2))

- F5** Words in art. 1(2) inserted (1.8.2014) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) Order 2014 (S.I. 2014/1822), arts. 1(2), **3(b)**
- F6** Words in art. 1(2) inserted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **15(2)**
- F7** Words in art. 1(2) omitted (1.8.2014) by virtue of The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) Order 2014 (S.I. 2014/1822), arts. 1(2), **3(c)**
- F8** Words in art. 1(2) substituted (1.8.2014) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) Order 2014 (S.I. 2014/1822), arts. 1(2), **3(d)**
- F9** Words in art. 1(2) inserted (18.7.2020) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) and Consequential Amendments Order 2020 (S.I. 2020/744), arts. 1, **6**
- F10** Words in art. 1(2) substituted (1.8.2014) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) Order 2014 (S.I. 2014/1822), arts. 1(2), **3(e)**
- F11** Art. 1(5) inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 3 para. 54(b)** (with ss. 2(2), 5(2))

#### Marginal Citations

- M2** 1986 c. 45.
- M3** 2006 c. 46.
- M4** The definition was amended by the Financial Services Act 2012 (c. 21), **Schedule 14**, paragraphs 1 and 6(1) and (5).
- M5** S.I. 2001/544.
- M6** 2000 c. 8.
- M7** Section 213(9)(a) was amended by the Financial Services Act 2012, Schedule 10, paragraphs 1 and 3(1) and (6).
- M8** 1996 c. 52.
- M9** 2010 asp 17.
- M10** Section 22 and Schedule 2 were amended by the Financial Services Act 2012, section 7.
- M11** The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) is relevant.
- M12** Schedule B1 was inserted by the Enterprise Act 2002, section 248(2) and Schedule 16; and was amended by the Financial Services Act 2012, Schedule 18, paragraphs 51 and 55, and by S.I. 2003/2096, 2008/948 and 2008/1897. There are other amendments not relevant to this Order.

#### Application to relevant societies [<sup>F12</sup>and relevant CCBS] of law about company arrangements, [<sup>F13</sup>administration and moratoriums] **U.K.**

2.—<sup>F14</sup>(A1) Part A1 of the 1986 Act (moratorium) applies in relation to relevant CCBS with the modifications set out in paragraph 1(2) of Part 1, and Part 1A, of Schedule 1]

(1) Part 1 of the 1986 Act (company voluntary arrangements) applies in relation to a relevant society with the modifications set out in Parts 1 and 2 of Schedule 1.

(2) Part 2 of the 1986 Act (administration) <sup>M13</sup> applies in relation to a relevant society with the modifications set out in Parts 1, 3 and 4 of Schedule 1.

<sup>F15</sup>(2A) Schedule 1A applies in relation to a proposal by the members of the committee of a relevant CCBS for a moratorium under Part A1 of the 1986 Act (as applied in relation to a relevant CCBS), and—

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

- (a) the courts in England and Wales have jurisdiction to wind up the relevant CCBS, or
- (b) a sheriff court in Scotland has jurisdiction to wind up the relevant CCBS.]

(3) Part 26 of the 2006 Act (arrangements and reconstructions) applies in relation to a relevant society with the modifications set out in Schedule 2.

[<sup>F16</sup>(4) Part 26A of the 2006 Act (arrangements and reconstructions: companies in financial difficulty) applies in relation to a relevant society with the modifications set out in Schedule 2A.]

<sup>F17</sup>(5) .....

**Textual Amendments**

- F12** Words in art. 2 heading inserted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **7(a)(i)**
- F13** Words in art. 2 heading substituted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **7(a)(ii)**
- F14** Art. 2(A1) inserted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **7(b)**
- F15** Art. 2(2A) inserted (30.9.2021) by [The Co-operative and Community Benefit Societies \(Administration\) \(Amendment\) Order 2021 \(S.I. 2021/1048\)](#), arts. 1(1), **2(2)(a)**
- F16** Art. 2(4)(5) inserted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **7(e)**
- F17** Art. 2(5) omitted (30.9.2021) by virtue of [The Co-operative and Community Benefit Societies \(Administration\) \(Amendment\) Order 2021 \(S.I. 2021/1048\)](#), arts. 1(1), **2(2)(b)**

**Marginal Citations**

- M13** Part 2, substituted by the Enterprise Act 2002, section 248(1), gives effect to Schedule B1, which is inserted in the 1986 Act by the Enterprise Act 2002, section 248(2) and Schedule 16.

[<sup>F18</sup>**Application of section 176ZB of the 1986 Act** **U.K.**

**2A.** Section 176ZB of the 1986 Act (application of proceeds of office-holder claims) applies in relation to a relevant society which is in administration, and for that purpose—

- (a) a reference to a company includes a reference to a relevant society;
- (b) a reference to a section of the 1986 Act is a reference to that section as applied in relation to a relevant society; and
- (c) the reference to Part 26 of the 2006 Act is a reference to that Part as applied in relation to a relevant society.]

**Textual Amendments**

- F18** Art. 2A inserted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **12(2)**

### Application of section 176A of the 1986 Act **U.K.**

3. Section 176A of the 1986 Act (share of assets for unsecured creditors)<sup>M14</sup> applies in relation to a relevant society which is in administration, and for that purpose—

- (a) a reference to a company includes a reference to a relevant society;
- (b) a reference to a receiver is to be ignored; and
- (c) in subsection (4)(b)<sup>M15</sup> the reference to Part 26 of the 2006 Act is a reference to that Part as applied in relation to a relevant society.

#### Marginal Citations

**M14** Section 176A was inserted by the Enterprise Act 2002, section 252.

**M15** Subsection (4)(b) was amended by [S.I. 2008/948](#).

### Application of other provisions of the 1986 Act **U.K.**

4. The following provisions of the 1986 Act, so far as they have effect for the purposes of [F19Part A1.] Part 1 or Part 2 of that Act as applied in relation to a relevant society, apply with the modifications set out in Schedule 3—

- (a) Part 6 (miscellaneous provisions applying to companies which are insolvent or in liquidation);
- (b) Part 7 (interpretation for first group of Parts); and
- (c) Parts 12 to 19 (the third group of Parts).

#### Textual Amendments

**F19** Words in art. 4 inserted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, 8

### Application of section 215 of FSMA **U.K.**

5.—(1) Section 215 of FSMA (rights of the compensation scheme in insolvency)<sup>M16</sup> applies in relation to a relevant society—

- (a) which is a relevant person; and
- (b) in relation to which an administration application is made, an administrator is appointed or a copy of notice of intention to appoint an administrator is filed with the court under Schedule B1 to the 1986 Act.

(2) For that purpose in subsection (3) the reference to a company includes a reference to a relevant society.

#### Marginal Citations

**M16** Section 215 was amended by the [Banking Act 2009 \(c. 1\)](#), [section 175](#); by the Enterprise Act 2002, Schedule 17, paragraph 54(2), and by the Finance Act 2012, Schedule 10, paragraph 5. There are other amendments not relevant to this Order.

## [<sup>F20</sup>Application of sections 355A and 355B of FSMA **U.K.**

**5A.**—(1) Sections 355A (powers of FCA and PRA to participate in proceedings) and 355B (enforcement of requirements imposed by section 355A) of FSMA apply in relation to a relevant society which meets the criteria in section 355A(1).

(2) For that purpose, in sections 355A and 355B a reference to a company is a reference to a relevant society of a kind specified in paragraph (1).]

### Textual Amendments

**F20** Art. 5A inserted (18.7.2020) by The Co-operative and [Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, [9](#)

## Application of section 356 of FSMA **U.K.**

**6.**—(1) Section 356 of FSMA (powers of FCA and PRA to participate in proceedings: company voluntary arrangements) <sup>M17</sup> applies in relation to a relevant society—

- (a) which is an authorised person; and
- (b) in relation to which a voluntary arrangement has effect under Part 1 of the 1986 Act.

(2) For that purpose—

- (a) in subsection (1) the reference to a company includes a reference to a relevant society; and
- (b) in subsection (3) the reference to an application to the court in relation to the company is a reference to an application to the court under section 6 <sup>M18</sup> or 7 <sup>M19</sup> of the 1986 Act in relation to a relevant society of the kind described in paragraph (1).

### Marginal Citations

**M17** Section 356 was amended by the [Insolvency Act 2000 \(c.39\)](#), [section 15\(3\)](#), and by the Financial Services Act 2012, Schedule 14, paragraphs 1 and 3.

**M18** Section 6 was amended by the Insolvency Act 2000, Schedule 2, paragraphs 1 and 7, and by the Enterprise Act 2002, Schedule 17, paragraphs 9 and 12. There are other amendments not relevant to this Order.

**M19** Section 7 was amended by the Insolvency Act 2000, Schedule 2, paragraphs 1 and 9.

## Application of section 359 of FSMA **U.K.**

**7.**—(1) Section 359 of FSMA (administration order) <sup>M20</sup> applies in relation to a relevant society which—

- (a) is or has been an authorised person; or
- (b) is carrying on or has carried on a regulated activity in contravention of the general prohibition.

(2) For that purpose—

- (a) in subsection (1) the words from “which” to the end are to be ignored; and
- (b) except in the definition of “company” in subsection (4), a reference to a company is a reference to a relevant society of the kind described in paragraph (1).

#### Marginal Citations

**M20** Section 359 was substituted by the Enterprise Act 2002, Schedule 17, paragraphs 53 and 55; and was amended by the Financial Services Act 2012, Schedule 14, paragraphs 1 and 6. There are other amendments not relevant to this Order.

#### Application of section 361 of FSMA **U.K.**

**8.** Section 361 of FSMA (administrator's duty to report to FCA and PRA) <sup>M21</sup> applies in relation to a relevant society, and for that purpose a reference to a company includes a reference to a relevant society.

#### Marginal Citations

**M21** Section 361 was substituted by the Enterprise Act 2002, Schedule 17, paragraphs 53 and 56; and was amended by the Financial Services Act 2012, Schedule 14, paragraphs 1 and 7. There are other amendments not relevant to this Order.

#### Application of sections 362 and 362A of FSMA **U.K.**

**9.—(1)** Section 362 of FSMA (powers of FCA and PRA to participate in proceedings) <sup>M22</sup> and section 362A (administrator appointed by company or directors) <sup>M23</sup> apply in relation to a relevant society which—

- (a) is or has been an authorised person; or
  - (b) is carrying on or has carried on a regulated activity in contravention of the general prohibition.
- (2) For that purpose—
- (a) in section 362—
    - (i) in subsection (1) the words from “which” to the end are to be ignored;
    - (ii) in subsection (1A) the words “of a kind described in subsection (1)(a) to (c)” are to be ignored;
    - (iii) a reference to a company is a reference to a relevant society of the kind described in paragraph (1); and
  - (b) in section 362A—
    - (i) in subsection (1) the words “of a kind described in section 362(1)(a) to (c)” are to be ignored;
    - (ii) a reference to a company is a reference to a relevant society of the kind described in paragraph (1).

#### Marginal Citations

**M22** Section 362 was amended by the Enterprise Act 2002, Schedule 17, paragraphs 53 and 57, by the Financial Services Act 2012, Schedule 14, paragraphs 1 and 8, and by [S.I. 2008/948](#). There are other amendments not relevant to this Order.

**M23** Section 362A was inserted by the Enterprise Act 2002, Schedule 17, paragraphs 53 and 58; and was amended by the Financial Services Act 2012, Schedule 14, paragraphs 1 and 9.

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

**Application of provisions of FSMA: general provision** U.K.

10.—(1) In the application in relation to a relevant society of any of the provisions applied by articles 5 to 9, except sections 359(4) and 362(1B)—

- (a) a reference to a provision of the 1986 Act is a reference to that provision as applied in relation to a relevant society; and
- (b) a reference to Schedule B1 to the Insolvency (Northern Ireland) Order 1989<sup>M24</sup> is to be ignored.

(2) In articles 5 to 9—

- (a) a reference to a provision of the 1986 Act is a reference to that provision as applied in relation to a relevant society;
- (b) “general prohibition” has the meaning given in section 19(2) of FSMA; and
- (c) “regulated activity” has the meaning given in section 22 of FSMA<sup>M25</sup>.

**Marginal Citations**

**M24** S.I. 1989/2405 (N.I. 19). Schedule B1 was inserted by S.I. 2005/1455 (N.I. 10) and amended by S.R. 2006/370. There are other amendments not relevant to this Order.

**M25** Section 22 was amended by section 7(1) of the Financial Services Act 2012.

**Application of insolvency rules** U.K.

11.—(1) Part 1 (company voluntary arrangements) and, so far as applicable to voluntary arrangements, Parts 7 to 13 (the third group of Parts) of the Insolvency Rules 1986<sup>M26</sup> apply where—

- (a) it is intended to make, and there is made, a proposal to a relevant society and its creditors for a voluntary arrangement within the meaning given in section 1 of the 1986 Act<sup>M27</sup> (as applied in relation to a relevant society); and
- (b) the courts in England and Wales have jurisdiction to wind up the society.

(2) Part 1 (company voluntary arrangements) and, so far as applicable to voluntary arrangements, Part 7 (provisions of general application) of the Insolvency (Scotland) Rules 1986<sup>M28</sup> apply where—

- (a) it is intended to make, and there is made, a proposal to a relevant society and its creditors for a voluntary arrangement within the meaning given in section 1 of the 1986 Act (as applied in relation to a relevant society); and
- (b) a sheriff court in Scotland has jurisdiction to wind up the society.

(3) Part 2 (administration procedure) and, so far as applicable to administration procedure, Parts 7 to 13 of the Insolvency Rules 1986 apply in relation to the appointment of an administrator of a relevant society which the courts in England and Wales have jurisdiction to wind up.

(4) Part 2 (administration procedure) and, so far as applicable to administration procedure, Part 7 of the Insolvency (Scotland) Rules 1986 apply in relation to the appointment of an administrator of a relevant society which a sheriff court in Scotland has jurisdiction to wind up.

(5) Schedule 4 (which makes further provision about the application in relation to a relevant society of the Insolvency Rules 1986 and the Insolvency (Scotland) Rules 1986) has effect.

<sup>F21</sup>(6) .....



### Textual Amendments

- F21** Art. 11(6) omitted (30.9.2021) by virtue of [The Co-operative and Community Benefit Societies \(Administration\) \(Amendment\) Order 2021 \(S.I. 2021/1048\)](#), arts. 1(1), **2(3)**

### Marginal Citations

- M26** [S.I. 1986/1925](#) as amended by [S.I. 1987/1919](#); 1989/397; 2003/1730; s004/584; 2005/527; 2006/1272; 2009/642 and 2010/686. There are other amendments not relevant to this Order.
- M27** Section 1 was amended by the Insolvency Act 2000, Schedule 2, paragraphs 1 and 2, and by the Enterprise Act 2002, Schedule 17, paragraphs 9 and 10. There are other amendments not relevant to this Order.
- M28** [S.I. 1986/1915](#) as amended by [S.I. 1987/1921](#); 2002/2709; 2003/2111; 2006/734; 2008/662; 2009/662; 2009/2375; and 2010/688. There are other amendments not relevant to this Order.

### Application of other subordinate legislation **U.K.**

**12.** Schedule 5 applies other subordinate legislation in relation to a relevant society with the modifications set out in that Schedule.

### [<sup>F22</sup>Modified application of section 111 of the 2014 Act **U.K.**

**13.—**(1) Paragraph (2) applies where, in relation to a relevant society which is in administration, the administrator’s proposals under paragraph 49 or a revision to proposals under paragraph 54 include relevant provision.

(2) Section 111 of the 2014 Act (special resolutions under section 109 or 110) has effect as if—

(a) it provided that—

- (i) the second meeting referred to in subsection (2) is to be treated as having been summoned by the administrator for consideration of the proposals or the revision under paragraph 53 or 54;
- (ii) where that meeting confirms the resolution passed in relation to the relevant provision at the first meeting referred to in subsection (2), the relevant provision is to be treated as approved by the members of the society for the purposes of paragraph 53(1) or 54(5);

(b) in subsection (5) for the words from “Within 14 days” to “a copy of it” there were substituted “The society must send the FCA a copy of the special resolution that is”; and

(c) subsection (8) were omitted.

(3) In this article—

- (a) a reference to a numbered paragraph, except the reference to paragraph (2) of this article, is a reference to the paragraph so numbered in Schedule B1 to the Insolvency Act 1986 as applied in relation to a relevant society by this Order; and
- (b) “relevant provision” means provision for amalgamation in pursuance of section 109 of the 2014 Act (amalgamation of societies) or for a transfer of engagements in pursuance of section 110 of that Act (transfer of engagements between societies).]

### Textual Amendments

**F22** Arts. 13-15 substituted for arts. 13-16 (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), 4

### [<sup>F22</sup>Modified application of section 113 of the 2014 Act **U.K.**

**14.**—(1) Paragraph (2) applies where, in relation to a relevant society which is in administration, the administrator’s proposals under paragraph 49 or a revision to proposals under paragraph 54 include relevant provision.

(2) Section 113 of the 2014 Act (special resolutions under section 112) has effect as if—

(a) it provided that—

(i) the second meeting referred to in subsection (2) is to be treated as having been summoned by the administrator for consideration of the proposals or the revision under paragraph 53 or 54;

(ii) where that meeting confirms the resolution passed in relation to the relevant provision at the first meeting referred to in subsection (2), the relevant provision is to be treated as approved by the members of the society for the purposes of paragraph 53(1) or 54(5);

(b) in subsection (5) the words from “Within 14 days from the day of the second meeting,” were omitted; and

(c) subsection (8) were omitted.

