



# Industrial and Provident Societies Act 1965 (repealed)

## 1965 CHAPTER 12

*Contracts, property, etc., of society*

### **28 Promissory notes and bills of exchange.**

A promissory note or bill of exchange shall be deemed to have been made, accepted or endorsed on behalf of any registered society if made, accepted or endorsed in the name of the society, or by or on behalf or account of the society, by any person acting under the authority of the society.

### **29 Contracts.**

- (1) Any contract which, if made between private persons, would be by law required to be in writing and, if made according to English law, to be under seal may be made, varied or discharged on behalf of a registered society in writing under the common seal of the society; and any contract which may be or have been made, varied or discharged in accordance with this subsection shall, so far as concerns its form, be effectual in law and binding on all parties thereto, their heirs, executors or administrators, as the case may be.
- (2) A signature purporting to be made by a person holding any office in a registered society attached to a writing whereby any contract purports to be made, varied or discharged by or on behalf of the society shall, until the contrary is proved, be taken to be the signature of a person holding that office at the time when the signature was made.
- (3) Subsection (1) of this section shall not apply to Scotland; and nothing in that subsection shall prejudice the operation in England and Wales of the <sup>M1</sup>Corporate Bodies' Contracts Act 1960.

#### **Marginal Citations**

**M1** 1960 c. 46 .

*Status: Point in time view as at 10/11/2004.*

*Changes to legislation: There are currently no known outstanding effects for the Industrial and Provident Societies Act 1965 (repealed), Cross Heading: Contracts, property, etc., of society. (See end of Document for details)*

### [<sup>F1</sup>29A Purported contracts, deeds and obligations .

- (1) A contract which purports to be made by or on behalf of a registered society at a time when the society has not been registered under this Act has effect, subject to any agreement to the contrary, as one made with the person purporting to act for the society or as agent for it.
- (2) accordingly, the contract is to be treated—
  - (a) as imposing on that person all the obligations it purports to impose on the society; and
  - (b) as conferring on him all the rights it purports to confer on the society.
- (3) Subsections (1) and (2) of this section apply—
  - (a) to the making of a deed under the law of England and Wales, and
  - (b) to the undertaking of an obligation under the law of Scotland, as they apply to the making of a contract.]

#### Textual Amendments

**F1** S. 29A inserted (20.10.2003) by [Co-operatives and Community Benefit Societies Act 2003 \(c. 15\)](#) , **ss. 4(1)** , **7(1)** ; [S.I. 2003/2678](#) , **art. 2(2)** (with **art. 2(3)** )

### [<sup>F2</sup>29B Common seal.

- (1) Notwithstanding any enactment or rule of law, a registered society need not have a common seal.
- (2) If a registered society has a common seal, the society shall have its registered name engraved on the seal in legible characters.
- (3) If, after the coming into force of subsection (1) of this section, a registered society decides to have a common seal, it shall not cause such a seal to be made unless the registered rules of the society contain provision for the custody and use of that seal.
- (4) Section 62 of this Act does not apply in respect of an offence committed by a registered society under section 61 of this Act where the offence consists of a failure to comply with subsection (2) or (3) of this section.
- (5) Any officer of a registered society, or any other person acting on such a society's behalf, who uses or authorises the use of any seal purporting to be the common seal of the society which does not have the society's registered name engraved on it in legible characters shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (6) In this section "enactment" includes an enactment comprised in—
  - (a) an Act of the Scottish Parliament;
  - (b) subordinate legislation, whether made under an Act or an Act of the Scottish Parliament.

