



Friendly Societies Act 1971

1971 CHAPTER 66

An Act to amend the law relating to societies and branches registered under the Friendly Societies Act 1896, to make other amendments to facilitate the consolidation of the Friendly Societies Acts 1896 to 1968, and for purposes connected therewith. [27th July 1971]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Amalgamation of registered societies and transfers of their engagements

- (1) The provisions of this section and of section 2 below shall have effect in place of the provisions of section 70 of the Friendly Societies Act 1896 (in this Act referred to as "the principal Act").
- (2) Any two or more registered societies may, by special resolution of each of them, become amalgamated together as one society, with or without any dissolution or division of the funds of those societies or any of them.
- (3) A registered society may, by special resolution, transfer its engagements to any other registered society which, by special resolution or in such other manner as may be authorised by its rules, undertakes to fulfil those engagements.
- (4) Before a registered friendly society becomes amalgamated with, or transfers its engagements to, another friendly society in pursuance of subsection (2) or subsection (3) above, or transfers its engagements to a company in accordance with section 71 of the principal Act, information relating to the terms of the proposed amalgamation or transfer shall be given to the members of the society—
 - (a) by sending to each member of the society, not less than fourteen days before the date of the general meeting at which the resolution for the amalgamation or transfer is to be proposed, a notice in terms approved for the purpose by the chief registrar; or

- (b) if the chief registrar so allows in the case of all or any of the members of the society, by placing an advertisement, in terms approved for the purpose by him, in such newspaper or newspapers, and at such time or times, as he may specify.
- (5) Where, in accordance with section 75 of the principal Act, there is sent to the central office a copy of a special resolution passed at a meeting of a registered friendly society—
- (a) for the purpose referred to in subsection (2) or subsection (3) above, or
 - (b) for the purpose of transferring the engagements of the friendly society to a company in accordance with section 71 of the principal Act,
- the resolution shall not be registered (and accordingly shall not take effect) before the expiry of the period of six weeks beginning with the date on which it is received at the central office.
- (6) A registered society consisting wholly of members under twenty-one and a registered society or branch or branches of a society having members above twenty-one may, by resolutions registered in the manner required for the registration of an amendment of rules, become amalgamated together as one society or branch, or provide for distributing among several branches the members of a society consisting wholly of members under twenty-one; and the preceding provisions of this section shall not apply to such an amalgamation.

2 Objections to amalgamations and transfers of engagements of friendly societies

- (1) Subject to subsection (2) below, where a special resolution has been passed for the amalgamation, or transfer of the engagements, of a registered friendly society—
- (a) any member of the society may by notice in writing complain to the chief registrar on the ground that the provisions of section 1 above, section 4 below or of the principal Act or of any rules of the society relating to the procedure for deciding on the resolution have not been complied with ; and
 - (b) any person (whether a member of the society or not) who claims that he is one of a class of persons who to a substantial extent would be adversely affected by the amalgamation or transfer may by notice in writing complain to the chief registrar on that ground.
- (2) A complaint under this section may not be made after the expiry of the period of six weeks referred to in section 1(5) above, but where such a complaint is made the special resolution shall not be registered until the complaint is finally determined or is withdrawn.
- (3) Subsections (3) and (4) of section 68 of the principal Act (powers of chief registrar in dealing with disputes) and section 84(e) of that Act (penalties for failure to comply with requirements of chief registrar in dealing with disputes) shall apply in relation to a complaint made to the chief registrar under this section as they apply in relation to a dispute referred to him under that Act; and it is hereby declared that the Arbitration Act 1950 does not apply to proceedings on a complaint under this section.
- (4) Where a complaint is made under this section the chief registrar may either dismiss it or if, after giving the complainant and the registered society concerned an opportunity of being heard, he finds the complaint to be justified, may either—
- (a) so declare, but make no other declaration or order under this subsection on the complaint; or

- (b) declare the special resolution to be invalid; or
- (c) make such order as he thinks fit modifying the terms of the amalgamation or transfer and, where appropriate, specifying the steps which must be taken before the special resolution may be registered at the central office;

and it shall be the duty of the chief registrar to furnish a statement, either written or oral, of the reasons for any decision which he gives on a complaint under this section.