(3) In this article—

(a) a reference to a numbered paragraph, except the reference to paragraph (2) of this article, is a reference to the paragraph so numbered in Schedule B1 to the Insolvency Act 1986 as applied in relation to a relevant society by this Order; and

(b) “relevant provision” means provision in pursuance of section 112 of the 2014 Act (conversion of society into a company, amalgamation with a company etc) for conversion into a company, amalgamation with a company or a transfer of engagements to a company.]

### Textual Amendments

**F22** Arts. 13-15 substituted for arts. 13-16 (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), 4

### [<sup>F22</sup>Modified application of section 126 of the 2014 Act **U.K.**

**15.** Section 126 of the 2014 Act (dissolution etc to occur only after society’s property dealt with) has effect in relation to a relevant society which is in administration as if in subsection (3) the reference to the liquidator included a reference to the administrator.]

**Textual Amendments**

**F22** Arts. 13-15 substituted for arts. 13-16 (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), 4

**Modified application of section 59 of the 1965 Act** **U.K.**

**F22** 16. ....

**Textual Amendments**

**F22** Arts. 13-15 substituted for arts. 13-16 (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), 4

**Amendment of the 1965 Act** **U.K.**

17.—(1) The 1965 Act is amended as follows.

(2) After section 43 (duties of receiver or manager of society's property) insert—

**“43A Floating charge holder not to appoint administrative receiver**

(1) The holder of a qualifying floating charge in respect of the property of a relevant society whose registered office is situated in England and Wales may not appoint an administrative receiver of the society.

(2) This section applies to a floating charge which is created by a relevant society on or after 6th April 2014 and is either—

- (a) a charge in respect of which an application has been made for the purposes of section 1 of the Industrial and Provident Societies Act 1967<sup>M29</sup>; or
- (b) created by a debenture registered under section 9 of the Agricultural Credits Act 1928<sup>M30</sup> as applied by section 14 of that Act.

(3) This section applies in spite of any provision of an agreement or instrument which purports to empower a person to appoint an administrative receiver (by whatever name).

(4) In this section—

“administrative receiver”, in relation to a relevant society, means—

- (a) a receiver or manager of the whole (or substantially the whole) of the society's property appointed by or on behalf of the holder of a floating charge; or
- (b) a person who would be such a receiver or manager but for the appointment of some other person as the receiver of part of the society's property; and

“holder of a qualifying floating charge in respect of the property of a relevant society” has the meaning given in paragraph 14 of Schedule B1 to the Insolvency Act 1986 as applied in relation to a relevant society by an order made under section 255 of the Enterprise Act 2002.”.

(3) In section 49 (appointment of inspectors and calling of special meetings)<sup>M31</sup> after subsection (1) insert—

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

“(1A) The power of the FCA to call a special meeting of a relevant society in respect of which a moratorium is in force under section 1A of the Insolvency Act 1986 is subject to paragraph 12(1)(b) of Schedule A1 to that Act<sup>M32</sup> as applied in relation to a relevant society by an order made under section 255 of the Enterprise Act 2002.”.

(4) In section 55 (dissolution of society)<sup>M33</sup> after subsection (1C) insert—

“(1D) A relevant society may also be dissolved under paragraph 84 of Schedule B1 to the 1986 Act as applied in relation to a relevant society by an order made under section 255 of the Enterprise Act 2002.”.

(5) In section 74 (interpretation — general), in subsection (1) at the end insert—

““relevant society” means a registered society which is not—

- (a) a private registered provider of social housing; or
- (b) registered as a social landlord under Part 1 of the Housing Act 1996 or under Part 2 of the Housing (Scotland) Act 2010.”.

#### Marginal Citations

**M29** Section 1 was amended by [S.I. 1996/1738](#), 2001/2617 and 2001/3649.

**M30** 1928 c. 43. Section 9 was amended by the [Land Charges Act 1972 \(c. 61\)](#), [Schedule 3](#), paragraph 7, and by [S.I. 2011/2436](#).

**M31** Section 49 was amended by [S.I. 2001/2617](#) and 2013/496.

**M32** Section 1A and Schedule A1 were inserted by the [Insolvency Act 2000 \(c. 39\)](#), [section 1](#) and Schedule 1, paragraphs 1, 2 and 4.

**M33** Section 55 was substituted by [S.I. 2009/1941](#); and was amended by [S.I. 2011/2687](#) and 2013/496.

*Sam Gyimah*  
*Mark Lancaster*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

I concur

*Jenny Willott*  
Parliamentary Under Secretary of State for  
Department for Business, Innovation and Skills      Employment Relations and Consumer Affairs

SCHEDULE 1 **U.K.**

Article 2(1) and (2)

Modified application of Parts 1 and 2 of the Insolvency Act 1986 to relevant societies

**PART 1** **U.K.**

General modifications

1.—<sup>[F23]</sup>(1) Unless the context otherwise requires and subject to any further modification in this Schedule, in Parts 1 and 2 of the 1986 Act—

- (a) a reference to a provision of that Act or to Part 26 of the 2006 Act is a reference to that provision or that Part as applied in relation to a relevant society;
- (b) an expression defined in that Act (but not an expression modified by this paragraph) has the meaning given in the Act with the modification that a reference to a company includes a reference to a relevant society;
- (c) a reference to a company includes a reference to a relevant society;
- (d) a reference to a company registered in England and Wales includes a reference to a relevant society whose registered office is situated in England and Wales;
- (e) a reference to a company registered in Scotland includes a reference to a relevant society whose registered office is situated in Scotland;
- (f) a reference to a company's creditors does not include a reference to a member of a relevant society to whom an amount is owed by the society if, but only in so far as, the amount concerned is owed in respect of the member's shares;
- (g) a reference to the directors of a company is a reference to the members of the committee of a relevant society;
- (h) a reference to a meeting of a company or of the members of a company is a reference to a general meeting of a relevant society and, in relation to a society whose rules allow the members to appoint delegates for meetings of the society or its members, includes a reference to a general meeting for which delegates have been appointed;
- (i) a reference to a member of a company is a reference to a person whose name is entered as a member in the register kept by a relevant society in accordance with <sup>[F24]</sup>section 30(1) of the 2014 Act] (register of members and officers);
- (j) a reference to an officer of a company is a reference to an officer of a relevant society; and
- (k) a reference to the registrar of companies is a reference to the FCA in its capacity as the authority responsible for the registration of a relevant society under <sup>[F25]</sup>the 2014 Act].

<sup>[F26]</sup>(2) Unless the context otherwise requires and subject to any further modification in this Schedule, in Part A1 of the 1986 Act, subparagraph (1) of this paragraph applies as if “relevant CCBS” was substituted for “relevant society” in each place it appears.]

**Textual Amendments**

**F23** Sch. 1 para. 1(1): Sch. 1 para. 1 renumbered as Sch. 1 para. 1(1) (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **11(a)**

**F24** Words in Sch. 1 para. 1(i) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(a)(i)**

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

- F25** Words in Sch. 1 para. 1(k) substituted (1.8.2014) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) Order 2014 (S.I. 2014/1822), arts. 1(2), 5(a)(ii)
- F26** Sch. 1 para. 1(2) inserted (18.7.2020) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) and Consequential Amendments Order 2020 (S.I. 2020/744), arts. 1, 11(b)

## [<sup>F27</sup>PART 1A U.K.]

### Modified application of Part A1 of the Insolvency Act 1986 to Co-operative and Community Benefit Societies (further modifications)

#### Textual Amendments

- F27** Sch. 1 Pt. 1A inserted (18.7.2020) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) and Consequential Amendments Order 2020 (S.I. 2020/744), arts. 1, 11(c)

**1A.** Part A1 of the 1986 Act (moratorium) applies in relation to a relevant CCBS with the further modifications set out in this Part and with any other necessary modification.

**1B.** Section A5 (obtaining a moratorium for other overseas companies) is omitted.

**1C.** Section A20 (restrictions on insolvency proceedings etc) has effect as if after subsection (3) there were inserted—

“(4) In subsection (1)(h) “administrative receiver” in relation to a relevant CCBS means—

- (a) a receiver or manager of the whole “or substantially the whole” of the society’s property appointed by or on behalf of the holder of a floating charge, or
- (b) a person who would be such a receiver or manager but for the appointment of some other person as the receiver of part of the society’s property.”.

**1D.** Section A28 (restrictions on payment of certain pre-moratorium debts) has effect as if after subsection (1) there were inserted—

“(1A) During a moratorium, withdrawal of shares from the relevant CCBS is prohibited.”

**1E.** Section A35 (monitoring) has effect as if after subsection (2) there were inserted—

“(3) In carrying out its functions under this chapter the monitor must have regard to the rules of the relevant CCBS and the obligations of the relevant CCBS under the Co-operative and Community Benefit Societies Act 2014.”.

**1F.** Section A48 of the 1986 Act (prosecution of delinquent officers of company) has effect as if—

- (a) in subsection (3), in the definition of “the appropriate authority”—
  - (i) at the end of paragraph (a) there were added “or the Financial Conduct Authority (“the FCA”)”;
  - (ii) at the end of each of paragraph (b) and paragraph (c)(i), (ii) and (iv) there were added “or the FCA”; and
  - (iii) in paragraph (c)(iii), after “Lord Advocate” there were inserted “or the FCA”;
- (b) for subsection (4) there were substituted—

“(4) Subsection (4A) applies where a report is made to the Secretary of State or the FCA under subsection (2) in relation to a relevant CCBS whose registered office is situated in England and Wales.

(4A) The Secretary of State or the FCA may, for the purpose of investigating the matter reported and such other matters relating to the CCBS affairs as appear to require investigation, exercise the power to appoint inspectors which would be exercisable by the FCA under section 106 of the Co-operative and Community Benefit Societies Act 2014 upon an application made for that purpose under subsection (1) of that section.”;

(c) subsections (5) to (8) were omitted; and

(d) in subsection (10), for the definition of “prosecuting authority” there were substituted—

““prosecuting authority” means—

(a) in the case of a relevant CCBS whose registered office is situated in England and Wales, the Director of Public Prosecutions, the Secretary of State or the FCA; and

(b) in the case of a relevant society whose registered office is situated in Scotland, the Lord Advocate.”.

**1G.** Chapter 8 of Part A1 of the 1986 Act (miscellaneous and general) has effect as if before section A49 there were inserted—

“**A48A.** This Part has effect as if it required any proposal under it to be framed so as to enable a relevant CCBS to comply with the rules of the society and the provisions of the 2014 Act.”.

**1H.** Section A50 (power to modify this Part etc in relation to certain companies) is omitted.

**1I.** Section A54 has effect as if—

(a) in subsection (1), after the definition of “qualified person” there were inserted—

““CCBS” means a co-operative society or community benefit society that is registered under the 2014 Act but not a society that is—

(a) a private registered provider of social housing;

(b) registered as a social landlord under Part 1 of the Housing Act 1996 or Part 2 of the Housing (Scotland) Act 2010; or

(c) a credit union within the meaning of section 31(1) of the Credit Unions Act 1979”;

(b) after subsection (3) there were inserted—

“(3A) In this Part a reference to a floating charge, in relation to a relevant society—

(a) whose registered office is situated in England or Wales, is a reference to a floating charge which is either—

(i) a charge in respect of which an application has been made for the purposes of section 59 of the Co-operative and Community Benefit Societies Act 2014; or

(ii) created by a debenture registered under section 9 of the Agricultural Credits Act 1928 as applied by section 14 of that Act;

(b) whose registered office is situated in Scotland, is a reference to a floating charge which is either—

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

- (i) a charge created by an instrument a copy of which has been delivered to the Financial Conduct Authority in pursuance of section 63 of the Co-operative Benefit Societies Act 2014; or
- (ii) created and registered under Part 2 of the Agricultural Credits (Scotland) Act 1929.”.

<sup>F28</sup>**1J.** .....

**Textual Amendments**

**F28** Sch. 1 para. 1J omitted (10.9.2020) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) \(No. 2\) Order 2020 \(S.I. 2020/963\)](#), arts. 1, **2(2)**

**1K.** Schedule ZA1 has effect as if—

- (a) in paragraph 15—
  - (i) in subparagraph (2)(e) for “holding company” there were substituted “parent society”; and
  - (ii) after subparagraph (4) there were inserted—
    - “(5) For the purposes of this paragraph a “parent society” is a society in relation to which another society is treated as a subsidiary society within the meaning of section 101 of the Co-operative and Community Benefit Societies Act 2014.”;
- (b) paragraph 18 were omitted.]

**PART 2 U.K.**

Modified application of Part 1 of the Insolvency Act 1986 to relevant societies (further modifications)

2. Part 1 of the 1986 Act applies in relation to a relevant society with the further modifications set out in this Part and with any other necessary modification.

**Part 1 (company voluntary arrangements) U.K.**

- 3. Section 1 of the 1986 Act (those who may propose an arrangement)<sup>M34</sup> has effect as if—
  - (a) it required any proposal under Part 1 to be so framed as to enable a relevant society to comply with the rules of the society and the provisions of [<sup>F29</sup>the 2014 Act] and the Credit Unions Act 1979<sup>M35</sup>; and
  - (b) in subsection (1)<sup>M36</sup> the reference to debts included a reference to any amount owed by the society in respect of a member's shares where—
    - (i) the society is an authorised deposit taker; and
    - (ii) the amount concerned is owed in respect of a deposit.

**Textual Amendments**

**F29** Words in Sch. 1 para. 3(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(b)**



### Marginal Citations

- M34** Section 1 was amended by the Insolvency Act 2000, Schedule 2, paragraphs 1 and 2, and by the [Enterprise Act 2002 \(c. 40\)](#), [Schedule 17](#), paragraphs 9 and 10. There are other amendments not relevant to this Order.
- M35** 1979 c.34.
- M36** Subsection 1 was amended by the Enterprise Act 2002, Schedule 17, paragraphs 9 and 10(a).

[<sup>F30</sup>**3A**. Sections 2 to 6 and 7 of <sup>F31</sup>... the 1986 Act have effect without the amendments of those provisions made by paragraphs 2 to 9 of Schedule 9 to the 2015 Act (further amendments relating to the abolition of requirements to hold meetings: company voluntary arrangements).]

### Textual Amendments

- F30** Sch. 1 para. 3A inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **15(3)(a)**
- F31** Words in Sch. 1 para. 3A omitted (18.7.2020) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **11(d)**

4. Section 3 of the 1986 Act (summoning of meetings) has effect as if subsection (3) provided that the persons required to be summoned to a creditors' meeting included every member of the society to whom an amount is owed in respect of the member's shares where—

- (a) the society is an authorised deposit taker; and
- (b) the amount concerned is owed in respect of a deposit.

5. Section 7A of the 1986 Act (prosecution of delinquent officers of company) <sup>M37</sup> has effect as if—

- (a) in subsection (2), in the definition of “the appropriate authority”—
  - (i) at the end of sub-paragraph (i) there were added “ or the Financial Conduct Authority (“the FCA”) ”;
  - (ii) at the end of sub-paragraph (ii) there were added “ or the FCA ”;
- (b) for subsection (3) <sup>M38</sup> there were substituted—

“(3) Subsection (3A) applies where a report is made to the Secretary of State or the FCA under subsection (2) in relation to a relevant society (within the meaning given in [<sup>F32</sup>article 1(2) of the *Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*]) whose registered office is situated in England and Wales.

(3A) The Secretary of State or the FCA may, for the purpose of investigating the matter reported and such other matters relating to the society's affairs as appear to require investigation, exercise the power to appoint inspectors which would be exercisable by the FCA under [<sup>F33</sup>section 106 of the *Co-operative and Community Benefit Societies Act 2014*] upon an application made for that purpose under subsection (1) of that section.”;

- (c) subsections (4) to (7) were omitted; and
- (d) in subsection (8), for the definition of “prosecuting authority” there were substituted—

““prosecuting authority” means—

  - (a) in the case of a relevant society whose registered office is situated in England and Wales, the Director of Public Prosecutions, the Secretary of State or the FCA; and

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

- (b) in the case of a relevant society whose registered office is situated in Scotland, the Lord Advocate.”.

**Textual Amendments**

**F32** Words in Sch. 1 para. 5(b) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(c)(i)**

**F33** Words in Sch. 1 para. 5(b) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(c)(ii)**

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**Marginal Citations**

**M37** Section 7A was inserted by the Insolvency Act 2000, Schedule 2, paragraphs 1 and 10.

**M38** Subsection (3) was amended by [S.I. 2009/1941](#).

**Schedule A1 (moratorium where directors propose voluntary arrangement) U.K.**

<sup>F34</sup>6. ....

**Textual Amendments**

**F34** Sch. 1 paras. 6-8 omitted (18.7.2020) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **11(e)**

<sup>F34</sup>7. ....

**Textual Amendments**

**F34** Sch. 1 paras. 6-8 omitted (18.7.2020) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **11(e)**

<sup>F34</sup>8. ....

**Textual Amendments**

**F34** Sch. 1 paras. 6-8 omitted (18.7.2020) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **11(e)**

**PART 3 U.K.**

**Modified application of Part 2 of the Insolvency Act 1986 to relevant societies (further modifications)**

**9.** Part 2 of the 1986 Act applies in relation to a relevant society with the further modifications set out in this Part and with any other necessary modification.

