



# Industrial Common Ownership Act 1976

## 1976 CHAPTER 78

An Act to further the development of enterprises controlled by people working in them, and for purposes connected therewith. [22nd November 1976]

### <sup>F1</sup> **Grants and loans.**

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#### **Textual Amendments**

**F1** S. 1 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 2

### **2 Common ownership enterprises and co-operative enterprises.**

(1) For the purposes of this Act a common ownership enterprise is a body as to which the registrar has given, and has not revoked, a certificate stating that he is satisfied—

- (a) that the body is—
  - (i) a company which has no share capital, is limited by guarantee and is a bona fide co-operative society; or
  - <sup>F2</sup>(ii) a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014;]and
- (b) that the [<sup>F3</sup>articles of association] or rules of the body include provisions which secure—

- (i) that only persons who are employed by, or by a subsidiary of, the body may be members of it, that (subject to any provision about qualifications for membership which is from time to time made by the members of the body by reference to age, length of service or other factors of any description which do not discriminate between persons by reference to politics or religion) all such persons may be members of the body and that members have equal voting rights at meetings of the body,
- (ii) that the assets of the body are applied only for the purposes of objects of the body which do not include the making over of assets to any

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*Changes to legislation: There are currently no known outstanding effects for the Industrial Common Ownership Act 1976. (See end of Document for details)*

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- member of the body except for value and except in pursuance of arrangements for sharing the profits of the body among its members, and
- (iii) that, if on the winding up or dissolution of the body any of its assets remain to be disposed of after its liabilities are satisfied, the assets are not distributed among its members but are transferred to such a common ownership enterprise or such a central fund maintained for the benefit of common ownership enterprises as may be determined by the members at or before the time of the winding up or dissolution or, in so far as the assets are not so transferred, are held for charitable purposes; and
- (c) that the body is controlled by a majority of the people working for the body and of the people working for the subsidiaries, if any, of the body.
- (2) For the purposes of this Act a co-operative enterprise is a body as to which the Secretary of State has given, and has not revoked, a certificate stating that he is satisfied that—
- (a) having regard to the provision which is made by the written constitution of the body as to the manner in which the income of the body is to be applied for the benefit of its members and all other relevant provisions of the constitution, the body is in substance a co-operative association; and
- (b) the body is controlled by a majority of the people working for the body and of the people working for the subsidiaries, if any, of the body.
- (3) The registrar may charge such a fee as the Treasury may determine for any certificate which he proposes to give in pursuance of this section, and any sum received by him in respect of such a fee shall be paid into the Consolidated Fund.
- (4) If it appears to the registrar or the Secretary of State that a body in respect of which he has given a certificate in pursuance of this section has ceased to be a common ownership enterprise or a co-operative enterprise, he may revoke the certificate.
- (5) In this section—
- [<sup>F4</sup>“company” means a company registered under the Companies Act 2006;]
- “the registrar” means the Chief Registrar within the meaning of the <sup>M1</sup>Friendly Societies Act 1974;
- and for the purposes of this section a body is a subsidiary of another body if it is a subsidiary of the other body [<sup>F5</sup>as defined by [<sup>F6</sup>section 1159 of the Companies Act 2006] or for the purposes of] or the <sup>M2</sup>Friendly and Industrial and Provident Societies Act 1968.

#### Textual Amendments

- F2** S. 2(1)(a)(ii) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014](#) (c. 14), s. 154, [Sch. 4 para. 31](#) (with Sch. 5)
- F3** Words in s. 2(1)(b) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009](#) (S.I. 2009/1941), art. 1(2), [Sch. 1 para. 35\(a\)](#) (with art. 10)
- F4** Words in s. 2(5) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009](#) (S.I. 2009/1941), art. 1(2), [Sch. 1 para. 35\(b\)\(i\)](#) (with art. 10)

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- F5** Words substituted by virtue of Companies Consolidation (Consequential Provisions) Act 1985 (c. 9, SIF 27), s. 30, **Sch. 2** and Companies Act 1989 (c. 40, SIF 27), ss. 144(4), 213(2), **Sch. 18 para. 15** (subject to the transitional provisions referred to in S.I. 1990/1392, **arts. 2(d)**, 6)
- F6** Words in s. 2(5) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 35(b)(ii)** (with art. 10)

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**Marginal Citations**

- M1** 1974 c. 46.  
**M2** 1968 c. 55.

**3 Short title and extent.**

- (1) This Act may be cited as the Industrial Common Ownership Act 1976.
- (2) This Act shall not extend to Northern Ireland.

**Changes to legislation:**

There are currently no known outstanding effects for the Industrial Common Ownership Act 1976.