



Industrial and Provident Societies Act 1965

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 Corporate Bodies' Contracts Act 1960.

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

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 Local Loans Act 1875 ;
- (b) in the shares or on the security of any other registered society, of any society registered under the Building Societies Acts, 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 Trustee Investments Act 1961 shall apply as if the society were a trustee and its funds were trust property.

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 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).

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 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 five shillings and such receipts shall be exempt from stamp duty.
- (5) In this section—

- (a) the expression " a receipt", in relation to any security, means a receipt, 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 Conveyancing (Scotland) Act 1924.

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.

36 Execution of deeds in Scotland

In Scotland, any deed or writ to which any registered society is a party shall be held to be duly executed on behalf of that society if it is sealed with the common seal of the society subscribed on behalf of the society by two members of the committee and the secretary thereof, whether that subscription is attested by witnesses or not.