**10. In this Part—**

- (a) a reference to a numbered paragraph is a reference to the paragraph so numbered in Schedule B1 to the 1986 Act (administration)<sup>M39</sup>; and
- (b) a reference to a sub-paragraph is a reference to a sub-paragraph of such a paragraph.

**Marginal Citations**

**M39** Schedule B1 was inserted by the Enterprise Act 2002, section 248(2) and Schedule 16; and was amended by the Financial Services Act 2012, Schedule 18, paragraphs 51 and 55, and by [S.I. 2003/2096](#), 2008/948 and 2008/1897. There are other amendments not relevant to this Order.

**[<sup>F35</sup>Creditors' meetings and creditors' notices U.K.]**

**10A.** Schedule B1 to the 1986 Act has effect without the amendments made by paragraph 10 of Schedule 9 to the 2015 Act (further amendments relating to the abolition of requirements to hold meetings; opted-out creditors: administration).]

**Textual Amendments**

**F35** Sch. 1 para. 10A inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **15(3)(b)**

**Nature of administration U.K.**

**11.** Paragraph 3 (purpose of administration) has effect as if a reference to the company's creditors as a whole included a reference to any member of the society to whom an amount is owed in respect of the member's shares where—

- (a) the society is an authorised deposit taker; and
- (b) the amount concerned is owed in respect of a deposit.

**Appointment of administrator by court U.K.**

**12.** Paragraph 12 (administration application) has effect as if—

- (a) in sub-paragraph (1)(c) the reference to the company's creditors included a reference to any member of the society who would be entitled to petition for the winding up of the society;
- (b) sub-paragraph (1) provided that—
  - (i) an application to the court for an administration order may also be made by the FCA in its capacity as the authority responsible for the registration of the society under [<sup>F36</sup>the 2014 Act]; and
  - (ii) in the case of a relevant society which is or has been an authorised person, such power is in addition to the power to make an administration application conferred on the FCA by section 359 of FSMA (administration order); and
- (c) sub-paragraph (2) required the applicant also to notify the FCA (unless the FCA is the applicant).

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

#### Textual Amendments

**F36** Words in Sch. 1 para. 12(b)(i) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(f)**

### Appointment of administrator by holder of floating charge **U.K.**

**13.** In paragraph 14 (power to appoint) sub-paragraph (2) has effect as if—

(a) paragraph (a) required the instrument to include the following statement—

“Paragraph 14 of Schedule B1 to the Insolvency Act 1986, as applied in relation to relevant societies by article 2(2) of the Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014, applies to this floating charge.”;

(b) in paragraph (c) the words “within the meaning given by section 29(2)” were omitted; and

(c) paragraph (d) were omitted.

**14.** Paragraph 15 (restrictions on power to appoint) has effect as if for sub-paragraph (3) there were substituted—

“(3) In relation to a relevant society whose registered office is situated in Scotland, sub-paragraph (2) has effect as if the following were substituted for paragraph (a)—

“(a) it has priority of ranking in accordance with section 464(4)(b) of the Companies Act 1985 as applied in relation to a relevant society by [<sup>F37</sup>section 62 of the Co-operative and Community Benefit Societies Act 2014],”.”.

#### Textual Amendments

**F37** Words in Sch. 1 para. 14 substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(g)**

### Effect of administration **U.K.**

**15.** In paragraph 41 (dismissal of administrative or other receiver), in sub-paragraph (3) ignore paragraph (b).

**16.** In paragraph 45 (publicity) sub-paragraph (3) has effect as if after paragraph (b) there were inserted—

“(ba) a statement of account,

(bb) an advertisement,”.

**17.** Paragraph 46 (announcement of administrator's appointment) has effect as if sub-paragraph (2) required the administrator to send a notice of appointment also to every member of the society.

### Process of administration **U.K.**

**18.** Paragraph 49 (administrator's proposals) has effect as if—

(a) after sub-paragraph (3) there were inserted—

“(3A) In the case of a relevant society, proposals under this paragraph may include provision for amending the society's rules only if the Financial Conduct Authority has issued a statement to the effect that it would register an amendment in the terms proposed if copies were [<sup>F38</sup>given to it for registration in accordance with section 16 of the Co-operative and Community Benefit Societies Act 2014 (“the 2014 Act”)].

(3B) The proposals must not include any measure which would be contrary to the provisions of [<sup>F39</sup>the 2014 Act] or the Credit Unions Act 1979.

(3C) Sub-paragraph (3A) does not apply if the intended effect of the proposals is that the society will cease to be [<sup>F40</sup>a registered society (within the meaning given by section 1(1) of the 2014 Act)].”;

- (b) in sub-paragraph (4)(c) the words “of whose address he is aware” were omitted; and
- (c) sub-paragraph (6) were omitted.

#### Textual Amendments

- F38** Words in Sch. 1 para. 18(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), [5\(h\)\(i\)](#)
- F39** Words in Sch. 1 para. 18(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), [5\(h\)\(ii\)](#)
- F40** Words in Sch. 1 para. 18(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), [5\(h\)\(iii\)](#)

- 19. Paragraph 51 (requirement for initial creditors' meeting) has effect as if—
  - (a) after sub-paragraph (1) there were inserted—

“(1A) Each copy of an administrator's statement of proposals sent to a member under paragraph 49(4)(c) must be accompanied by an invitation to a members' meeting.”; and
  - (b) in sub-paragraphs (2) and (3) the reference to an initial creditors' meeting included a reference to a members' meeting.
- 20. Paragraph 52 (requirement for initial creditors' meeting) has effect as if—
  - (a) in sub-paragraph (1) for “Paragraph 51(1)” there were substituted “ Paragraph 51(1) and (1A) ”; and
  - (b) where the administrator is required to summon an initial creditors' meeting under sub-paragraph (2), it required the administrator also to summon a members' meeting for a date within the period mentioned in sub-paragraph (3).
- 21. In paragraph 53 (business and result of initial creditors' meeting), in sub-paragraphs (1) and (2) the reference to an initial creditors' meeting includes a reference to a members' meeting.
- 22. Paragraph 54 (revision of administrator's proposals) has effect as if—
  - (a) in sub-paragraph (1) the reference to an initial creditors' meeting, and in sub-paragraphs (2) and (5) the reference to a creditors' meeting, included a reference to a members' meeting;
  - (b) after sub-paragraph (1) there were inserted—

“(1A) Where a revision is proposed in the case of a relevant society, sub-paragraphs (3A) to (3C) of paragraph 49 apply in relation to the revision.”;
  - (c) sub-paragraph (2) required the administrator—

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

- (i) to summon a members' meeting (as well as a creditors' meeting); and
  - (ii) to send a statement of the proposed revision in the prescribed form (as well as to each creditor) to every member of the society;
  - (d) sub-paragraphs (2)(c) and (3) were omitted; and
  - (e) sub-paragraph (6) required the administrator to report any decision taken at a creditors' meeting and any decision taken at a members' meeting as soon as is reasonably practicable after the conclusion of both meetings.
- 23.** In paragraph 55 (failure to obtain approval of administrator's proposals) sub-paragraph (1) has effect as if after “an initial creditors' meeting” and “a creditors' meeting” there were inserted “or a members' meeting”.
- 24.** Paragraph 56 (further creditors' meetings) has effect as if—
- (a) in sub-paragraph (1)(a) the reference to creditors of the company whose debts amount to at least 10% of the total debts of the company were a reference to at least 10% of the total number of creditors of the society or to creditors whose debts amount to at least 10% of the total debts of the society;
  - (b) sub-paragraph (1) also required the administrator to summon a meeting of the society's members if—
    - (i) a meeting is requested in the same manner prescribed for a creditors' meeting by at least 10% of the total number of those members; or
    - (ii) the administrator is directed to do so by the court; and
  - (c) in sub-paragraph (2) the reference to a creditors' meeting included a reference to a members' meeting.
- 25.** In paragraph 58 (correspondence instead of creditors' meeting)—
- (a) a reference to a creditors' meeting includes a reference to a members' meeting; and
  - (b) in sub-paragraph (1) the reference to correspondence between the administrator and creditors includes a reference to correspondence between the administrator and members.

## Functions of administrator **U.K.**

**26.** Paragraph 59 (general powers) has effect as if it required the administrator to ensure compliance with the rules of the society and the provisions of [<sup>F41</sup>the 2014 Act] and the Credit Unions Act 1979.

### Textual Amendments

**F41** Words in Sch. 1 para. 26 substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(i)**

**27.** Paragraph 61 (removal and appointment of director) has effect as if it required the administrator not to appoint any person to be an officer of the society unless that person is a fit and proper person to hold that position.

**28.** In paragraph 64 (exercise of management power), in sub-paragraph (2)(b) the reference to an instrument includes a reference to the rules of the society.

29. In paragraph 65 (distribution) sub-paragraph (1) has effect as if it provided that the administrator may make a distribution to a member of the society in relation to any amount owed by the society in respect of the member's shares where—

- (a) the society is an authorised deposit taker; and
- (b) the amount concerned is owed in respect of a deposit.

#### Ending administration **U.K.**

30. In paragraph 80 (termination of administration where objective achieved)—

- (a) sub-paragraph (4) has effect as if it required the administrator, where the administrator sends a copy of a notice filed under sub-paragraph (2) to creditors, to send a copy also to the members of the society; and
- (b) in sub-paragraph (5) a reference to a creditor includes a reference to a member of the society.

31. In paragraph 84 (moving from administration to dissolution) sub-paragraph (5) has effect as if it required the administrator, where the administrator sends a copy of a notice under sub-paragraph (1) to creditors, to send a copy also to the members of the society.

#### Replacing administrator **U.K.**

32. Paragraph 91 (supplying vacancy in office of administrator) has effect as if in sub-paragraph (1) after paragraph (c) there were inserted—

- “(ca) in the case of a relevant society, the Financial Conduct Authority,
- (cb) in the case of a relevant society which is or has been a PRA-authorised person (within the meaning given in section 2B(5) of the Financial Services and Markets Act 2000), the Financial Conduct Authority or the Prudential Regulation Authority.”

33. Paragraph 96 (substitution of administrator: competing floating charge-holder) has effect as if for sub-paragraph (4) there were substituted—

“(4) In relation to a relevant society whose registered office is situated in Scotland, sub-paragraph (3) has effect as if the following were substituted for paragraph (a)—

- “(a) it has priority of ranking in accordance with section 464(4)(b) of the Companies Act 1985 as applied in relation to a relevant society by [F42 section 62 of the Co-operative and Community Benefit Societies Act 2014],”.

#### Textual Amendments

**F42** Words in Sch. 1 para. 33 substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(j)**

#### General **U.K.**

34. Paragraph 111 (interpretation) has effect as if—

- (a) “administrative receiver” and “floating charge” were given the same meaning as in Schedule A1 to the 1986 Act (as applied in relation to a relevant society)<sup>M40</sup>; and
- (b) there were inserted at the appropriate place—

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

““relevant society” means a [<sup>F43</sup>registered society (within the meaning given by section 1(1) of the Co-operative and Community Benefit Societies Act 2014) which] is not—

- (a) a private registered provider of social housing; or
- (b) registered as a social landlord under Part 1 of the Housing Act 1996 or under Part 2 of the Housing (Scotland) Act 2010.”.

#### Textual Amendments

**F43** Words in Sch. 1 para. 34(b) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(k)**

#### Marginal Citations

**M40** For the meaning of “administrative receiver” see paragraph 1 of Schedule A1 as modified by paragraph 6(a) of this Schedule; and for the meaning of “floating charge” see the modification of Schedule A1 made by paragraph 7 of this Schedule.

## PART 4 U.K.

### Modified application of Schedule 1 to the Insolvency Act 1986 to relevant societies (further modifications)

**35.** Schedule 1 to the 1986 Act <sup>M41</sup> applies in relation to a relevant society with the further modifications set out in this Part and with any other necessary modification.

#### Marginal Citations

**M41** Paragraph 2 of Schedule 1 was amended by the [Abolition of Feudal Tenure etc. \(Scotland\) Act 2000 \(asp 5\)](#), [section 76\(2\)](#) and Schedule 13, Part 1.

**36.** This Part has effect without limiting paragraph 26 of this Schedule.

**37.** In this Part—

- (a) a reference to a numbered paragraph is a reference to the paragraph so numbered in Schedule 1 to the 1986 Act;
- (b) “the 1979 Act” means the Credit Unions Act 1979 <sup>M42</sup>; and
- (c) “credit union” has the meaning given in section 31(1) of the 1979 Act.

#### Marginal Citations

**M42** 1979 c. 34.

**38.** Paragraph 3 (power to borrow) has effect as if it provided that power to raise or borrow money and grant security over the property of the society—

- (a) in the case of a credit union, is subject to—
  - (i) the provisions of [<sup>F44</sup>Chapters 1 and 2 of Part 5 of the 2014 Act (charges over a society’s assets)];



- (ii) section 7 (shares) <sup>M43</sup>, section 7A (power to issue interest-bearing shares) <sup>M44</sup> and section 8 (general prohibition on deposit-taking) <sup>M45</sup> of the 1979 Act; and
  - (iii) the rules of the society containing provision in respect of the matters mentioned in paragraph 7 of Schedule 1 to the 1979 Act (determination of the maximum amount of the interest in the shares of the society which may be held by any member);
- (b) in the case of a relevant society which is not a credit union, is subject to—
- [<sup>F45</sup>(i) section 24 (maximum interest in a society’s withdrawable shares) and section 67 (registered society with withdrawable share capital not to carry on banking etc) of the 2014 Act;
  - (ii) paragraphs 6 to 8 of Schedule 3 to the 2014 Act (provision about maximum shareholding and maximum deposits for certain societies registered or treated as registered before 1st August 2014);
  - (iii) the provisions of Chapters 1 and 2 of Part 5 of the 2014 Act (charges over a society’s assets); and
  - (iv) the rules of the society which make provision in accordance with section 14 of the 2014 Act (content of a society’s rules) about maximum shareholding and borrowing powers;]
- (c) in either such case, is subject to such other enactments and such rules of the society as govern or restrict the exercise of that power.

#### Textual Amendments

- F44** Words in Sch. 1 para. 38(a)(i) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(I)(i)**
- F45** Sch. 1 para. 38(b)(i)-(iv) substituted for Sch. 1 para. 38(b)(i)-(iii) (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(I)(ii)**

#### Marginal Citations

- M43** Section 7 was amended by [S.I. 2011/2687](#).
- M44** Section 7A was inserted by [S.I. 2011/2687](#).
- M45** Section 8 was amended by [S.I. 2002/1501](#).

**39.** Paragraphs 15 (power to establish subsidiaries) and 16 (power to transfer property to subsidiaries) do not apply in relation to credit unions.

**40.** Paragraph 16 has effect in relation to a relevant society other than a credit union as if—

- (a) the reference to subsidiaries were a reference to subsidiaries within the meaning given in [<sup>F46</sup>section 100 (meaning of company being a “subsidiary” of a society) or section 101 (meaning of society being a “subsidiary” of another society) of the 2014 Act]; and
- (b) it provided that power to transfer to subsidiaries of the society the whole or any part of the business or property of the society is only exercisable in accordance with a special resolution under [<sup>F47</sup>section 110 (transfer of engagements between societies) or section 112 (conversion of society into a company, amalgamation with a company etc) of the 2014 Act].

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

#### Textual Amendments

- F46** Words in Sch. 1 para. 40(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(m)(i)**
- F47** Words in Sch. 1 para. 40(b) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **5(m)(ii)**

[<sup>F48</sup>SCHEDULE 1A **U.K.**

Article 2(2A)

#### Supplementary provision on moratoriums

#### Textual Amendments

- F48** [Sch. 1A](#) inserted (30.9.2021) by [The Co-operative and Community Benefit Societies \(Administration\) \(Amendment\) Order 2021 \(S.I. 2021/1048\)](#), arts. 1(1), **2(4)**

### PART 1 **U.K.**

#### General provision

#### Interpretation **U.K.**

1.—(1) In this Schedule, and in the provisions applied by this Schedule (“the applied provisions”) —

- (a) a reference to Part A1 or any provision of Part A1, 4 or 6 of the 1986 Act is a reference to that Part or provision as applied in relation to a relevant CCBS,
- (b) an expression defined in the 1986 Act which is not modified by this Schedule, has the meaning given in the 1986 Act,
- (c) a reference to an administrative receiver is a reference to an administrative receiver within the meaning given in Part A1 of the 1986 Act in relation to a relevant CCBS whose registered office is in England or Wales,
- (d) a reference to the articles of a company is a reference to the rules of a relevant CCBS,
- (e) a reference to a class of creditors includes a reference to a single class of members of a relevant CCBS that consists of the member depositors of the CCBS, but only insofar as the member depositors are owed amounts in respect of deposits,
- (f) a reference to a company includes a reference to a relevant CCBS,
- (g) a reference to a relevant CCBS’s creditors, or to a company’s creditors, other than in reference to a class of creditors, does not include a reference to a member of a relevant CCBS to whom an amount is owed by the CCBS if, but only in so far as, the amount concerned is owed in respect of the member’s shares,
- (h) a reference to the directors of a company is a reference to the members of the committee of a relevant CCBS,

- (i) a reference to a floating charge is a reference to a floating charge within the meaning given in Part A1 in relation to a relevant CCBS whose registered office is in England or Wales or Scotland,
  - (j) a reference to a meeting of a relevant CCBS or of a company, or of the members of a relevant CCBS or of a company, is a reference to a general meeting of a relevant CCBS and, in relation to a CCBS whose rules allow the members to appoint delegates for meetings of the CCBS or its members, includes a reference to a general meeting for which delegates have been appointed,
  - (k) a reference to an officer of a company is a reference to an officer of a relevant CCBS, and
  - (l) a reference to the registrar of companies is a reference to the FCA.
- (2) An expression used in this Schedule, which is not modified by this Schedule, is to be construed as if this Schedule were contained in Part A1 of the 1986 Act.
- (3) Section A54(1) of the 1986 Act has effect as if for the definition of “the court” there were substituted—
- ““the court” in relation to a relevant CCBS, means a court having jurisdiction to wind up the relevant CCBS;”.
- (4) The applied provisions have effect as if they provided that a person appointed for the purpose by the FCA is entitled—
- (a) to attend any meeting of creditors of a relevant CCBS summoned for the purposes of Part A1 of the 1986 Act, as applied in relation to a relevant CCBS, and
  - (b) to make representations as to any matter for decision at such a meeting.
- (5) The applied provisions have effect with the modifications set out in this Schedule, and any other necessary modification.