#### Textual Amendments

**F2** Ss. 29B-29G inserted (20.10.2003) by [Co-operatives and Community Benefit Societies Act 2003 \(c. 15\)](#) , **ss. 5(1)** , **7(1)** ; [S.I. 2003/2678](#) , **art. 2(2)**

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## **29C Methods for execution of documents: England and Wales .**

- (1) The following provisions have effect with respect to the execution of documents by a registered society under the law of England and Wales.
- (2) A registered society may, if it has a common seal, execute a document by affixing that seal to it.
- (3) A document—
  - (a) signed by a member of the committee of a registered society and the secretary of the society, or by two members of that committee, and
  - (b) expressed (in whatever form of words) to be executed by the society,has the same effect as if it were executed under the common seal of the society.
- (4) A document executed by a registered society which makes it clear on its face that it is intended by the person or persons making it to be a deed has effect, upon delivery, as a deed; and it shall be presumed, unless a contrary intention is proved, to be delivered upon its being so executed.
- (5) In favour of a purchaser a document shall be deemed to have been duly executed by a registered society if it purports to be signed by a member of the committee of the society and the secretary of the society, or by two members of the committee, and, where it makes it clear on its face that it is intended by the person or persons making it to be a deed, to have been delivered upon its being executed.
- (6) Subsections (3) to (5) of this section apply whether or not the society has a common seal; and, in subsection (5) of this section, “purchaser” means a purchaser in good faith for valuable consideration and includes a lessee, mortgagee or other person who for valuable consideration acquires an interest in property.

### **Textual Amendments**

**F2** Ss. 29B-29G inserted (20.10.2003) by [Co-operatives and Community Benefit Societies Act 2003](#) (c. 15) , **ss. 5(1)** , 7(1) ; S.I. 2003/2678 , art. 2(2)

## **29D Execution of documents: Scotland.**

- (1) Under the law of Scotland, for the purposes of any enactment—
  - (a) providing for a document to be executed by a registered society by affixing its common seal, or
  - (b) referring (in whatever terms) to a document so executed,a document signed or subscribed by or on behalf of the society in accordance with the provisions of the Requirements of Writing (Scotland) Act 1995 shall have effect as if so executed.
- (2) In this section “enactment” includes an enactment comprised in—
  - (a) an Act of the Scottish Parliament;
  - (b) subordinate legislation, whether made under an Act or an Act of the Scottish Parliament.

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#### Textual Amendments

**F2** Ss. 29B-29G inserted (20.10.2003) by [Co-operatives and Community Benefit Societies Act 2003](#) (c. 15) , **ss. 5(1)** , 7(1) ; S.I. 2003/2678 , art. 2(2)

### 29E Power of society to have official seal for use abroad.

- (1) This section applies to a registered society if—
  - (a) it has a common seal; and
  - (b) its objects require or comprise the transaction of business in foreign countries.
- (2) The society may, if authorised by its registered rules, have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.
- (3) An “official seal” is a facsimile of the society’s common seal with the addition on its face of the name of every territory, district or place where it is to be used.

#### Textual Amendments

**F2** Ss. 29B-29G inserted (20.10.2003) by [Co-operatives and Community Benefit Societies Act 2003](#) (c. 15) , **ss. 5(1)** , 7(1) ; S.I. 2003/2678 , art. 2(2)

### 29F Effect of use of official seal .

The official seal of a registered society when duly affixed to a document has the same effect as the society’s common seal.

#### Textual Amendments

**F2** Ss. 29B-29G inserted (20.10.2003) by [Co-operatives and Community Benefit Societies Act 2003](#) (c. 15) , **ss. 5(1)** , 7(1) ; S.I. 2003/2678 , art. 2(2)

### 29G Authorisation of use of official seal .

- (1) If a registered society has an official seal, it may authorise any person appointed for the purpose as respects any territory, district or place appearing on the face of that seal to affix it to any deed or other document to which the society is party there.
- (2) An authorisation for the purposes of subsection (1) of this section must be given—
  - (a) in the case of a society with its registered office in Scotland, by writing subscribed in accordance with the Requirements of Writing (Scotland) Act 1995; and
  - (b) in any other case, by writing under the society’s common seal.
- (3) As between the society and a person dealing with such an agent, the agent’s authority continues—
  - (a) if a period is mentioned in the authorisation, during that period; or
  - (b) if no period is there mentioned, until notice of the revocation or determination of the agent’s authority has been given to the person dealing with him.

