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STATUTORY INSTRUMENTS

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**1996 No. 1669**

**The Financial Institutions (Prudential  
Supervision) Regulations 1996**

**PART V**

**FRIENDLY SOCIETIES**

**Refusal of authorisation by Commission**

**15.**—(1) After subsection (1) of section 34 of the Friendly Societies Act (grant of unconditional or conditional authorisation) there shall be inserted the following subsections—

“(1A) The Commission shall refuse to grant authorisation to a society which is or, if authorisation were granted, would be a society to which section 37(2) or (3) below applies if it appears to the Commission that the principal place of business of the society is outside the United Kingdom.

(1B) The Commission shall also refuse to grant authorisation to a society which is or, if authorisation were granted, would be a society to which section 37(2) or (3) below applies if it appears to the Commission that—

- (a) the society is an undertaking which is closely linked with any person; and
- (b) the society’s close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as would prevent the effective exercise by the Commission of its functions under this Act in relation to the society;

and in this subsection “non-EEA laws” means laws of a country or territory outside the European Economic Area and “non-EEA administrative provisions” shall be construed accordingly.”and at the beginning of each of subsections (2) and (4) of that section there shall be inserted the words “Subject to subsections (1A) and (1B) above,”.

(2) In each of subsections (8) and (9) of that section, for the words “Subsections (2) to (7) above” there shall be substituted the words “Subsections (1A) to (7) above”.