## PART 2 **U.K.**

### England and Wales

#### **Content of documents relating to the obtaining or extending of a moratorium: general **U.K.****

2. A notice or statement under section A6(1), A8(2), A10(1), A11(1) or A13(2) of the 1986 Act must state—
- (a) the provision under which it is given or made,
  - (b) the nature of the notice or statement,
  - (c) the date of the notice or statement, and
  - (d) the identification details for the relevant CCBS to which it relates.

#### **Authentication of documents relating to obtaining or extending moratorium: general **U.K.****

- 3.—(1) A notice or statement under section A6(1), A10(1), A11(1) or A13(2) of the 1986 Act must be authenticated by or on behalf of the person giving the notice or making the statement.
- (2) A notice under section A8(2)(a) of the 1986 Act must be authenticated by the monitor.
- (3) Rule 1.5 of the England and Wales Insolvency Rules applies for the purposes of authentication under this paragraph.

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

**Notice that members of the committee wish to obtain a moratorium** U.K.

4. A notice under section A6(1)(a) of the 1986 Act must state—
- (a) the relevant CCBS's address for service, and
  - (b) the court (and where applicable, the division or district registry of that court) or hearing centre in which the documents are to be filed under section A3 or the application under section A4 or A5 is to be made.

**Proposed monitor's statement and consent to act** U.K.

5.—(1) A statement under section A6(1)(b) of the 1986 Act must be headed "Proposed monitor's statement and consent to act" and must contain the following—

- (a) a certificate that the proposed monitor is qualified to act as an insolvency practitioner in relation to the relevant CCBS,
- (b) the proposed monitor's IP number,
- (c) the name of the relevant recognised professional body which is the source of the proposed monitor's authorisation to act in relation to the relevant CCBS, and
- (d) a statement that the proposed monitor consents to act as monitor in relation to the relevant CCBS.

(2) In this paragraph "IP number" means the number assigned to an office-holder as an insolvency practitioner by the Secretary of State.

**Timing of statements for obtaining moratorium** U.K.

6. Each statement under section A6(1)(b) to (e) of the 1986 Act must be made within the period of 5 days ending with the day on which the documents under section A6(1)(a) to (e) are filed with the court (or, if the documents are filed on different days, the last of those days).

**Notice by monitor where moratorium comes into force** U.K.

7. A notice under section A8(2) of the 1986 Act must—
- (a) state that it is given by the monitor acting in that capacity, and
  - (b) state the name and contact details of the monitor.

**Notice that members of the committee wish to extend a moratorium** U.K.

8. A notice under section A10(1)(a) or A11(1)(a) of the 1986 Act must state—
- (a) the relevant CCBS's address for service, and
  - (b) the court (and where applicable, the division or district registry of that court) or hearing centre in which the notice is to be filed.

**Extension under section A10 or A11 of the 1986 Act: notices and statements** U.K.

9. A statement by the monitor under section A10(1)(d) or A11(1)(d) of the 1986 Act must contain contact details of the monitor.

**Timing of statements for extension under section A10 or A11** U.K.

10. Each statement under section A10(1)(b) to (d) or A11(1)(b) to (e) of the 1986 Act must be made within the period of 3 days ending with the day on which the documents under section A10(1)

(a) to (d) or A11(1)(a) to (e) are filed with the court (or, if the documents are filed on different days, the last of those days).

### Obtaining creditor consent: qualifying decision procedure **U.K.**

**11.**—(1) The following apply, so far as relevant, for the purposes of a decision to consent to a revised end date for a moratorium under section A12 of the 1986 Act—

(a) Part 15 of the England and Wales Insolvency Rules (decision making), apart from rule 15.8(3)(f) and (g),

(b) Part 16 of the England and Wales Insolvency Rules (proxies), apart from rule 16.7.

(2) In its application by virtue of sub-paragraph (1), Part 15 has effect subject to the modifications set out in paragraphs 12 to 16.

**12.** Rule 15.11 of the England and Wales Insolvency Rules (notice of decision procedures etc) has effect as if, before the first entry in the table, there were inserted—

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“moratorium	decision of pre- the pre-moratorium 5 days” moratorium creditors creditors under section A12 of the Act
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**13.** Rule 15.28 of the England and Wales Insolvency Rules (creditors’ voting rights) has effect as if, before paragraph (1), there were inserted—

“(A1) A pre-moratorium creditor is entitled to vote in a decision procedure under section A12 of the Act only if—

(a) the creditor has delivered to the convener a proof of the debt claimed in accordance with paragraph (3) including any calculation for the purposes of rule 15.31 or 15.32,

(b) the proof was received by the convener—

(i) not later than the decision date, or in the case of a meeting, 4pm on the business day before the meeting, or

(ii) in the case of a meeting, later than the time given in sub-paragraph (i) where the chair is content to accept the proof, and

(c) the proof has been admitted for the purposes of entitlement to vote.”.

**14.** Rule 15.31 of the England and Wales Insolvency Rules (calculation of voting rights) has effect as if—

(a) before paragraph (1) there were inserted—

“(A1) In relation to a decision to consent to a revised end date for a moratorium under section A12 of the Act votes are calculated according to the amount of each creditor’s claim at the decision date.”,

(b) after paragraph (2) there were inserted—

“(2A) But in relation to a decision to consent to a revised end date for a moratorium under section A12 of the Act, a debt of an unliquidated or unascertained amount is to be valued at £1 for the purposes of voting unless the convener or chair or an appointed person decides to put a higher value on it.”,

(c) in paragraph (6), after sub-paragraph (b) there were inserted—

**Changes to legislation:** *There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)*

“(c) where the decision relates to whether to consent to a revised end date for a moratorium under section A12 of the Act.”.

**15.** Rule 15.32 of the England and Wales Insolvency Rules (calculation of voting rights: special cases) has effect as if, before paragraph (1), there were inserted—

“(A1) In relation to a decision to consent to a revised end date for a moratorium under section A12 of the Act, a pre-moratorium creditor under a hire-purchase agreement is entitled to vote in respect of the amount of the debt due and payable by the relevant CCBS at the decision date.

(B1) In calculating the amount of any debt for the purpose of paragraph (A1), no account is to be taken of any amount attributable to the exercise of any right under the relevant agreement so far as the right has become exercisable solely by virtue of a moratorium for the relevant CCBS coming into force.”.

**16.** Rule 15.34 of the England and Wales Insolvency Rules (requisite majorities) has effect as if, before paragraph (1), there were inserted—

“(A1) Subject to paragraph (B1), a decision to consent to a revised end date for a moratorium under section A12 of the Act is made if, of those voting—

- (a) a majority (in value) of the pre-moratorium creditors who are secured creditors vote in favour of the proposed decision, and
- (b) a majority (in value) of the pre-moratorium creditors who are unsecured creditors vote in favour of the proposed decision.

(B1) But a decision to consent to a revised end date for a moratorium under section A12 of the Act is not made if, of those voting either—

- (a) a majority of the pre-moratorium creditors who are unconnected secured creditors vote against the proposed end date, or
- (b) a majority of the pre-moratorium creditors who are unconnected unsecured creditors vote against the proposed end date.

(C1) For the purposes of paragraph (B1)—

- (a) a creditor is unconnected unless the convener or chair decides that the creditor is connected, and
- (b) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.”.

### **Content of application to the court for extension of moratorium** **U.K.**

**17.—(1)** An application by the members of the committee of a relevant CCBS for the extension of a moratorium under section A13 of the 1986 Act must state—

- (a) that it is made under that section,
- (b) the length of the extension sought,
- (c) identification details for the relevant CCBS to which the application relates,
- (d) the relevant CCBS’s address for service, and
- (e) the court (and where applicable, the division or district registry of that court) or hearing centre in which the application is made.

(2) The application must be authenticated by or on behalf of the members of the committee.

(3) Rule 1.5 of the England and Wales Insolvency Rules applies for the purposes of authentication under sub-paragraph (2).

### **Timing of statements accompanying application to court for extension of moratorium** U.K.

**18.** A statement under section A13(2) must be made within the period of 3 days ending with the day on which the application under that section is made.

### **Notices about change in end of moratorium** U.K.

**19.**—(1) A notice under section A17(1) of the 1986 Act must be given within the period of 5 days beginning with the day on which the duty to give the notice arises.

(2) The notice must state—

- (a) the name of the relevant CCBS to which it relates, and
- (b) the provision by virtue of which the moratorium was extended or came to an end.

**20.**—(1) A notice under section A17(2) or (3) of the 1986 Act must be given within the period of 5 days beginning with the day on which the duty to give the notice arises.

(2) The notice must state—

- (a) the provision under which it is given,
- (b) the nature of the notice,
- (c) the date of the notice,
- (d) that it is given by the monitor acting in that capacity,
- (e) the name and contact details of the monitor, and
- (f) the identification details for the relevant CCBS to which it relates.

(3) A notice under section A17(2) or (3) of the 1986 Act that is given to the FCA must be authenticated by or on behalf of the monitor.

(4) Rule 1.5 of the England and Wales Insolvency Rules applies for the purposes of authentication under sub-paragraph (3).

**21.** Where a moratorium comes to an end under section A16 of the 1986 Act because the relevant CCBS has entered into a relevant insolvency procedure within the meaning of that section, the notices under section A17(1) and (2) must state—

- (a) the date on which the relevant CCBS entered into the relevant insolvency procedure, and
- (b) the name and contact details of the supervisor of the voluntary arrangement, the administrator or the liquidator.

**22.**—(1) A notice under section A17(4) of the 1986 Act must be given within the period of 3 business days beginning with the day on which the notice under section A38(1) of that Act is filed with the court.

(2) The notice under section A17(4) of that Act must be accompanied by the notice that the monitor has filed with the court under section A38(1) of that Act.

### **Notification by members of the committee of insolvency proceedings etc** U.K.

**23.**—(1) A notice under section A24(1) of the 1986 Act must be given before the period of 3 days ending with the day on which the step mentioned there is taken.

(2) A notice under section A24(2) of the 1986 Act must be given within the period of 3 days beginning with the day on which the duty to give the notice arises.

#### **Notice of termination of moratorium** U.K.

**24.**—(1) A notice under section A38(1) of the 1986 Act must be filed with the court as soon as practicable after the duty in that subsection arises.

(2) The notice must state—

- (a) the provision under which it is given,
- (b) the nature of the notice,
- (c) the date of the notice,
- (d) the name and contact details of the monitor,
- (e) the identification details for the relevant CCBS to which it relates,
- (f) the grounds on which the moratorium is being terminated,
- (g) the monitor’s reasons for concluding that those grounds are made out,
- (h) the date on which the monitor concluded that those grounds were made out, and
- (i) the court (and where applicable, the division or district registry of that court) or hearing centre in which the notice is to be filed.

(3) The notice must be authenticated by or on behalf of the monitor.

(4) Rule 1.5 of the England and Wales Insolvency Rules applies for the purposes of authentication under sub-paragraph (3).

#### **Termination of moratorium under section A38(1)(d) of the 1986 Act** U.K.

**25.** For the purposes of deciding whether to bring a moratorium to an end under section A38(1)(d) of the 1986 Act the monitor must disregard—

- (a) any debts that the monitor has reasonable grounds for thinking are likely to be paid within 5 days of the decision, and
- (b) any debts in respect of which the creditor has agreed to defer payment until a time that is later than the decision.

#### **Replacement of monitor or additional monitor: statement and consent to act** U.K.

**26.**—(1) A statement under section A39(4) of the 1986 Act must be headed “Proposed monitor’s statement and consent to act” and must contain the following—

- (a) a certificate that the proposed monitor is qualified to act as an insolvency practitioner in relation to the relevant CCBS,
- (b) the proposed monitor’s IP number,
- (c) the name of the relevant recognised professional body which is the source of the proposed monitor’s authorisation to act in relation to the relevant CCBS, and
- (d) a statement that the proposed monitor consents to act as monitor in relation to the relevant CCBS.

(2) The statement must be made within the period of 5 days ending with the day on which it is filed with the court.

(3) In this paragraph “IP number” means the number assigned to an office-holder as an insolvency practitioner by the Secretary of State.

#### **Replacement of monitor or additional monitor: notification** U.K.

**27.**—(1) A notice under section A39(8) of the 1986 Act must state—



- (a) the provision under which it is given,
  - (b) the nature of the notice,
  - (c) the date of the notice,
  - (d) the identification details for the relevant CCBS to which it relates,
  - (e) that it is given by the monitor acting in that capacity, and
  - (f) the name and contact details of the monitor.
- (2) The notice must be authenticated by the monitor.
- (3) Rule 1.5 of the England and Wales Insolvency Rules applies for the purposes of authentication under sub-paragraph (2).

#### **Challenge to monitor's remuneration** U.K.

**28.**—(1) An administrator or liquidator of a relevant CCBS may apply to the court on the ground that remuneration charged by the monitor in relation to a prior moratorium for the relevant CCBS under Part A1 of the 1986 Act was excessive.

(2) An application under this paragraph may not be made after the end of the period of 2 years beginning with the day after the moratorium ends.

(3) On an application under this paragraph the court may—

- (a) dismiss the application,
- (b) order the monitor to repay some or all of the remuneration, or
- (c) make such other order as it thinks fit.

(4) The costs of an application under this paragraph are, unless the court orders otherwise, to be paid as an expense of the administration or liquidation.

#### **Challenge to actions of the members of the committee: qualifying decision procedure** U.K.

**29.** Where the court makes an order by virtue of section A44(4)(c) of the 1986 Act requiring a decision of a relevant CCBS's creditors, the following provisions of the England and Wales Insolvency Rules apply for the purposes of that decision to the extent set out in the court's order and subject to any modifications set out in the court's order—

- (a) Part 15 (decision making),
- (b) Part 16 (proxies).

#### **Priority of moratorium debts etc in subsequent winding up** U.K.

**30.**—(1) Where section 174A of the 1986 Act applies, the moratorium debts and pre-moratorium debts mentioned in subsection (2)(b) of that section are payable in the following order of priority—

- (a) amounts payable in respect of goods or services supplied during the moratorium under a contract where, but for section 233B(3) or (4) of that Act, the supplier would not have had to make that supply,
- (b) wages or salary arising under a contract of employment,
- (c) other debts or other liabilities apart from the monitor's remuneration or expenses,
- (d) the monitor's remuneration or expenses.

(2) In this paragraph "wages or salary" has the same meaning as in section A18 of the 1986 Act.

### **Priority of moratorium debts etc in subsequent administration** U.K.

**31.**—(1) Where paragraph 64A(1) of Schedule B1 to the 1986 Act applies, the moratorium debts and pre-moratorium debts mentioned in paragraph 64A(2) of that Schedule are payable in the following order of priority—

- (a) amounts payable in respect of goods or services supplied during the moratorium under a contract where, but for section 233B(3) or (4) of that Act, the supplier would not have had to make that supply,
- (b) wages or salary arising under a contract of employment,
- (c) other debts or other liabilities apart from the monitor’s remuneration or expenses,
- (d) the monitor’s remuneration or expenses.

(2) In this paragraph “wages or salary” has the same meaning as in section A18 of the 1986 Act.

### **Prescribed format of documents** U.K.

**32.** Rule 1.4 of the England and Wales Insolvency Rules (requirement for writing and form of documents) applies for the purposes of Part A1 of the 1986 Act.

**33.**—(1) The following provisions of the England and Wales Insolvency Rules apply, so far as relevant, to any requirement imposed by a provision of this Part of this Schedule—

- (a) rule 1.8 (prescribed format of documents), and
- (b) rule 1.9(1) (variations from prescribed contents).

(2) Their application by virtue of sub-paragraph (1), a reference in rule 1.8 or 1.9(1) to the requirements of a rule is to be read as a reference to the requirements of the provision of this Part of this Schedule.

### **Delivery of documents** U.K.

**34.** The following provisions of Chapter 9 of Part 1 of the England and Wales Insolvency Rules apply for the purposes of proceedings under Part A1 of the 1986 Act as if rule 1.36(1) included a reference to such proceedings—

- (a) rule 1.36(2) (delivery to registrar of companies),
- (b) rule 1.40 (delivery of documents to authorised recipients),
- (c) rule 1.41 (delivery of documents to joint office-holders),
- (d) rule 1.42 (postal delivery of documents),
- (e) rule 1.43 (delivery by document exchange),
- (f) rule 1.44 (personal delivery of documents),
- (g) rule 1.45 (electronic delivery of documents).