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- (4) The person affixing the official seal shall certify in writing on the deed or other instrument to which the seal is affixed the date on which and the place at which it is affixed.]

#### Textual Amendments

- F2** Ss. 29B-29G inserted (20.10.2003) by [Co-operatives and Community Benefit Societies Act 2003](#) (c. 15), **ss. 5(1)**, 7(1); S.I. 2003/2678, art. 2(2)

### 30 Holding of land.

- (1) A registered society may, unless its registered rules direct otherwise, hold, purchase or take on lease in its own name any land and may sell, exchange, mortgage or lease any such land and erect, alter or pull down buildings on it; and—
- (a) no purchaser, assignee, mortgagee or tenant shall be bound to inquire as to the authority for any such dealing with the land by the society; and
  - (b) the receipt of the society shall be a discharge for all moneys arising from or in connection with any such dealing.
- (2) In the application of the foregoing subsection to Scotland—
- (a) for the word “exchange” there shall be substituted the word “excamb”;
  - (b) for the word “mortgage” there shall be substituted the words “grant a heritable security over”;
  - (c) for the word “mortgagee” there shall be substituted the words “creditor in a heritable security”.

### 31 Investments. **E+W**

A registered society may invest any part of its funds in or upon any security authorised by its registered rules, and also, unless those rules direct otherwise—

- (a) in or upon any mortgage, bond, debenture, debenture stock, corporation stock, annuity, rentcharge, rent or other security (not being securities payable to bearer) authorised by or under any Act of;
  - [<sup>F3</sup>[<sup>F4</sup>(i) a billing authority or a precepting authority, as defined in section 69 of the Local Government Finance Act 1992;
  - [<sup>F5</sup>(ia) a fire and rescue authority in Wales constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;]]
  - (ii) a levying body within the meaning of section 74 of [<sup>F6</sup>the Local Government Finance Act 1988]; and
  - (iii) a body as regards which section 75 of that Act applies]
- (b) in the shares or on the security of any other registered society, of any [<sup>F7</sup>building society within the meaning of the Building Societies Act 1986], or of any company registered under the Companies Acts or incorporated by Act of Parliament or by charter, being a society or company with limited liability;
- (c) in or upon any other security, being a security in which trustees are for the time being authorised by law to invest, for which purpose sections 1 to 6 of the <sup>M2</sup>Trustee Investments Act 1961 shall apply as if the society were a trustee and its funds were trust property.

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#### Textual Amendments

- F3** S. 31(a) paragraphs (i)–(iii) substituted (E.W.) for “any local authority within the meaning of the Local Loans Act 1875” by [S.I.1990/776](#) , [art. 8](#) , [Sch. 3 para. 9](#)
- F4** S. 31(a)(i)(ia) substituted for s. 31(a)(i) (E.W.) (2.11.1992) by [Local Government Finance Act 1992 \(c. 14\)](#) , [s. 117\(1\)](#) , [Sch. 13 para. 13](#) (with [s. 118\(1\)\(2\)\(4\)](#)) ; [S.I. 1992/2454](#) , [art. 2](#) .
- F5** S. 31(a)(ia) substituted (E.W.) (1.10.2004 except in relation to W., 10.11.2004 for W.) by [Fire and Rescue Services Act 2004 \(c. 21\)](#) , [s. 61](#) , [Sch. 1 para. 19\(2\)](#) ; [S.I. 2004/2304](#) , [art. 2](#)
- F6** Words in s. 31(a)(ii) substituted (E.W.) (1.10.2004 except in relation to W., 10.11.2004 for W.) by [Fire and Rescue Services Act 2004 \(c. 21\)](#) , [s. 61](#) , [Sch. 1 para. 19\(3\)](#) ; [S.I. 2004/2304](#) , [art. 2](#)
- F7** Words substituted by [Building Societies Act 1986 \(c. 53, SIF 16\)](#) , [s. 120](#) , [Sch. 18 para. 6](#)