- (5) Where an order has been made under subsection (4)(c) above in relation to a proposed amalgamation or transfer of engagements, the central office shall not register a special resolution for giving effect to that amalgamation or transfer unless satisfied that any steps specified in the order have been taken.
- (6) Subject to subsections (7) and (8) below, the validity of a special resolution passed for either of the purposes referred to in subsection (1) above shall not be questioned in any legal proceedings whatsoever (except proceedings before the chief registrar under this section or arising out of any such proceedings) on any ground on which a complaint could be, or could have been, made to the chief registrar under this section.
- (7) In the course of proceedings on a complaint under this section the chief registrar may, if he thinks fit, at the request of the complainant or of the registered society concerned, state a case for the opinion of the High Court or, if the society concerned is registered in Scotland, the Court of Session on any question of law arising in the proceedings; and the decision of the High Court or, as the case may be, the Court of Session on a case stated under this subsection shall be final.
- (8) Without prejudice to subsection (1) above, where a special resolution has been passed for the amalgamation of a registered friendly society (whether or not the resolution has taken effect) any person, whether a member of the society or not, who—
 - (a) claims to be entitled to receive any form of benefit from the society, and
 - (b) is dissatisfied with the provision made for satisfying his claim,may within the period of three months beginning with the day on which the special resolution is passed make an application to the county court, or in Scotland to the sheriff, for the district within which the chief or any other place of business of the society, or (if the amalgamation has taken effect) the amalgamated society, is situated, and on any such application the county court or sheriff shall have the same powers in the matter as in regard to the settlement of disputes under the principal Act.

3 Other amendments relating to amalgamation, conversion and dissolution of societies

- (1) So much of section 71 of the principal Act as authorises the amalgamation of a registered society with a company shall cease to have effect.
- (2) Section 73 of the principal Act (which provides for the conversion of certain registered societies into branches of other registered societies) shall cease to be limited to societies first registered before 1876, and accordingly subsection (7) of that section shall cease to have effect.
- (3) In paragraph (b) of section 78(1) of the principal Act (which provides for the dissolution by consent of societies and branches other than friendly societies and branches of friendly societies) the words " as respects societies or branches other than friendly societies or branches " shall be omitted and after the word " dissolution " there shall be added the words " and, in the case of a branch of a friendly society, with

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the consent of the central body of the society or in accordance with the general rules of the society " ; and paragraph (c) of the said section 78(1) (which contains special provisions for the dissolution by consent of friendly societies and branches of friendly societies) shall cease to have effect.

- (4) For subsection (2) of the said section 78 there shall be substituted the following subsection:—

“(2) If any member of a registered friendly society or branch in respect of which an instrument of dissolution has been registered in accordance with section 79 of this Act, or if any person claiming any relief, annuity or other benefit from the funds of such a society or branch, is dissatisfied with the provision made for satisfying his claim, he may within the period of three months referred to in subsection (6) of that section make an application to the county court for the district within which the chief or any other place of business of that society or branch is situated, and on any such application that court shall have the same powers in the matter as it has with regard to the settlement of disputes under this Act.”

4 Special resolutions

- (1) For the purposes of this Act and the principal Act a special resolution, in relation to a registered society, is a resolution passed—
- (a) at a general meeting of which notice, specifying the intention to propose that resolution, has been duly given in accordance with the society's rules, and
 - (b) by not less than three-quarters of those members of the society for the time being entitled under the society's rules to vote who vote either in person or by proxy at the meeting or, in the case of a meeting of delegates appointed by members, by not less than three-quarters of the delegates who vote at the meeting.
- (2) Notwithstanding anything to the contrary in the rules of a registered society, at any such general meeting as is referred to in subsection (1)(a) above, other than a meeting of delegates, proxy voting shall be permitted on any resolution which, if passed as mentioned in subsection (1)(b) above, would be a special resolution, and the procedure adopted by a registered society for proxy voting on any such resolution shall comply with any requirements imposed by the chief registrar by regulations made under this section.
- (3) The provisions of this section shall have effect in place of the provisions of section 74 of the principal Act, but nothing in this Act shall affect the operation of the principal Act in relation to a special resolution, within the meaning of the said section 74, which is passed and confirmed in accordance with that section before the day appointed for the coming into force of this section.

5 Power of chief registrar to inspect and apply for winding up of registered friendly societies and branches

- (1) If it appears to the chief registrar to be expedient to do so in the interests of the members of a registered friendly society or of the public he may appoint an inspector to examine into and report on the affairs of the society, and for that purpose the inspector may exercise in respect of the society all or any of the powers conferred by subsection (5) of section 76 of the principal Act on an inspector appointed under that section.

- (2) If on receiving the report of an inspector appointed by him under this section, it appears to the chief registrar that it is in the interests of the members of the society or of the public that the society should be wound up, then, unless the society is already being wound up by the court, the chief registrar may present a petition to the High Court or, in Scotland, to the Court of Session for the society to be wound up by the court in accordance with the Companies Act 1948 if the court thinks it just and equitable that this should be done.
- (3) The chief registrar may, if he considers it just, direct that all or any of the expenses of and incidental or preliminary to an inspection under this section shall be defrayed out of the funds of the society, or by the members or officers, or former members or officers, of the society in such proportions as he may direct.
- (4) The provisions of this section apply in relation to a registered branch of a registered friendly society as they apply in relation to such a society.
- (5) So much of section 17 of the Industrial Assurance Act 1923 as provides for the inspection and dissolution of collecting societies under that section shall cease to have effect (being superseded by the provisions of this section).