### **Applications to court** U.K.

**35.**—(1) The provisions of the England and Wales Insolvency Rules specified in the Table apply, so far as relevant, for the purposes of proceedings under—

- (a) Part A1 of the 1986 Act,
- (b) this Part of this Schedule.

(2) In their application by virtue of sub-paragraph (1), the provisions listed in the Table have effect with—

- (a) the modification set out in sub-paragraph (3),
- (b) the modifications specified in the Table, and
- (c) any other necessary modifications.

(3) The modification is that any reference to Part 1 of the 1986 Act includes a reference to Part A1 of that Act and this Part of this Schedule.

(4) This is the Table referred to in sub-paragraphs (1) and (2)—

<i>Insolvency Rules</i>	<i>Topic</i>	<i>Modifications</i>
Rule 1.35	Standard contents and authentication of application	
Rules 12.1 and 12.2	Court rules and practice to apply etc	
Rule 12.3 and Schedule 6	Commencement of proceedings	
Rules 12.7 to 12.11 and 12.13	Making applications to court: general	Rule 12.9 has effect as if, in relation to a relevant CCBS, it also required the application to be served on the Financial Conduct Authority
Rules 12.27 to 12.29	Obtaining information and evidence	Rule 12.29(3) has effect as if it included a reference to the monitor in relation to a moratorium
Rules 12.30, 12.31, 12.33 and 12.35 to 12.38	Transfer of proceedings	(a) Rule 12.36(2) has effect as if the list of office-holders included the monitor in relation to a moratorium,  (b) Rule 12.37(2) and (3) have effect as if the list of provisions included section A39 of the Insolvency Act 1986
Rules 12.39 and 12.40	The court file	
Rules 12.41, 12.42(5), 12.47, 12.48 and 12.50	Costs	Rule 12.48(2) has effect as if it required the applicant to serve a sealed copy of the application on the monitor and the relevant CCBS to which the moratorium relates
Rule 12.51	Enforcement of court orders	
Rules 12.58, 12.59 and 12.61 and Schedule 10	Appeals	
Rules 12.63 to 12.65	Court orders, formal defects and shorthand writers	
Schedule 4, paragraphs 1, 4, 5 and 6		These paragraphs of Schedule 4 apply only for the purposes of the rules applied by this Table

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

### **Identification details for a relevant CCBS** U.K.

**36.** Where a provision of this Part of this Schedule requires a document to contain identification details for a relevant CCBS, the following information must be given—

- (a) the relevant CCBS’s registered name, and
- (b) its registered number.

### **Contact details of a monitor or other office-holder** U.K.

**37.** Where a provision of this Part of this Schedule requires a document to contain contact details of a monitor or other office-holder, the following information must be given—

- (a) a postal address for the monitor or office-holder, and
- (b) either an email address, or a telephone number, through which the monitor may be contacted.

### **Meaning of “The England and Wales Insolvency Rules”** U.K.

**38.** In this Part of this Schedule “the England and Wales Insolvency Rules” means the Insolvency (England and Wales) Rules 2016 as they had effect on 30th September 2021.

## **PART 3** U.K.

### Scotland

### **Content of documents relating to the obtaining or extending of a moratorium:** **general** U.K.

**39.** A notice or statement under section A6(1), A8(2), A10(1), A11(1) or A13(2) of the 1986 Act must state—

- (a) the provision under which it is given or made,
- (b) the nature of the notice or statement,
- (c) the date of the notice or statement, and
- (d) the identification details for the relevant CCBS to which it relates.

### **Authentication of documents relating to obtaining or extending moratorium: general** U.K.

**40.—(1)** A notice or statement under section A6(1), A10(1), A11(1) or A13(2) of the 1986 Act must be authenticated by or on behalf of the person giving the notice or making the statement.

(2) A notice under section A8(2)(a) of the 1986 Act must be authenticated by the monitor.

(3) Rule 1.6 of the Scottish Insolvency Rules applies for the purposes of authentication under this paragraph.

### **Notice that members of the committee wish to obtain a moratorium** U.K.

**41.** A notice under section A6(1)(a) of the 1986 Act must state—

- (a) the relevant CCBS’s address for service, and
- (b) the court in which the documents are to be lodged under section A3 or the application under section A4 or A5 is to be made.

### **Proposed monitor’s statement and consent to act** U.K.

**42.**—(1) A statement under section A6(1)(b) of the 1986 Act must be headed “Proposed monitor’s statement and consent to act” and must contain the following—

- (a) a certificate that the proposed monitor is qualified to act as an insolvency practitioner in relation to the relevant CCBS,
- (b) the proposed monitor’s IP number,
- (c) the name of the relevant recognised professional body which is the source of the proposed monitor’s authorisation to act in relation to the relevant CCBS, and
- (d) a statement that the proposed monitor consents to act as monitor in relation to the relevant CCBS.

(2) In this paragraph “IP number” means the number assigned to an office-holder as an insolvency practitioner by the Secretary of State.

### **Timing of statements for obtaining moratorium** U.K.

**43.** Each statement under section A6(1)(b) to (e) of the 1986 Act must be made within the period of 5 days ending with the day on which the documents under section A6(1)(a) to (e) are lodged in the court (or, if the documents are lodged on different days, the last of those days).

### **Notice by monitor where moratorium comes into force** U.K.

**44.** A notice under section A8(2) of the 1986 Act must—

- (a) state that it is given by the monitor acting in that capacity, and
- (b) state the name and contact details of the monitor.

### **Notice that members of the committee wish to extend a moratorium** U.K.

**45.** A notice under section A10(1)(a) or A11(1)(a) of the 1986 Act must state—

- (a) the relevant CCBS’s address for service,
- (b) the court in which the notice is to be lodged.

### **Extension under section A10 or A11 of the 1986 Act: notices and statements** U.K.

**46.** A statement by the monitor under section A10(1)(d) or A11(1)(d) of the 1986 Act must contain contact details of the monitor.

### **Timing of statements for extension under section A10 or A11** U.K.

**47.** Each statement under section A10(1)(b) to (d) or A11(1)(b) to (e) of the 1986 Act must be made within the period of 3 days ending with the day on which the documents under section A10(1)(a) to (d) or A11(1)(a) to (e) are lodged in the court (or, if the documents are lodged on different days, the last of those days).

### **Obtaining creditor consent: qualifying decision procedure** U.K.

**48.**—(1) The following apply, so far as relevant, for the purposes of a decision to consent to a revised end date for a moratorium under section A12 of the 1986 Act—

- (a) Part 5 of the Scottish Insolvency Rules (decision making), apart from rule 5.8(3)(f) and (g),
- (b) Part 6 of the Scottish Insolvency Rules (proxies), apart from rule 6.7.

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

(2) In its application by virtue of sub-paragraph (1), Part 5 has effect subject to the modifications set out in paragraphs 49 to 53.

**49.** Rule 5.11 of the Scottish Insolvency Rules (notice of decision procedures etc) has effect as if, before the first entry in the table, there were inserted—

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“moratorium	decision of pre- the pre-moratorium 5 days” moratorium creditors creditors under section A12 of the Act
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**50.** Rule 5.26 of the Scottish Insolvency Rules (creditors’ voting rights) has effect as if, before paragraph (1), there were inserted—

“(A1) A pre-moratorium creditor is entitled to vote in a decision procedure under section A12 of the Act only if—

- (a) the creditor has delivered to the convener a statement of claim and documentary evidence of debt, including any calculation for the purposes of rule 5.28 or 5.29,
- (b) the statement of claim and documentary evidence of debt were received by the convener not later than the decision date, or in the case of a meeting, at or before the meeting, and
- (c) the statement of claim and documentary evidence of debt has been admitted for the purposes of entitlement to vote.”.

**51.** Rule 5.28 of the Scottish Insolvency Rules (calculation of voting rights) has effect as if—

(a) before paragraph (1) there were inserted—

“(A1) In relation to a decision to consent to a revised end date for a moratorium under section A12 of the Act votes are calculated according to the amount of each creditor’s claim at the decision date.”,

(b) after paragraph (2) there were inserted—

“(2A) But in relation to a decision to consent to a revised end date for a moratorium under section A12 of the Act, a debt of an unliquidated or unascertained amount is to be valued at £1 for the purposes of voting unless the convener or chair or an appointed person decides to put a higher value on it.”,

(c) in paragraph (6), after sub-paragraph (b) there were inserted—

“(c) where the decision relates to whether to consent to a revised end date for a moratorium under section A12 of the Act.”.

**52.** Rule 5.29 of the Scottish Insolvency Rules (calculation of voting rights: hire-purchase agreements) has effect as if, before paragraph (1), there were inserted—

“(A1) In relation to a decision to consent to a revised end date for a moratorium under section A12 of the Act, a pre-moratorium creditor under a hire-purchase agreement is entitled to vote in respect of the amount of the debt due and payable by the relevant CCBS at the decision date.

(B1) In calculating the amount of any debt for the purpose of paragraph (A1), no account is to be taken of any amount attributable to the exercise of any right under the relevant agreement so far as the right has become exercisable solely by virtue of a moratorium for the relevant CCBS coming into force.”.

**53.** Rule 5.31 of the Scottish Insolvency Rules (requisite majorities) has effect as if, before paragraph (1), there were inserted—

“(A1) Subject to paragraph (B1), a decision to consent to a revised end date for a moratorium under section A12 of the Act is made if, of those voting—

- (a) a majority (in value) of the pre-moratorium creditors who are secured creditors vote in favour of the proposed decision, and
- (b) a majority (in value) of the pre-moratorium creditors who are unsecured creditors vote in favour of the proposed decision.

(B1) But a decision to consent to a revised end date for a moratorium under section A12 of the Act is not made if, of those voting either—

- (a) a majority of the pre-moratorium creditors who are unconnected secured creditors vote against the proposed end date, or
- (b) a majority of the pre-moratorium creditors who are unconnected unsecured creditors vote against the proposed end date.

(C1) For the purposes of paragraph (B1)—

- (a) a creditor is unconnected unless the convener or chair decides that the creditor is connected, and
- (b) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.”.

#### **Content of application to the court for extension of moratorium** **U.K.**

**54.**—(1) An application by the members of the committee of a relevant CCBS for the extension of a moratorium under section A13 of the 1986 Act must state—

- (a) that it is made under that section,
- (b) the length of the extension sought,
- (c) identification details for the relevant CCBS to which the application relates,
- (d) the relevant CCBS’s address for service, and
- (e) the court in which the application is made.

(2) The application must be authenticated by or on behalf of the members of the committee.

(3) Rule 1.6 of the Scottish Insolvency Rules applies for the purposes of authentication under sub-paragraph (2).

#### **Timing of statements accompanying application to court for extension of moratorium** **U.K.**

**55.** A statement under section A13(2) must be made within the period of 3 days ending with the day on which the application under that section is made.

#### **Notices about change in end of moratorium** **U.K.**

**56.**—(1) A notice under section A17(1) of the 1986 Act must be given within the period of 5 days beginning with the day on which the duty to give the notice arises.

(2) The notice must state—

- (a) the name of the relevant CCBS to which it relates, and
- (b) the provision by virtue of which the moratorium was extended or came to an end.

**57.**—(1) A notice under section A17(2) or (3) of the 1986 Act must be given within the period of 5 days beginning with the day on which the duty to give the notice arises.

(2) The notice must state—

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

- (a) the provision under which it is given,
- (b) the nature of the notice,
- (c) the date of the notice,
- (d) that it is given by the monitor acting in that capacity,
- (e) the name and contact details of the monitor, and
- (f) the identification details for the relevant CCBS to which it relates.

(3) A notice under section A17(2) or (3) of the 1986 Act that is given to the FCA must be authenticated by or on behalf of the monitor.

(4) Rule 1.6 of the Scottish Insolvency Rules applies for the purposes of authentication under sub-paragraph (3).

**58.** Where a moratorium comes to an end under section A16 of the 1986 Act because the relevant CCBS has entered into a relevant insolvency procedure within the meaning of that section, the notices under section A17(1) and (2) must state—

- (a) the date on which the relevant CCBS entered into the relevant insolvency procedure, and
- (b) the name and contact details of the supervisor of the voluntary arrangement, the administrator or the liquidator.

**59.—(1)** A notice under section A17(4) of the 1986 Act must be given within the period of 3 business days beginning with the day on which the notice under section A38(1) is lodged in the court.

(2) The notice under section A17(4) of that Act must be accompanied by the notice that the monitor has lodged in the court under section A38(1) of that Act.

#### **Notification by members of the committee of insolvency proceedings etc** U.K.

**60.—(1)** A notice under section A24(1) of the 1986 Act must be given before the period of 3 days ending with the day on which the step mentioned there is taken.

(2) A notice under section A24(2) of the 1986 Act must be given within the period of 3 days beginning with the day on which the duty to give the notice arises.

#### **Notice of termination of moratorium** U.K.

**61.—(1)** A notice under section A38(1) of the 1986 Act must be lodged in the court as soon as practicable after the duty in that subsection arises.

(2) The notice must state—

- (a) the provision under which it is given,
- (b) the nature of the notice,
- (c) the date of the notice,
- (d) the name and contact details of the monitor,
- (e) the identification details for the relevant CCBS to which it relates,
- (f) the grounds on which the moratorium is being terminated,
- (g) the monitor's reasons for concluding that those grounds are made out,
- (h) the date on which the monitor concluded that those grounds were made out, and
- (i) the court in which the notice is to be lodged.

(3) The notice must be authenticated by or on behalf of the monitor.



(4) Rule 1.6 of the Scottish Insolvency Rules applies for the purposes of authentication under sub-paragraph (3).

#### **Termination of moratorium under section A38(1)(d) of the 1986 Act** U.K.

**62.** For the purposes of deciding whether to bring a moratorium to an end under section A38(1)(d) of the 1986 Act the monitor must disregard—

- (a) any debts that the monitor has reasonable grounds for thinking are likely to be paid within 5 days of the decision, and
- (b) any debts in respect of which the creditor has agreed to defer payment until a time that is later than the decision.

#### **Replacement of monitor or additional monitor: statement and consent to act** U.K.

**63.—**(1) A statement under section A39(4) of the 1986 Act must be headed “Proposed monitor’s statement and consent to act” and must contain the following—

- (a) a certificate that the proposed monitor is qualified to act as an insolvency practitioner in relation to the relevant CCBS,
- (b) the proposed monitor’s IP number,
- (c) the name of the relevant recognised professional body which is the source of the proposed monitor’s authorisation to act in relation to the relevant CCBS, and
- (d) a statement that the proposed monitor consents to act as monitor in relation to the relevant CCBS.

(2) The statement must be made within the period of 5 days ending with the day on which it is lodged in the court.

(3) In this paragraph “IP number” means the number assigned to an office-holder as an insolvency practitioner by the Secretary of State.

#### **Replacement of monitor or additional monitor: notification** U.K.

**64.—**(1) A notice under section A39(8) of the 1986 Act must state—

- (a) the provision under which it is given,
- (b) the nature of the notice,
- (c) the date of the notice,
- (d) the identification details for the relevant CCBS to which it relates,
- (e) that it is given by the monitor acting in that capacity, and
- (f) the name and contact details of the monitor.

(2) The notice must be authenticated by the monitor.

(3) Rule 1.6 of the Scottish Insolvency Rules applies for the purposes of authentication under sub-paragraph (2).

#### **Challenge to monitor’s remuneration** U.K.

**65.—**(1) An administrator or liquidator of a relevant CCBS may apply to the court on the ground that remuneration charged by the monitor in relation to a prior moratorium for the relevant CCBS under Part A1 of the 1986 Act was excessive.

(2) An application under this paragraph may not be made after the end of the period of 2 years beginning with the day after the moratorium ends.

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

- (3) On an application under this paragraph the court may—
- (a) dismiss the application,
  - (b) order the monitor to repay some or all of the remuneration, or
  - (c) make such other order as it thinks fit.

(4) The expenses of an application under this paragraph are, unless the court orders otherwise, to be paid as an expense of the administration or liquidation.

#### **Challenge to actions of the members of the committee: qualifying decision procedure** U.K.

**66.** Where the court makes an order by virtue of section A44(4)(c) of the 1986 Act requiring a decision of a relevant CCBS's creditors, the following provisions of the Scottish Insolvency Rules apply for the purposes of that decision to the extent set out in the court's order and subject to any modifications set out in the court's order—

- (a) Part 5 (decision making),
- (b) Part 6 (proxies).

#### **Priority of moratorium debts etc in subsequent winding up** U.K.

**67.**—(1) Where section 174A of the 1986 Act applies, the moratorium debts and pre-moratorium debts mentioned in subsection (2)(b) of that section are payable in the following order of priority—

- (a) amounts payable in respect of goods or services supplied during the moratorium under a contract where, but for section 233B(3) or (4) of that Act, the supplier would not have had to make that supply,
- (b) wages or salary arising under a contract of employment,
- (c) other debts or other liabilities apart from the monitor's remuneration or expenses,
- (d) the monitor's remuneration or expenses.

(2) In this paragraph "wages or salary" has the same meaning as in section A18 of the 1986 Act.

