

SCHEDULE 1

Article 2(1) and (2)

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

PART 1

General modifications

1.—^[F1](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 ^[F2]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 ^[F3]the 2014 Act].

^[F4](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

- F1** 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)**
- F2** 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, SCHEDULE 1. (See end of Document for details)

- F3** 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)**
- F4** 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)**

[^{F5}PART 1A

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

Textual Amendments

- F5** 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—

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, SCHEDULE 1. (See end of Document for details)

“(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, SCHEDULE 1. (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.”.

^{F6}**1J.**

Textual Amendments

F6 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

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)

- 3.** Section 1 of the 1986 Act (those who may propose an arrangement)^{M1} 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 [^{F7}the 2014 Act] and the Credit Unions Act 1979^{M2}; and
 - (b) in subsection (1)^{M3} 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

F7 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)**

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, SCHEDULE 1. (See end of Document for details)

Marginal Citations

- M1** 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.
- M2** 1979 c.34.
- M3** Subsection 1 was amended by the Enterprise Act 2002, Schedule 17, paragraphs 9 and 10(a).

[^{F8}**3A.** Sections 2 to 6 and 7 of ^{F9}... 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

- F8** 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)**
- F9** 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) ^{M4} 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) ^{M5} 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 [^{F10}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 [^{F11}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, SCHEDULE 1. (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

F10 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)**

F11 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)**

Marginal Citations

M4 Section 7A was inserted by the Insolvency Act 2000, Schedule 2, paragraphs 1 and 10.

M5 Subsection (3) was amended by [S.I. 2009/1941](#).

Schedule A1 (moratorium where directors propose voluntary arrangement)

F12 6.

Textual Amendments

F12 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)**

F12 7.

Textual Amendments

F12 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)**

F12 8.

Textual Amendments

F12 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

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.

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, SCHEDULE 1. (See end of Document for details)

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)^{M6}; and
- (b) a reference to a sub-paragraph is a reference to a sub-paragraph of such a paragraph.

Marginal Citations

M6 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.

[^{F13}Creditors' meetings and creditors' notices

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

F13 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

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

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 [^{F14}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, SCHEDULE 1. (See end of Document for details)*

Textual Amendments

F14 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

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 [^{F15}section 62 of the Co-operative and Community Benefit Societies Act 2014].”.

Textual Amendments

F15 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

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

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

(a) after sub-paragraph (3) 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, SCHEDULE 1. (See end of Document for details)

“(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 [^{F16}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 [^{F17}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 [^{F18}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

- F16** 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\(h\)\(i\)](#)
- F17** 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\(h\)\(ii\)](#)
- F18** 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—

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- (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

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 [F19 the 2014 Act] and the Credit Unions Act 1979.

Textual Amendments

F19 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.

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, SCHEDULE 1*. (See end of Document for details)

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

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

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 [F20 section 62 of the Co-operative and Community Benefit Societies Act 2014],”.

Textual Amendments

F20 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

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) ^{M7}; 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, SCHEDULE 1*. (See end of Document for details)

““relevant society” means a [^{F21}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

F21 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

M7 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

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

35. Schedule 1 to the 1986 Act ^{M8} applies in relation to a relevant society with the further modifications set out in this Part and with any other necessary modification.

Marginal Citations

M8 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 ^{M9}; and
- (c) “credit union” has the meaning given in section 31(1) of the 1979 Act.

Marginal Citations

M9 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 [^{F22}Chapters 1 and 2 of Part 5 of the 2014 Act (charges over a society’s assets)];

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, SCHEDULE 1. (See end of Document for details)

- (ii) section 7 (shares) ^{M10}, section 7A (power to issue interest-bearing shares) ^{M11} and section 8 (general prohibition on deposit-taking) ^{M12} 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—
- ^{F23}(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

- F22** 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)**
- F23** 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

- M10** Section 7 was amended by [S.I. 2011/2687](#).
- M11** Section 7A was inserted by [S.I. 2011/2687](#).
- M12** 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 ^{F24}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 ^{F25}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, SCHEDULE 1. (See end of Document for details)*

Textual Amendments

- F24** 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)**
- F25** 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)**

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, SCHEDULE 1.