6 Power of chief registrar to suspend business of registered friendly societies and branches

- (1) Subject to the following provisions of this section, if, with respect to any registered friendly society, the chief registrar considers it expedient to do so in the interests of the members of the society or the public, he may make an order forbidding the society to accept any new members or to enter into a new contract with any member of the society.
- (2) Not less than one month before making an order under subsection (1) above in relation to a society the chief registrar shall serve on the society a notice stating that he proposes to make such an order.
- (3) A notice under subsection (2) above shall specify the considerations which have led the chief registrar to conclude that it would be in the interests of the members of the society or of the public to make the order.
- (4) The chief registrar shall consider any representations with respect to a notice under subsection (2) above which may be made to him by the society within such period (not being less than one month) from the date on which the society is served with the notice as the chief registrar may allow and, if the society so requests, shall afford to it an opportunity of being heard by him within that period.
- (5) On making an order under subsection (1) above in relation to a society, the chief registrar shall serve on the society notice of the making of the order, specifying the considerations which have led him to conclude that it is expedient to make the order in the interests of the members of the society or of the public ; and the chief registrar may not make an order under subsection (1) above unless all the considerations so specified were those, or were among those, which were specified in the notice served on the society under subsection (2) above.
- (6) Notice of the making of an order under subsection (1) above shall be published by the chief registrar in the Gazette and in such other ways as appear to him expedient for informing the public.

- (7) If a society contravenes the provisions of an order under subsection (1) above it shall be liable on conviction on indictment or on summary conviction to a fine which, on summary conviction, shall not exceed £400; and every officer of the society who knowingly and wilfully authorises or permits the contravention shall be liable—
- (a) on conviction on indictment, to a fine or to imprisonment for a term not exceeding two years, or to both, or
 - (b) on summary conviction, to a fine not exceeding £400.
- (8) An order under subsection (1) above may be revoked by a subsequent order made by the chief registrar.
- (9) The provisions of this section apply in relation to a registered branch of a registered friendly society as they apply in relation to such a society.

7 Power of chief registrar to require production of documents

- (1) The chief registrar may at any time, if he thinks there is good reason to do so—
- (a) give directions to a registered friendly society requiring the society, at such time and place as may be specified in the directions, to produce such books or papers as may be so specified ; or
 - (b) authorise an officer of the central office, on producing (if required to do so) evidence of his authority, to require a registered friendly society to produce to him forthwith any books or papers which the officer may specify.
- (2) Where by virtue of subsection (1) above the chief registrar or any officer of the central office has power to require the production of any books or papers from a registered friendly society, the chief registrar or officer shall have the like power to require production of those books or papers from any person who appears to the chief registrar or officer to be in possession of them; but where any such person claims a lien on books or papers produced by him, the production shall be without prejudice to the lien.
- (3) Any power conferred by or by virtue of this section to require a registered friendly society or other person to produce books or papers includes power—
- (a) if the books or papers are produced, to take copies of them or extracts from them and to require that person, or any other person who is an officer or former officer of, or is or was at any time employed by, the society in question, to provide an explanation of them;
 - (b) if the books or papers are not produced, to require the person who was required to produce them to state, to the best of his knowledge and belief, where they are.
- (4) Subject to subsection (5) below, if a requirement to produce books or papers or provide an explanation or make a statement which is imposed by virtue of this section is not complied with, the society or other person on whom the requirement was so imposed shall be guilty of an offence under the principal Act and liable on summary conviction to a fine not exceeding £400.
- (5) Where a person is charged with an offence under subsection (4) above in respect of a requirement to produce any books or papers, it shall be a defence to prove that they were not in his possession or under his control and that it was not reasonably practicable for him to comply with the requirement.

- (6) A statement made by a person in compliance with a requirement imposed by virtue of this section (including any explanation provided under subsection (3) (a) above) may be used in evidence against him.
- (7) The provisions of this section apply in relation to a registered branch of a registered friendly society as they apply in relation to such a society.

8 Cancellation and suspension of registration

In order—

- (a) to remove a number of anomalies in section 77 of the principal Act (cancellation and suspension of registration of a society) and thereby bring the law relating to registered societies into conformity with the corresponding provisions (in sections 16 and 17) of the Industrial and Provident Societies Act 1965, and
- (b) to remove the requirement of Treasury approval for the exercise by the chief registrar and the assistant registrar for Scotland of their powers to cancel or suspend the registration of a society,

for the said section 77 there shall be substituted the sections set out in Schedule 1 to this Act.