#### **Priority of moratorium debts etc in subsequent administration** U.K.

**68.**—(1) Where paragraph 64A(1) of Schedule B1 to the 1986 Act applies, the moratorium debts and pre-moratorium debts mentioned in paragraph 64A(2) of that Schedule are payable in the following order of priority—

- (a) amounts payable in respect of goods or services supplied during the moratorium under a contract where, but for section 233B(3) or (4) of that Act, the supplier would not have had to make that supply,
- (b) wages or salary arising under a contract of employment,
- (c) other debts or other liabilities apart from the monitor's remuneration or expenses,
- (d) the monitor's remuneration or expenses.

(2) In this paragraph "wages or salary" has the same meaning as in section A18 of the 1986 Act.

#### **Prescribed format of documents** U.K.

**69.** Rule 1.5 of the Scottish Insolvency Rules (requirement for writing and form of documents) applies for the purposes of Part A1 of the 1986 Act.

**70.**—(1) The following provisions of the Scottish Insolvency Rules apply, so far as relevant, to any requirement imposed by a provision of this Part of this Schedule—

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

- (a) rule 1.9 (prescribed format of documents), and
- (b) rule 1.10 (variations from prescribed contents).

(2) In their application by virtue of sub-paragraph (1), a reference in rule 1.9 or 1.10 to the requirements of a rule is to be read as a reference to the requirements of the provision of this Part of this Schedule.

#### **Delivery of documents** U.K.

**71.** The following provisions of Chapter 9 of Part 1 of the Scottish Insolvency Rules apply for the purposes of proceedings under Part A1 of the 1986 Act as if rule 1.32(1) included a reference to such proceedings—

- (a) rule 1.32(2) and (3) (delivery to registrar of companies),
- (b) rule 1.36 (delivery of documents to authorised recipients),
- (c) rule 1.37 (delivery of documents to joint office-holders),
- (d) rule 1.38 (postal delivery of documents),
- (e) rule 1.39 (delivery by document exchange),
- (f) rule 1.40 (personal delivery of documents),
- (g) rule 1.41 (electronic delivery of documents).

#### **Identification details for a relevant CCBS** U.K.

**72.** Where a provision of this Part of this Schedule requires a document to contain identification details for a relevant CCBS, the following information must be given—

- (a) the relevant CCBS’s registered name, and
- (b) its registered number.

#### **Contact details of a monitor or other office-holder** U.K.

**73.** Where a provision of this Part of this Schedule requires a document to contain contact details of a monitor or other office-holder, the following information must be given—

- (a) a postal address for the monitor or office-holder, and
- (b) either an email address, or a telephone number, through which the monitor may be contacted.

#### **Meaning of “The Scottish Insolvency Rules”** U.K.

**74.** In this Part of this Schedule “the Scottish Insolvency Rules” means the Insolvency (Scotland) (Voluntary Arrangements and Administration) Rules 2018 as they had effect on 30th September 2021.]

### SCHEDULE 2 U.K.

Article 2(3)

Modified application of Part 26 of the Companies Act 2006 to relevant societies

**1.** Unless the context otherwise requires and subject to any further modification in this Schedule, in Part 26 of the 2006 Act—

- (a) a reference to the articles of a company is a reference to the rules of a relevant society;

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

- (b) a reference to a class of members is to be ignored;
- (c) a reference to a company includes a reference to a relevant society;
- (d) a reference to a company's creditors does not include a reference to a member of a relevant society to whom an amount is owed by the society if, but only in so far as, the amount concerned is owed in respect of the member's shares;
- (e) a reference to the directors of a company is a reference to the members of the committee of a relevant society;
- (f) a reference to a member of a company is a reference to a person whose name is entered as a member in the register kept by a relevant society in accordance with [F49 section 30(1) of the 2014 Act];
- (g) a reference to an officer of a company is a reference to an officer of a relevant society; and
- (h) a reference to the registrar is a reference to the FCA in its capacity as the authority responsible for the registration of a relevant society under [F50 the 2014 Act].

#### Textual Amendments

**F49** Words in Sch. 2 para. 1(f) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **6(a)(i)**

**F50** Words in Sch. 2 para. 1(h) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **6(a)(ii)**

2. Part 26 of the 2006 Act applies in relation to a relevant society with the further modifications set out in the following paragraphs of this Schedule and with any other necessary modification.

3. In section 895 (application of Part 26) subsection (2) has effect as if after the definition of “company” there were inserted—

““relevant society” means a [F51 registered society (within the meaning given by section 1(1) of the Co-operative and Community Benefit Societies Act 2014) which] is not—

- (a) a private registered provider of social housing; or
- (b) registered as a social landlord under Part 1 of the Housing Act 1996 or under Part 2 of the Housing (Scotland) Act 2010.”.

#### Textual Amendments

**F51** Words in Sch. 2 para. 3 substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **6(b)**

4. In section 899 (court sanction for compromise or arrangement) <sup>M46</sup> —

- (a) in subsection (1) the reference to a majority in number representing 75% in value of the members present and voting at the meeting summoned under section 896 <sup>M47</sup> is a reference to 75% of the members of a relevant society present and voting at that meeting; and
- (b) in subsection (3)(b) the reference to contributories has the same meaning as it has in relation to a relevant society in the 1986 Act <sup>M48</sup>.

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

#### Marginal Citations

**M46** Section 899 was amended by [S.I. 2008/948](#) and 2011/1265.

**M47** Section 896 was amended by [S.I. 2008/948](#).

**M48** For the meaning of “contributory” see section 79 of the 1986 Act, which has effect in relation to a relevant society with the modification in paragraph 1(b) of Schedule 1 to this Order.

5. Section 900 (powers of court to facilitate reconstruction or amalgamation) has effect as if after subsection (4) there were inserted—

“(4A) Subsection (4B) applies where a compromise or arrangement is proposed for the purposes of, or in connection with, a scheme for the reconstruction of a relevant society or the amalgamation of a relevant society with any other relevant society or any company.

(4B) An order under this section may only be made with respect to the compromise or arrangement if the Financial Conduct Authority—

- (a) is satisfied that the compromise or arrangement is not contrary to the rules of the society or the provisions of [<sup>F52</sup>the 2014 Act] or the Credit Unions Act 1979; and
- (b) has issued a statement to that effect.”.

#### Textual Amendments

**F52** Words in Sch. 2 para. 5 substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **6(c)**

6. Section 901 (obligations of company with respect to articles etc.) has effect as if after subsection (1) there were inserted—

“(1A) Where, in the case of a relevant society, the compromise or arrangement includes provision for amending the society's rules, the order may be made only if the Financial Conduct Authority has issued a statement to the effect that it would register an amendment in the terms proposed if copies were [<sup>F53</sup>given to it for registration in accordance with section 16 of the Co-operative and Community Benefit Societies Act 2014].

(1B) Subsection (1A) does not apply if the intended effect of the compromise or arrangement is that the society will cease to be registered under that Act.”.

#### Textual Amendments

**F53** Words in Sch. 2 para. 6 substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **6(d)**

7. Where a copy of any order or other document is delivered to the FCA under section 899(4), 900(6) or 901(2) (in each case as applied in relation to a relevant society by article 2(3)), that provision also has effect as if it required the document concerned to be delivered—

- (a) in the case of a relevant society which is or has been an authorised person but not a PRA-  
authorised person, also to the FCA in its capacity as the society's regulator;
- (b) in the case of a relevant society which is or has been a PRA-  
authorised person, also to the Prudential Regulation Authority;
- (c) in the case of a relevant society which is a relevant person, also to the scheme manager.

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

**8.** In paragraph 7—

“PRA-authorised person” has the meaning given in section 2B(5) of FSMA;

“regulator” has the meaning given in section 3A of FSMA <sup>M49</sup>; and

“the scheme manager” means the body corporate established by the Financial Services Authority under section 212 of FSMA (the manager of the Financial Services Compensation Scheme) as originally enacted <sup>M50</sup>.

**Marginal Citations**

**M49** Sections 2B and 3A were substituted by the [Financial Services Act 2012 \(c. 21\)](#), [section 6\(1\)](#), which substituted new Part 1A of FSMA.

**M50** Section 212 was amended by the Financial Services Act 2012, Schedule 10, paragraphs 1 and 2.

[<sup>F54</sup>Schedule 2A **U.K.**

Article 2(4)

Modified application of Part 26A of the Companies Act 2006 to relevant societies

**Textual Amendments**

**F54** Sch. 2A inserted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, 12

**1.** Unless the context otherwise requires and subject to any further modification in this Schedule, in Part 26A of the 2006 Act—

- (a) a reference to the articles of a company is a reference to the rules of a relevant society;
- (b) a reference to a class of members is to be ignored;
- (c) a reference to a company includes a reference to a relevant society;
- (d) a reference to a company’s creditors does not include a reference to a member of a relevant society to whom an amount is owed by the society if, but only in so far as, the amount concerned is owed in respect of the member’s shares;
- (e) a reference to the directors of a company is a reference to the members of the committee of a relevant society;
- (f) a reference to a member of a company is a reference to a person whose name is entered a member in the register kept by a relevant society in accordance with section 30(1) of the 2014 Act;
- (g) a reference to an officer of a company is a reference to an officer of a relevant society; and
- (h) a reference to the registrar is a reference to the FCA in its capacity as the authority responsible for the registration of a relevant society under the 2014 Act.

**2.** Part 26A of the 2006 Act applies in relation to a relevant society with the further modifications set out in the following paragraphs of this Schedule and with any other necessary modification.

**3.** Section 901A (application of this part) subsection (4) has effect as if after the definition of “company” there were inserted—

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

““relevant society” means a registered society (within the meaning given by section 1(1) of the Co-operative and Community Benefit Societies Act 2014) which is not—

- (a) a private registered provider of social housing; or
- (b) registered as a social landlord under Part 1 of the Housing Act 1996 or under Part 2 of the Housing (Scotland) Act 2010.”.

4. Section 901B is omitted.

5. Section 901F (court sanction for compromise or arrangement) has effect as if—

- (a) in subsection (1) the reference to a number representing 75% in value of the members present and voting at the meeting summoned under section 901C were a reference to 75% of the members of a relevant society present and voting at that meeting; and
- (b) in subsection (5)(b) the reference to contributories had the same meaning as it has in relation to a relevant society in the 1986 Act.

<sup>F55</sup>6. ....

#### Textual Amendments

**F55** Sch. 2A para. 6 omitted (10.9.2020) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) \(No. 2\) Order 2020 \(S.I. 2020/963\)](#), arts. 1, 2(3)

7. Section 901J (powers of court to facilitate reconstruction or amalgamation) has effect as if after subsection (4) there were inserted—

“(4A) Subsection (4B) applies where a compromise or arrangement is proposed for the purposes of, or in connection with, a scheme for the reconstructions of a relevant society or the amalgamation of a relevant society with any other relevant society or any company.

(4B) An order under this section may only be made with respect to the compromise or arrangement if the Financial Conduct Authority—

- (a) is satisfied that the compromise or arrangement is not contrary to the rules of the society or the provisions of the 2014 Act or the Credit Unions Act 1979; and
- (b) has issued a statement to that effect.”.

8. In section 901K (obligations of company with respect to articles etc) has effect as if after subsection (1) there were inserted—

“(1A) Where, in the case of a relevant society, the compromise or arrangement includes provision for amending the society’s rules, the order may be made only if the Financial Conduct Authority has issued a statement to the effect that it would register an amendment in the terms proposed if copies were given to it for registration in accordance with section 16 of the Co-operative and Community Benefit Societies Act 2014.

(1B) Subsection (1A) does not apply if the intended effect of the compromise or arrangement is that the society will cease to be registered under that Act.”.

9. Section 901L is omitted.

10. Where a copy of any order or other document is delivered to the FCA under section 901F(6), 901J(6) or 901K(2) (in each case as applied in relation to a relevant society by article 2(4)), that provision also has effect as if it required the document to be delivered—

- (a) in the case of a relevant society which is or has been an authorised person but not a PRA- authorised person, also to the FCA in its capacity as the society’s regulator;

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

- (b) in the case of a relevant society which is or has been a PRA-authorized person, also to the Prudential Regulation Authority;
- (c) in the case of a relevant society which is a relevant person, also to the scheme manager.

11. In paragraph (10)—

- (a) “PRA-authorized person” has the meaning given in section 2B(5) of FSMA;
- (b) “regulator” has the meaning given in section 3A of FSMA; and
- (c) “the scheme manager” means the body corporate established by the Financial Services Authority under section 212 of FSMA (the manager of the Financial Services Compensation Scheme) as originally enacted.]

## SCHEDULE 3 **U.K.**

Article 4

### Modified application of other provisions of the Insolvency Act 1986

#### Interpretation **U.K.**

1. In this Schedule, unless otherwise specified, a reference to a section is a reference to a section of the 1986 Act.

#### Modification of provisions applied by article 4 **U.K.**

2. Unless the context otherwise requires, the provisions applied by article 4 have effect—
- (a) with the modifications set out in this Schedule;
  - (b) subject to those modifications [<sup>F56</sup>and unless otherwise specified in this Schedule], with the modifications in paragraph 1 of Schedule 1; and
  - (c) with any other necessary modification.

#### Textual Amendments

**F56** Words in Sch. 3 para. 2(b) inserted (7.4.2017) by [The Deregulation Act 2015](#), the [Small Business, Enterprise and Employment Act 2015](#) and the [Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **12(3)(a)**

#### Miscellaneous provisions applying to companies which are insolvent **U.K.**

3. For the purpose of construing the reference to an associate in subsection (3) of section 242 (gratuitous alienations (Scotland)), section 74 of the Bankruptcy (Scotland) Act 1985 <sup>M51</sup> (meaning of “associate”) has effect as if—

- (a) a reference to the directors of a company were a reference to the members of the committee of the society; and
- (b) a reference to an officer of a company were a reference to an officer of the society.



**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

#### Marginal Citations

**M51** 1985 c. 66. Section 74 was amended by the [Civil Partnership Act 2004 \(c. 33\)](#), [section 261\(2\)](#) and Schedule 28, paragraph 40, and by [S.S.I. 2008/82](#).

[<sup>F57</sup>**3A** Section 233B (protection of supplies of goods and services) does not apply in relation to a registered society that is registered as a credit union.]

#### Textual Amendments

**F57** Sch. 3 para. 3A inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), [Sch. 12 para. 8](#) (with ss. 2(2), 5(2), 14(4))

### Interpretation for first group of Parts **U.K.**

4. Section 251 (expressions used generally) has effect as if the definitions of “administrative receiver”, “director”, “floating charge” and “officer” were omitted.

### [<sup>F58</sup>**Insolvency practitioners: qualification and regulation**] **U.K.**

5. Section 388 (meaning of “act as an insolvency practitioner”) <sup>M52</sup> has effect as if in subsection (4) the definition of “company” included a reference to a relevant society.

#### Textual Amendments

**F58** Sch. 3 para. 5 heading substituted (7.4.2017) by [The Deregulation Act 2015](#), the [Small Business, Enterprise and Employment Act 2015](#) and the [Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), [12\(3\)\(b\)](#)

#### Marginal Citations

**M52** Section 388 was amended by the [Bankruptcy \(Scotland\) Act 1993 \(c. 6\)](#), [section 11\(1\)](#), by the [Insolvency Act 2000](#), section 4(1) and (2)(a) and (c), and by [S.I. 2009/1941](#). There are other amendments not relevant to this Order.

### **U.K.**

[<sup>F59</sup>**5A**. Section 390 (persons not qualified to act as insolvency practitioners) has effect as if for subsection (2) there were substituted—

“(2) A person is not qualified to act as an insolvency practitioner in relation to a relevant society (within the meaning given in article 1(2) of the *Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*) at any time unless at that time the person is fully authorised to act as an insolvency practitioner or partially authorised to act as an insolvency practitioner only in relation to companies.”.

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

#### Textual Amendments

**F59** Sch. 3 paras. 5A, 5B inserted (7.4.2017) by The Deregulation Act 2015, the [Small Business, Enterprise and Employment Act 2015](#) and the [Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **12(3)(c)**

#### U.K.

**5B.**—(1) In the following provisions, in a reference to authorisation or permission to act as an insolvency practitioner in relation to (or only in relation to) companies the reference to companies has effect without the modification in paragraph 1(c) of Schedule 1—

- (a) sections 390A and 390B(1) and (3) (authorisation of insolvency practitioners); and
- (b) sections 391O(1)(b) and 391R(3)(b) (court sanction of insolvency practitioners in public interest cases).

(2) In sections 391Q(2)(b) (direct sanctions order: conditions) and 391S(3)(e) (power for Secretary of State to obtain information) the reference to a company has effect without the modification in paragraph 1(c) of Schedule 1.]

#### Textual Amendments

**F59** Sch. 3 paras. 5A, 5B inserted (7.4.2017) by The Deregulation Act 2015, the [Small Business, Enterprise and Employment Act 2015](#) and the [Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **12(3)(c)**

#### [<sup>F60</sup>Creditors' meetings **U.K.**

**5C.** Part 6 of the 1986 Act and sections 387, 433 and 434B have effect without the amendments of those provisions made by —

- (a) section 122 of the 2015 Act (abolition of requirements to hold meetings: company insolvency); and
- (b) paragraphs 54 to 57 of Schedule 9 to that Act (further amendments relating to section 122).]