#### Modifications etc. (not altering text)

- C1** S. 31(a) extended (24.6.2003) by [The Uncertificated Securities \(Amendment\) \(Eligible Debt Securities\) Regulations 2003 \(S.I. 2003/1633\)](#) , [reg. 1\(1\)](#) , [Sch. 2 para. 14\(b\)](#)

#### Marginal Citations

- M2** [1961 c. 62](#) .

## 31 Investments. **S**

A registered society may invest any part of its funds in or upon any security authorised by its registered rules, and also, unless those rules direct otherwise—

- (a) in or upon any mortgage, bond, debenture, debenture stock, corporation stock, annuity, rentcharge, rent or other security (not being securities payable to bearer) authorised by or under any Act of any local authority within the meaning of the <sup>M5</sup> Local Loans Act 1875;
- (b) in the shares or on the security of any other registered society, of any [<sup>F13</sup>building society within the meaning of the Building Societies Act 1986], or of any company registered under the Companies Acts or incorporated by Act of Parliament or by charter, being a society or company with limited liability;
- (c) in or upon any other security, being a security in which trustees are for the time being authorised by law to invest, for which purpose sections 1 to 6 of the <sup>M6</sup> Trustee Investments Act 1961 shall apply as if the society were a trustee and its funds were trust property.

#### Extent Information

- E1** This version of this provision extends to Scotland and the Channel Islands only; a separate version has been created for England and Wales only.

#### Textual Amendments

- F13** Words substituted by [Building Societies Act 1986 \(c. 53, SIF 16\)](#) , [s. 120](#) , [Sch. 18 para. 6](#)

#### Modifications etc. (not altering text)

- C1** S. 31(a) extended (24.6.2003) by [The Uncertificated Securities \(Amendment\) \(Eligible Debt Securities\) Regulations 2003 \(S.I. 2003/1633\)](#) , [reg. 1\(1\)](#) , [Sch. 2 para. 14\(b\)](#)

#### Marginal Citations

- M5** [1875 c. 83](#) .

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**M6** 1961 c. 62 .

### **32 Proxy voting by societies.**

- (1) A registered society which has invested any part of its funds in the shares or on the security of any other body corporate may appoint as proxy any one of its members notwithstanding that he is not personally a shareholder of that other body corporate.
- (2) Any member of the society so appointed shall during the continuance of his appointment be taken by virtue thereof as holding the number of shares held by the society for all purposes other than the transfer of any such share or the giving of a receipt for any dividend thereon.

### **33 Discharge of mortgages in England and Wales.**

- (1) Where, in the case of any mortgage or other assurance to a registered society of any property in England or Wales, a receipt in full for all moneys secured thereby on that property is endorsed on or annexed to the mortgage or other assurance, being a receipt—
  - (a) signed by two members of the committee and countersigned by the secretary of the society or, if the society is in liquidation, signed by the liquidator or liquidators for the time being, described as such; and
  - (b) in one of the forms set out in Part I of Schedule 3 to this Act, or in any other form specified in the rules of the society or any schedule thereto,then, for the purposes of the provisions of section 115 of the <sup>M3</sup> Law of Property Act 1925 specified in subsection (2) of this section, that receipt shall be deemed to be a receipt which fulfils the requirements of subsection (1) of that section.
- (2) The provisions of the said section 115 referred to in the foregoing subsection are—
  - (a) subsection (1) so far as it relates to the operation of such a receipt as is mentioned in that subsection;
  - (b) if, but only if, the receipt under this section states the name of the person who pays the money, subsection (2);
  - (c) subsections (3), (6), (8), (10) and (11);
  - (d) where consistent with the terms of the form authorised by subsection (1)(b) of this section which is used for the receipt, subsection (7).

#### **Marginal Citations**

**M3** 1925 c. 20 .

### **34 Discharge of securities in Scotland.**

- (1) Where land in Scotland is held in security by a registered society by virtue of a heritable security constituted by an *ex facie* absolute conveyance, whether qualified by a back letter or not, a receipt in or as nearly as may be in form C in Part II of Schedule 3 to this Act endorsed on or annexed to the conveyance shall, on the registration thereof in the General Register of Sasines, effectually discharge that heritable security and disburden the land comprised therein, and vest that land in the person or persons entitled thereto at the date of the granting of the receipt in the like manner and to

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the like effect as if a conveyance containing all usual and necessary clauses had been granted by the society to that person or persons and duly registered as aforesaid.

- (2) Where land in Scotland is held in security by a registered society by virtue of a heritable security other than the one constituted by an *ex facie* absolute conveyance, a receipt in or as nearly as may be in form D in the said Part II endorsed on or annexed to the deed constituting that heritable security shall, on the registration thereof in the General Register of Sasines, effectually discharge that heritable security and disburden the land comprised therein in the like manner and to the like effect as if a discharge containing all usual and necessary clauses had been granted by the society and duly registered as aforesaid.
- (3) Where property other than land is held in security by a registered society in Scotland, a receipt in or as nearly as may be in form E in the said Part II shall discharge the security, and vest the property comprised therein in the person or persons entitled thereto at the date of the granting of the receipt without the necessity of any further deed:

Provided that where the original security was intimated to any person that security shall not be discharged nor the property vested as aforesaid until the receipt has been duly intimated to that person.

- (4) The fees payable in respect of the registration of receipts mentioned in this section shall in no case exceed [<sup>F8</sup> 25p ] . . . <sup>F9</sup>
- (5) In this section—
- (a) the expression “ a receipt ”, in relation to any security, means a receipt, [<sup>F10</sup> signed by two members of the committee and countersigned by the secretary of the society or, if the society is in liquidation, signed by the liquidator or liquidators for the time being, described as such], for all moneys advanced by the society on the security of the property comprised in that security;
  - (b) the expressions “ conveyance ” and “ deed ” have the meanings respectively assigned to them by the <sup>M4</sup> Conveyancing (Scotland) Act 1924.

#### Textual Amendments

**F8** Words substituted by virtue of [Decimal Currency Act 1969 \(c. 19\)](#) , [s. 10\(1\)](#)

**F9** Words repealed (1.8.1971) by [Finance Act 1971 \(c. 68\)](#) , [Sch. 14 Pt. VI](#)

**F10** Words in s. 34(5)(a) repealed (S.)(1.8.1995) by [1995 c. 7](#) , [ss. 14\(2\)](#) , [15\(2\)](#) , [Sch. 5](#) (with [ss. 9\(3\)\(5\)\(7\)](#) , [13](#) , [14\(3\)](#) )

#### Marginal Citations

**M4** [1924 c. 27](#) .

### 35 Receipt on payment of moneys secured to a society.

On payment of all moneys intended to be secured to a registered society on the security of any property, the debtor or his successor or representatives shall be entitled to a receipt in the appropriate form specified in Schedule 3 to this Act.

### <sup>F11F12</sup>36 Execution of deeds in Scotland.

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#### Textual Amendments

- F11** S. 36 repealed (S.) (1.8.1995) by [Requirements of Writing \(Scotland\) Act 1995 \(c. 7\), ss. 14\(2\), 15\(2\)](#) Sch. 5 (with ss. 9(3)(5)(7), 13, 14(3))
- F12** S. 36 repealed (E.W.) (20.10.2003) by [Co-operatives and Community Benefit Societies Act 2003 \(c. 15\), ss. 5\(5\), 7\(1\), Sch.; S.I. 2003/2678, art. 2\(2\)](#)

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