#### Textual Amendments

**F60** Sch. 3 paras. 5C, 5D inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **15(4)(a)**

#### [<sup>F60</sup>Creditors' notices **U.K.**

**5D.** Parts 6 and 7 of the 1986 Act have effect without the amendments of those Parts made by section 124 of the 2015 Act (ability for creditors to opt not to receive certain notices: company insolvency).]

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

#### Textual Amendments

**F60** Sch. 3 paras. 5C, 5D inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **15(4)(a)**

#### Punishment of offences **U.K.**

6. Sections 430 (provision introducing Schedule of punishments), 431 (summary proceedings)<sup>M53</sup> and 432 (offences by bodies corporate)<sup>M54</sup> have effect as if a reference to an offence under the 1986 Act or a provision of that Act, in so far as it is a reference to an offence under a provision of that Act applied in relation to a relevant society, were a reference to the offence under that provision as so applied.

#### Marginal Citations

**M53** Section 431 was amended by the Criminal Procedure (Consequential Provisions) (Scotland) Act 1995, section 5 and Schedule 4, paragraph 61.  
**M54** Section 432 was amended by the Insolvency Act 2000, Schedule 1, paragraphs 1 and 11.

7. Schedule 10 to the 1986 Act (punishment of offences under the Act)<sup>M55</sup> has effect as if a reference in that Schedule to a provision which is applied in relation to a relevant society were a reference to that provision as so applied.

#### Marginal Citations

**M55** Schedule 10 was amended by the Insolvency Act 2000, Schedule 1, paragraphs 1 and 12 and Schedule 2, paragraphs 1 and 12, by the [Enterprise Act 2002 \(c. 40\)](#), [Schedule 17](#), paragraphs 9 and 39, and by [S.I. 2009/1941](#).

[<sup>F61</sup>8. Schedule 10 to the 1986 Act also has effect without the amendments made by paragraph 11 of Schedule 9 to the 2015 Act.]

#### Textual Amendments

**F61** Sch. 3 para. 8 inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **15(4)(b)**

SCHEDULE 4 **U.K.**

Article 11(5)

## Modified application of insolvency rules in relation to relevant societies

**PART 1** **U.K.**

## Interpretation

## 1. In this Schedule—

“applied provisions”—

- (a) in Part 2, means the Parts of the Insolvency Rules 1986 which are applied by article 11(1) and (3);
- (b) in Part 3, means the Parts of the Insolvency (Scotland) Rules 1986 which are applied by article 11(2) and (4);
- (c) <sup>F62</sup>...

“member-depositor”, in relation to a relevant society, means any member of the society to whom an amount is owed in respect of the member's shares where—

- (a) the society is an authorised deposit taker; and
- (b) the amount concerned is owed in respect of a deposit;

[<sup>F63</sup>“Part A1” means Part A1 of the 1986 Act as applied in relation to a relevant society;]

“Schedule B1” means Schedule B1 to the 1986 Act as applied in relation to a relevant society; and

“the scheme manager” means the body corporate established by the Financial Services Authority under section 212 of FSMA (the manager of the Financial Services Compensation Scheme) as originally enacted <sup>M56</sup>.**Textual Amendments****F62** Words in Sch. 4 para. 1 omitted (30.9.2021) by virtue of [The Co-operative and Community Benefit Societies \(Administration\) \(Amendment\) Order 2021 \(S.I. 2021/1048\)](#), arts. 1(1), **2(5)(a)****F63** Words in Sch. 4 para. 1 substituted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **13(b)****Marginal Citations****M56** Section 212 was amended by the Financial Services Act 2012, Schedule 10, paragraphs 1 and 2.

## 2. In this Schedule—

- (a) a reference to the FCA is a reference to the FCA in its capacity as the authority responsible for the registration of a relevant society under [<sup>F64</sup>the 2014 Act]; and
- (b) a reference to the society's regulator—
  - (i) in relation to a relevant society which is or has been a PRA-authorised person (within the meaning given in section 2B(5) of FSMA), is a reference to—
    - (aa) the FCA in its capacity as regulator (within the meaning given in section 3A of FSMA <sup>M57</sup>) of the society; and
    - (bb) the Prudential Regulation Authority;

- (ii) in relation to any other relevant society which is or has been an authorised person, to the FCA in its capacity as regulator of the society.

#### Textual Amendments

**F64** Words in Sch. 4 para. 2(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), 7(a)

#### Marginal Citations

**M57** Sections 2B and 3A were substituted by the Finance Act 2012, section 6(1), which substituted new Part 1A of FSMA.

## PART 2 U.K.

### Modified application of the Insolvency Rules 1986

3. This Part modifies the Parts of the Insolvency Rules 1986 which are applied by article 11(1) and (3) in relation to a relevant society which the courts in England and Wales have jurisdiction to wind up.

4. Unless the context otherwise requires and subject to any further modification in this Part, the applied provisions have effect with the following general modifications—

- (a) a reference to Part 1 [<sup>F65</sup>Part A1] or any provision of Part 1, 2, 4, 6, 7 or 17 of the 1986 Act is a reference to that Part or provision as applied in relation to a relevant society;
- (b) an expression defined in the 1986 Act (but not an expression modified by this paragraph) has the meaning given in that Act as read with any modification made by this Order;
- (c) a reference to an administrative receiver is a reference to an administrative receiver within the meaning given in [<sup>F66</sup>Part A1 of the 1986 Act] in relation to a relevant society whose registered office is situated in England or Wales;
- (d) a reference to the articles of a company is a reference to the rules of a relevant society;
- (e) a reference to a class of creditors includes a reference to a single class of members of a relevant society that consists of the member-depositors of the society, but only in so far as the member-depositors are owed amounts in respect of deposits;
- (f) a reference to a company includes a reference to a relevant society;
- (g) a reference to a company's creditors, other than in a reference to a class of creditors, does not include a reference to a member of a relevant society to whom an amount is owed by the society if, but only in so far as, the amount concerned is owed in respect of the member's shares;
- (h) a reference to the directors of a company is a reference to the members of the committee of a relevant society;
- (i) a reference to a floating charge is a reference to a floating charge within the meaning given in [<sup>F66</sup>Part A1 of the 1986 Act] in relation to a relevant society whose registered office is situated in England or Wales;
- (j) a reference to a meeting of a company or of the members of a company is a reference to a general meeting of a relevant society and, in relation to a society whose rules allow the members to appoint delegates for meetings of the society or its members, includes a reference to a general meeting for which delegates have been appointed;

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

- (k) a reference to an officer of a company is a reference to an officer of a relevant society; and
- (l) a reference to the registrar of companies is a reference to the FCA.

**Textual Amendments**

- F65** Words in Sch. 4 para. 4(a) inserted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **13(c)(i)**
- F66** Words in Sch. 4 para. 4(a) substituted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **13(c)(ii)**

5. The applied provisions have effect as if they provided that a person appointed for the purpose by the FCA is entitled—

- (a) to attend any meeting of creditors of a relevant society summoned for the purposes of Part 1 [<sup>F67</sup>, 1A] or 2 of the 1986 Act (as applied in relation to a relevant society);
- (b) to attend any meeting of a committee established under paragraph 57 of Schedule B1; and
- (c) to make representations as to any matter for decision at such a meeting.

**Textual Amendments**

- F67** Word in Sch. 4 para. 5(a) inserted (18.7.2020) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **13(d)**

6. The applied provisions have effect with the further modifications set out in this Part and with any other necessary modification.

**Proposal by directors for company voluntary arrangement** **U.K.**

7. In Rule 1.6 (additional disclosure for assistance of nominee), in paragraph (2)(a) the reference to any other company is a reference to any company or any other relevant society.

**Consideration of proposals where moratorium obtained** **U.K.**

<sup>F68</sup>8. ....

**Textual Amendments**

- F68** Sch. 4 para. 8 omitted (18.7.2020) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **13(e)**

**Appointment of administrator by holder of floating charge** **U.K.**

9. In Rule 2.16 (notice of appointment), in paragraph (5)(b) the reference to the date on which the floating charge was registered is a reference to the date on which—

- (a) the FCA [<sup>F69</sup>gave an acknowledgement under section 59(4) of the 2014 Act] (charges on assets of English and Welsh societies) of the application for the recording of the charge made in accordance with [<sup>F70</sup>section 59(3)] of that Act; or

- (b) the debenture creating the charge was registered under section 9 of the Agricultural Credits Act 1928<sup>M58</sup> as applied by section 14 of that Act.

#### Textual Amendments

- F69** Words in Sch. 4 para. 9(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), [7\(b\)\(i\)](#)
- F70** Words in Sch. 4 para. 9(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), [7\(b\)\(ii\)](#)

#### Marginal Citations

- M58** 1928 c. 43. Section 9 was amended by the [Land Charges Act 1972 \(c. 61\)](#), [Schedule 3](#), paragraph 7, and by [S.I. 2011/2436](#).

### Process of administration **U.K.**

**10.** Rule 2.30 (limited disclosure) has effect as if it provided that on an application for disclosure under paragraph (4) a person appointed for the purpose by the FCA may appear and be heard, or make written representations.

**11.** Rule 2.31 (release from duty to submit statement of affairs; extension of time) has effect as if it provided that on an application under paragraph (2) for release or extension of time a person appointed for the purpose by the FCA (in addition to the administrator) may appear and be heard, or make written representations.

### Meetings and reports **U.K.**

**12.** In the following Rules a reference to a creditors' meeting includes a reference to a members' meeting—

- (a) Rule 2.34 (meetings to consider administrator's proposals);
- (b) Rule 2.35 (creditors' meetings generally);
- (c) Rule 2.36 (the chairman at meetings);
- (d) Rule 2.43 (resolutions); and
- (e) Rule 2.46 (notice to creditors).

**13.** Rule 2.35 has effect as if—

- (a) paragraph (3) required the administrator, in fixing the venue for the meeting, to have regard to the convenience—
  - (i) in the case of a members' meeting, of the members; and
  - (ii) of any person appointed for the purpose of attending the meeting by the FCA, by the society's regulator or, in the case of a relevant society which is a relevant person, by the scheme manager; and
- (b) paragraph (4) required 14 days' notice of a members' meeting to be given to all the members.

**14.** Rule 2.37 (meeting requisitioned by creditors) has effect as if it required the expenses of summoning and holding a members' meeting requested under paragraph 52(2) or 56(1) of Schedule B1 to be paid out of the assets of the society as an expense of the administration.

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

- 15.** Rule 2.43 has effect as if—
- (a) in paragraph (1) the words “(in value)” were omitted; and
  - (b) paragraph (2) were omitted.
- 16.** In Rule 2.45 (revision of the administrator's proposals)—
- (a) in paragraph (3) ignore the words “Subject to paragraph 54(3),”; and
  - (b) ignore paragraphs (4) and (5).
- 17.** In Rule 2.47 (reports to creditors), in paragraphs (1)(g) and (4) the reference to the creditors includes a reference to the members of the society.
- 18.** In Rule 2.48 (correspondence instead of creditors' meetings)—
- (a) in paragraph (1)—
    - (i) the reference to a resolution by the creditors includes a reference to a resolution by the members of the society;
    - (ii) in the case of a members' resolution the reference to every creditor who is entitled to be notified of a creditors' meeting is a reference to every member;
  - (b) in paragraph (2), in relation to correspondence with the members, ignore the reference to the statement on entitlement to vote required by Rule 2.38; and
  - (c) in paragraphs (6) and (9) a reference to a creditors' meeting includes a reference to a members' meeting.
- 19.** Rule 2.49 (venue and conduct of company meeting) has effect as if—
- (a) paragraphs (1) to (4) and (7) were omitted; and
  - (b) in paragraph (5A) for sub-paragraph (a) there were substituted—
    - “(a) in the case of a relevant society (within the meaning given in [F71]article 1(2) of the Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014]), in accordance with the law of England and Wales;”.

#### Textual Amendments

- F71** Words in Sch. 4 para. 19(b) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), 7(c)

#### Distributions to creditors **U.K.**

**20.** Rule 2.68 (distributions to creditors: introduction) has effect in relation to a distribution, or a proposal to make a distribution, to member-depositors as if paragraph (2) required the administrator to give the notice referred to also to those members.

**21.** Rule 2.69 (debts of insolvent society to rank equally) has effect as if the first reference to debts included a reference to any amount owed by the society in respect of a member's shares where—

- (a) the society is an authorised deposit taker; and
- (b) the amount concerned is owed in respect of a deposit.

**22.** Rule 2.85 (mutual credits and set off) has effect as if in addition to the matters excluded from “mutual dealings” in paragraph (2) that paragraph excluded any mutual dealings between a relevant



society and a member of the society to whom an amount is owed by the society if, but only in so far as, the amount concerned is owed in respect of the member's shares.

- 23.** Rule 2.95 (notice of proposed distribution) has effect as if—
- (a) paragraph (1) required the administrator also to give notice where the administrator is proposing to make a distribution to member-depositors; and
  - (b) paragraph (2)—
    - (i) required the notice to be sent also to every member-depositor and the FCA;
    - (ii) provided that for the purposes of that notice the reference to unsecured creditors included a reference to member-depositors.

**24.** In Rule 2.97 (declaration of dividend) member-depositors are to be regarded as a single class of creditors for the purposes of paragraph (1).

- 25.** Rule 2.98 (notice of declaration of dividend) has effect as if—
- (a) the persons who are entitled to receive notice under paragraph (1) included—
    - (i) every member-depositor; and
    - (ii) the FCA; and
  - (b) paragraph (2)—
    - (i) required that notice to give particulars of any distribution to member-depositors; and
    - (ii) provided that the member-depositors are unsecured creditors for the purpose of subparagraph (c).

**26.** In Rule 2.99 (payment of dividends and related matters), in paragraph (2) the reference to any creditor includes a reference to any member-depositor.

- 27.** Rule 2.100 (notice of no dividend, or no further dividend) has effect as if—
- (a) it required the administrator to send a copy of any notice to the FCA, to the society's regulator and, in the case of a relevant society which is a relevant person, to the scheme manager; and
  - (b) the reference to creditors included a reference to member-depositors.

**28.** Rule 2.103 (disqualification from dividend) has effect as if it required notice of the application and a copy of the order made on the application to be given to the FCA, to the society's regulator and, in the case of a relevant society which is a relevant person, to the scheme manager.

### **Ending administration** U.K.

**29.** In Rule 2.112 (applications for extension of administration) the reference to the creditors in paragraph (4) and the second reference to the creditors in paragraph (5) include a reference to the members of the society.

**30.** In Rule 2.113 (notice of end of administration), in paragraphs (6) and (7) the reference to a creditor includes a reference to a member of the society.

### **Replacing administrator** U.K.

**31.** Rule 2.120 (notice of intention to resign) has effect as if the persons who are entitled to receive notice of the administrator's intention to resign included the FCA, the society's regulator and, in the case of a relevant society which is a relevant person, the scheme manager.

**32.—(1)** Rule 2.122 (application to court to remove administrator from office) and Rule 2.125 (application to replace administrator) have effect as if the persons who are entitled to receive notice

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

of the matter concerned included the FCA, the society's regulator and, in the case of a relevant society which is a relevant person, the scheme manager.

- (2) Sub-paragraph (1) does not apply in relation to—
- (a) the FCA, if the FCA made the application for the administration order; or
  - (b) the society's regulator, if the society's regulator made the application.

### Quorum at meetings **U.K.**

**33.** Rule 12A.21 (quorum at meeting of creditors) <sup>M59</sup> has effect in relation to a relevant society as if—

- (a) in paragraphs (1) and (4) the reference to any meeting of creditors included a reference to any meeting of members of the society; and
- (b) paragraph (2) provided that a quorum, in the case of a meeting of members—
  - (i) is to be determined according to the rules of the society which lay down a quorum for a general meeting of the society; or
  - (ii) if there are no such rules, is at least two members who are entitled to vote, or both of them if their number does not exceed two.

#### Marginal Citations

**M59** Part 12A (provisions of general effect) was inserted by [S.I. 2010/686](#).

### Forms **U.K.**

- 34.** In Rule 12A.30 (forms for use in insolvency proceedings)—
- (a) any form prescribed for use by paragraph (1) which is used for the purposes of Part 1 or 2 of the 1986 Act is to be read with the modifications set out in this Order (so far as applicable for the form concerned); and
  - (b) the requirement in paragraph (2) to use a form with such variations as the circumstances may require includes a requirement to use it with such variations as are necessary to take account of applicable modifications.

### “Prescribed part” **U.K.**

**35.** In Rule 13.13 (expressions used generally in the Insolvency Rules 1986), in paragraph (15) (the definition of “prescribed part”) the reference to the Insolvency Act 1986 (Prescribed Part) Order 2003 <sup>M60</sup> is a reference to that Order as applied in relation to a relevant society by article 12 of, and paragraph 1 of Schedule 5 to, this Order.

#### Marginal Citations

**M60** [S.I. 2003/2097](#).

## PART 3 U.K.

### Modified application of the Insolvency (Scotland) Rules 1986

**36.** This Part modifies the Parts of the Insolvency (Scotland) Rules 1986 which are applied by article 11(2) and (4) in relation to a relevant society which a sheriff court in Scotland has jurisdiction to wind up.

**37.** Unless the context otherwise requires and subject to any further modification in this Part, the applied provisions have effect with the general modifications set out in paragraphs 4 and 5 (read as if set out in this paragraph), except that—

- (a) sub-paragraph (c) of paragraph 4 is omitted for this purpose; and
- (b) a reference to a floating charge is a reference to a floating charge within the meaning given in Schedule A1 <sup>M61</sup> in relation to a relevant society whose registered office is situated in Scotland.

#### Marginal Citations

**M61** For the meaning of “floating charge” see the modification of Schedule A1 made by paragraph 7 of Schedule 1 to this Order.

<sup>F72</sup>**38.** . . . . .

#### Textual Amendments

**F72** Sch. 4 para. 38 omitted (18.7.2020) by virtue of [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) and Consequential Amendments Order 2020 \(S.I. 2020/744\)](#), arts. 1, **13(f)**

### Proposal by directors for company voluntary arrangement U.K.

**39.** In Rule 1.6 (additional disclosure for assistance of nominee), in paragraph (2)(a) the reference to any other company is a reference to any company or any other relevant society.

### Consideration of proposals where moratorium obtained U.K.

**40.** In Rule 1.40 (summoning of meetings; procedure at meetings etc.), in paragraph (3) the reference to all persons who are, to the best of the nominee's belief, members of the company is a reference to every member of the society.

### Appointment of administrator by holder of floating charge U.K.

**41.** In Rule 2.10 (notice of appointment), in paragraph (5)(b) the reference to the date on which the floating charge was registered is a reference to the date—

- (a) stated in the FCA's acknowledgement [<sup>F73</sup>given under section 63(4) of the 2014 Act] (filing of information relating to charges) on which the delivery of a copy of the instrument creating the charge was effected; or
- (b) on which the charge was registered under Part 2 of the Agricultural Credits (Scotland) Act 1929 <sup>M62</sup>.

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

#### Textual Amendments

**F73** Words in Sch. 4 para. 41(a) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), 7(d)

#### Marginal Citations

**M62** 1929 c. 13.

### Process of administration **U.K.**

**42.** Rule 2.22 (limited disclosure) has effect as if it provided that on an application for disclosure under paragraph (4) a person appointed for the purpose by the FCA may appear and be heard, or make written representations.

**43.** Rule 2.23 (release from duty to submit statement of affairs; extension of time) has effect as if it provided that on an application under paragraph (2) for release or extension of time a person appointed for the purpose by the FCA may appear and be heard, or make written representations.

### Meetings **U.K.**

**44.** In the following Rules a reference to a creditors' meeting includes a reference to a members' meeting—

- (a) Rule 2.27 (meetings to consider administrator's proposals);
- (b) Rule 2.27A (suspension and adjournment);
- (c) Rule 2.28 (correspondence instead of creditors' meetings), except paragraph (9); and
- (d) Rule 2.35 (notices to creditors).

**45.** Rule 2.27 has effect as if in paragraph (3) the reference to the creditors included a reference to the members of the society.

**46.** In Rule 2.28—

- (a) in paragraphs (3), (4) and (10), in the case of a members' resolution, a reference to the creditors is a reference to the members of the society; and
- (b) in paragraph (6), in relation to correspondence with the members ignore the reference to the statement of claim and account or voucher referred to in Rule 2.26C.

**47.** In Rule 2.29 (applicable law (company meetings)) ignore paragraph (a).

**48.** In Rule 2.34 (revision of the administrator's proposals)—

- (a) in paragraph (2) ignore the words “Subject to paragraph 54(3),”; and
- (b) ignore paragraphs (3) and (4).

**49.** In Rule 2.35, in paragraph (1)(a), in the case of a members' meeting the reference to every creditor who received notice of the meeting is a reference to every member of the society.

### Distributions to creditors **U.K.**

**50.** In Rules 2.40 (distributions to creditors: introduction) and Rule 2.41A (payments of dividends) a reference to creditors includes a reference to member-depositors, but only in so far as the member-depositors are owed amounts in respect of deposits.

**51.** Rule 2.41 (distributions to creditors) has effect in relation to a proposal to make a distribution to member-depositors as if—

(a) for paragraph (1) there were substituted—

“(1) Subject to the modifications set out below and to any other necessary modifications, Chapter 9 of Part 4 (distribution of company's assets by liquidator), except Rule 4.67 (order of priority of expenses of liquidation), applies with regard to a proposal to make a distribution to the member-depositors of a relevant society as it applies with regard to claims to a dividend out of the assets of a company in liquidation.”.

(b) for paragraph (2) there were substituted—

“(2) Subject to paragraphs (2A), (2B) and (5) below, in the application in relation to a relevant society of Chapter 9 of Part 4 or of any provision of the Bankruptcy Act as applied by Rule 4.16 or Rule 4.68 (application of the Bankruptcy Act)—

- (a) a reference to the articles of a company is a reference to the rules of the society;
- (b) a reference to a company is a reference to the society;
- (c) a reference to a creditor does not include a reference to a member of the society to whom an amount is owed by the society if, but only in so far as, the amount concerned is owed in respect of the member's shares;
- (d) a reference to the date of commencement of winding up is a reference to the date on which the society entered administration;
- (e) a reference to the liquidation is a reference to the administration;
- (f) a reference to the liquidation committee is a reference to the creditors' committee in the administration; and
- (g) a reference to the liquidator is a reference to the administrator of the society.

(2A) In Rule 4.66 (order of priority in distribution)—

- (a) in paragraph (1) a reference to ordinary debts includes a reference to any amount owed by the society in respect of a member's shares where—
  - (i) the society is an authorised deposit taker; and
  - (ii) the amount concerned is owed in respect of a deposit; and
- (b) in paragraph (2) the reference to section 242 (gratuitous alienations (Scotland)) is a reference to that section as applied in relation to a relevant society by an order made under <sup>[F74]</sup>section 118 of the Co-operative and Community Benefit Societies Act 2014].

(2B) In section 52 of the Bankruptcy Act (estate to be distributed in respect of accounting periods) <sup>M63</sup>, in subsection (3) a reference to a creditor includes a reference to a member-depositor of a relevant society, but only in so far as the member is owed an amount in respect of deposits.”;

(c) in paragraph (4) the reference to the administrator's statement of proposals, as approved by the creditors, is a reference to that statement, as approved by the creditors and members of the society; and

(d) at the end there were added—

“(6) In this Rule—

“member-depositor”, in relation to a relevant society, means any member of the society to whom an amount is owed in respect of the member's shares where—

- (a) the society is an authorised deposit taker; and
- (b) the amount concerned is owed in respect of a deposit; and

**Changes to legislation:** There are currently no known outstanding effects for the *The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014*. (See end of Document for details)

“relevant society” has the meaning given in [F75 article 1(2) of the Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014].”.

#### Textual Amendments

- F74** Words in Sch. 4 para. 51(b) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **7(e)(i)**
- F75** Words in Sch. 4 para. 51(d) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **7(e)(ii)**

#### Marginal Citations

- M63** Section 52 applies with regard to a proposal to make a distribution to member-depositors by virtue of the application of paragraph (3) of Rule 2.41. Section 52 was amended by the [Bankruptcy \(Scotland\) Act 1993 \(c. 6\)](#), **section 11(3)** and Schedule 1, paragraph 21, and section 11(4) and Schedule 2; by the [Bankruptcy and Diligence etc. \(Scotland\) Act 2007 \(asp 3\)](#), **Schedule 1**, paragraphs 1 and 44, and section 226(2) and Schedule 6; and by [S.I. 2003/2109](#).

#### Ending administration **U.K.**

**52.** In Rule 2.45 (notice of end of administration), in paragraph (4)(d) the reference to a creditor includes a reference to a member of the society.

#### Replacing administrator **U.K.**

**53.** Rule 2.50 (notice of intention to resign) has effect as if the persons who are entitled to receive notice of the administrator's intention to resign included the FCA, the society's regulator and, in the case of a relevant society which is a relevant person, the scheme manager.

**54.—(1)** Rule 2.53 (application to replace administrator) and Rule 2.56 (application to court to remove administrator from office) have effect as if the persons who are entitled to receive notice of the matter concerned included the FCA, the society's regulator and, in the case of a relevant society which is a relevant person, the scheme manager.

(2) Sub-paragraph (1) does not apply in relation to—

- (a) the FCA, if the FCA made the application for the administration order; or
- (b) the society's regulator, if the society's regulator made the application.

#### Quorum at meetings **U.K.**

**55.** Rule 7.6 (meetings requisitioned) has effect as if it required the expenses of summoning and holding a members' meeting requested under paragraph 52(2) or 56(1) of Schedule B1 to be paid out of the assets of the society as an expense of the administration.

**56.** Rule 7.7 (quorum) has effect in relation to a relevant society as if—

- (a) paragraph (1) provided that a quorum, in the case of a meeting of members of the society—
  - (i) is to be determined according to the rules of the society which lay down a quorum for a general meeting of the society; or

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

- (ii) if there are no such rules, is at least two members who are entitled to vote, or both of them if their number does not exceed two; and
- (b) in paragraph (3) the reference to any meeting of creditors included a reference to any meeting of members of the society.

57. Rule 7.12 (resolutions) has effect in relation to a meeting of members of the society as if the words “in value” were omitted.

**Forms** U.K.

58. In Rule 7.30 (forms for use in insolvency proceedings)—
- (a) any form prescribed for use by this Rule which is used for the purposes of Part 1 or 2 of the 1986 Act is to be read with the modifications set out in this Order (so far as applicable for the form concerned); and
  - (b) the reference to the use of a form with such variations as circumstances require includes a reference to its use with such variations as are necessary to take account of applicable modifications.

F76 **PART 4** U.K.

Modified application of Part 3 of Schedule 4 to the Corporate Insolvency and Governance Act 2020

**Textual Amendments**  
 F76 Sch. 4 Pt. 4 omitted (30.9.2021) by virtue of The Co-operative and Community Benefit Societies (Administration) (Amendment) Order 2021 (S.I. 2021/1048), arts. 1(1), 2(5)(b)

- 59. ....
- 60. ....
- 61. ....
- 62. ....

SCHEDULE 5 U.K.

Article 12

Application of other subordinate legislation with modifications

**Application of the Insolvency Act 1986 (Prescribed Part) Order 2003** U.K.

1. The Insolvency Act 1986 (Prescribed Part) Order 2003<sup>M64</sup> applies in relation to a relevant society which is in administration, and for that purpose—

- (a) a reference to a company includes a reference to a relevant society; and
- (b) a reference to section 176A of the 1986 Act (share of assets for unsecured creditors)<sup>M65</sup> is a reference to that section as applied in relation to a relevant society by article 3 of this Order.

**Changes to legislation:** There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)

#### Marginal Citations

**M64** [S.I. 2003/2097](#).

**M65** Section 176A was inserted by the [Enterprise Act 2002 \(c.40\)](#), [section 252](#).

### [<sup>F77</sup>Modified application of the Insurers (Reorganisation and Winding Up) Regulations 2004 **U.K.**

**1A.** The Insurers (Reorganisation and Winding Up) Regulations 2004 have effect in relation to a relevant society as if in regulation 2(3) (interpretation of references to the law of insolvency) the reference to the Co-operative and Community Benefit Societies Act 2014 included a reference to an order made under section 118 of that Act.]

#### Textual Amendments

**F77** Sch. 5 para. 1A inserted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **8(a)**

### Modified application of the Pension Protection Fund (Entry Rules) Regulations 2005 **U.K.**

**2.—(1)** In the Pension Protection Fund (Entry Rules) Regulations 2005 <sup>M66</sup> regulation 6 (circumstances in which insolvency proceedings in relation to the employer are stayed or come to an end) and regulation 9 (confirmation of scheme status by insolvency practitioner) apply in relation to a relevant society, and for that purpose have effect with the following modifications.

- (2) In regulation 6, in paragraph (1)(a), except paragraphs (iv), (v) and (vi)—
- (a) a reference to a company includes a reference to a relevant society;
  - (b) a reference to a provision of the 1986 Act or the Insolvency Rules 1986 is a reference to that provision as applied in relation to a relevant society; and
  - (c) in paragraph (ii) the reference to the directors of the company is a reference to the members of the committee of the society.
- (3) In regulation 9 a reference to a company includes a reference to a relevant society.

#### Marginal Citations

**M66** [S.I. 2005/590](#); relevant amending instruments are [S.I. 2005/993](#); 2005/2153 and 2009/451.

### Modified application of the Financial Services and Markets Act 2000 (Administration Orders Relating to Insurers) Order 2010 **U.K.**

**3.—(1)** The Financial Services and Markets Act 2000 (Administration Orders Relating to Insurers) Order 2010 <sup>M67</sup> has effect in relation to a relevant society which is an insurer (within the meaning given by article 2 of the Financial Services and Markets Act 2000 (Insolvency) (Definition of “Insurer”) Order 2001 <sup>M68</sup>)—

- (a) with the modifications in sub-paragraph (2); and
- (b) as if article 3 (application and modification of the Insolvency Rules 1986 in relation to insurers) and article 4 (application and modification of the Insolvency (Scotland) Rules 1986 in relation to insurers) were omitted.



(2) Article 2 (application and modification of Part 2 of the 1986 Act in relation to insurers) has effect as if—

- (a) before “Part 2” there were inserted “Subject to paragraph (1A),”;
- (b) after paragraph (1) there were inserted—

“(1A) In the case of an insurer which is a relevant society (within the meaning given in [F78]article 1(2) of the Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014]), the reference in paragraph (1) to the modifications specified in the Schedule to this Order is a reference to the modifications—

- (a) made by the Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014 in applying Part 2 of the 1986 Act in relation to a relevant society; and
- (b) specified in the Schedule to this Order, except those specified in—
  - (i) paragraph 3 (modification of paragraph 49(4) of Schedule B1: administrator's proposals);
  - (ii) paragraph 4 (modification of paragraph 53(2) of Schedule B1: business and result of initial creditors' meeting);
  - (iii) paragraph 5 (modification of paragraph 54(2)(b) of Schedule B1: revision of administrator's proposals); and
  - (iv) paragraph 9 (modification of paragraph 91(1) of Schedule B1: supplying vacancy in office of administrator).”.

#### Textual Amendments

**F78** Words in Sch. 5 para. 3(2)(b) substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Arrangements, Reconstructions and Administration\) \(Amendment\) Order 2014 \(S.I. 2014/1822\)](#), arts. 1(2), **8(b)**

#### Marginal Citations

**M67** [S.I. 2010/3023](#).  
**M68** [S.I. 2001/2634](#).

## EXPLANATORY NOTE

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

This Order applies Part 1 (company voluntary arrangements) and Part 2 (administration) of the Insolvency Act 1986 (c. 45) (“the 1986 Act”) and Part 26 (arrangements and reconstructions) of the Companies Act 2006 (c. 46) (“the 2006 Act”) to relevant societies. A relevant society is a society registered under the Industrial and Provident Societies Act 1965 (c. 12) (“the 1965 Act”) other than a society which is a private registered provider of social housing or is registered as a social landlord. A society registered under the 1965 Act is a co-operative society, a community benefit society or a credit union.

**Changes to legislation:** *There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014. (See end of Document for details)*

Article 2(1) and (2) applies Parts 1 and 2 of the 1986 Act with the modifications in Schedule 1. Part 1 of Schedule 1 sets out general modifications. Part 2 of Schedule 1 further modifies provisions made for voluntary arrangements, including Schedule A1 to the 1986 Act which provides for obtaining a moratorium. Part 3 of Schedule 1 further modifies provisions made for administration, which are in Schedule B1 to the 1986 Act. Part 4 modifies the powers of an administrator in Schedule 1 to the 1986 Act.

Article 2(3) applies Part 26 of the 2006 Act with the modifications set out in Schedule 2.

Articles 3 to 21 make provision which is in consequence of or incidental to the application of law about company arrangements and administration.

Article 3 applies section 176A of the 1986 Act (share of assets for unsecured creditors) with modifications to relevant societies which are in administration.

Article 4 and Schedule 3 apply other provisions of the 1986 Act with modifications for the purpose of relevant society voluntary arrangements and administration.

Articles 5 to 10 apply (with modifications) provisions of the Financial Services and Markets Act 2000 (c. 8) which concern the rights in insolvency proceedings of the Financial Conduct Authority, the Prudential Regulation Authority and the manager of the Financial Services Compensation Scheme.

Article 11 and Schedule 4 apply the Insolvency Rules 1986 and the Insolvency (Scotland) Rules 1986 with modifications for the purpose of relevant society voluntary arrangements and administration.

Article 12 and Schedule 5 provide for the application of other subordinate legislation (with modifications) to relevant societies.

Articles 13 to 16 apply sections 50 to 52 and 59 of the 1965 Act with modifications to relevant societies in administration. Sections 50 to 52 provide for amalgamation, transfer of engagements and conversion into companies. Section 59 provides that where a society is to be dissolved or a society's engagements are transferred, the society may not be dissolved and its registration may not be cancelled until its property has been conveyed or transferred to the persons entitled to it.

Article 17 amends the 1965 Act in consequence of applying Part 2 of the 1986 Act to a relevant society whose registered office is in England and Wales. The amendment prohibits the appointment of an administrative receiver by the holder of a floating charge who is entitled to appoint an administrator. The holder of a floating charge given by a society whose registered office is in Scotland is not competent to appoint a receiver.

A full impact assessment has not been produced for this instrument as no significant impact on the costs of business or the voluntary sector is foreseen.

**Changes to legislation:**

There are currently no known outstanding effects for the The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014.