9 Fees for registration of friendly societies, etc.

- (1) Notwithstanding anything in subsection (2) of section 96 of the principal Act (which provides that no fees shall be payable on the registration of societies falling within paragraphs (1) to (4A) of section 8 of that Act or on an amendment of the rules of such societies) the Treasury may by order provide that, on the registration of any such society as is mentioned in that subsection or on an amendment of the rules of any such society, fees may be charged in accordance with a scale determined by the Treasury under subsection (1) of that section.
- (2) The power to make an order under this section includes power to vary or revoke such an order by a further order so made.

10 Group insurance business

- (1) The requirement in paragraph 2 of Schedule 1 to the principal Act that the rules of a registered society shall set out the conditions under which a member may become entitled to any benefit assured by the society shall not require the inclusion in the rules of a registered society of tables relating to the benefits payable to or in respect of any members of the society in pursuance of approved group insurance business.
- (2) The requirement in paragraph (a) of section 8(2) of the Industrial Assurance Act 1923 that the rules of a collecting society shall contain the tables in accordance with which policies of industrial assurance are issued by the society shall not require the inclusion in the rules of a collecting society of tables relating to policies issued in pursuance of approved group insurance business conducted by the society.
- (3) For the purposes of section 41 of the principal Act and Part II of Schedule 8 to the Finance Act 1966 (which impose limits on the benefits which may be assured by registered friendly societies and branches) the limits in paragraphs (1)(c) and (1)(d) of paragraph 5 of the said Schedule 8 (which relate to life or endowment business

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which is not tax exempt) shall apply separately in relation to the amounts which may be received—

- (a) by way of group insurance business ; and
- (b) by way of other business.

(4) For the purposes of this section " group insurance business " means the business of providing, in accordance with the rules of a registered society, benefits for or in respect of such employees of a particular employer or such other group of persons for the time being approved for the purposes of this section by the registrar as are members of the society ; and such business is approved group insurance business if—

- (a) the policy of insurance or other contract under which the benefits are provided for or in respect of each of the employees or other persons concerned is in a form approved by the registrar, and
- (b) such other requirements as may be prescribed by regulations made by the chief registrar are fulfilled.

11 Increase of certain penalties under Friendly Societies Acts

- (1) The provisions of this section shall have effect for the purpose of—
 - (a) increasing the maximum fines on summary conviction of certain offences under the Friendly Societies Acts 1896 to 1968 ; and
 - (b) repealing so much of section 90 of the principal Act as provides for imprisonment for a maximum of three months as an alternative to a fine of £10.
- (2) In section 88 of the principal Act (fine for falsification of balance sheets etc.) for the words " fifty pounds " there shall be substituted " £400 " and in section 89 of that Act (fine for ordinary offences) for the words " £10 " there shall be substituted " £50 " .
- (3) In section 90 of the principal Act (aiding or abetting amalgamation, transfer of engagements or dissolution of friendly society contrary to the principal Act) for the words from " to the fine " to the end of the section there shall be substituted the words " to a fine not exceeding £200 " .
- (4) In section 16(1) of the Industrial Assurance and Friendly Societies Act 1948 (contravention by registered societies of certain provisions of that Act relating to permitted insurances) for the words " fifty pounds " there shall be substituted " £100 " .
- (5) In subsection (7) of section 3 of the Friendly and Industrial and Provident Societies Act 1968 (failure by member of committee of registered society to comply with provisions of that section as to revenue accounts and balance sheets) the words " under the appropriate registration Act" shall be omitted and at the end of the subsection there shall be added the words " and a person guilty of an offence under this section shall be liable on summary conviction to a fine not exceeding £400 " .
- (6) No provision of this section shall affect the amount of the fine which may be imposed on conviction of an offence committed before the day appointed for the coming into force of that provision.

12 Reciprocal application of legislation relating to societies registered in Northern Ireland and in other parts of the British Islands

- (1) The Treasury may make reciprocal arrangements with the Ministry of Commerce for Northern Ireland or such other authority as may be specified for the purposes of this subsection by any enactment of the Parliament of Northern Ireland with a view to securing that, on and after such day as the Treasury may by regulations appoint.—
 - (a) the law applicable in England and Wales, the Channel Islands or the Isle of Man to societies registered at the central office and the law applicable in Scotland to societies registered by the assistant registrar for Scotland may be applied, in such cases and subject to such modifications as may be provided in the arrangements, to societies registered in Northern Ireland; and
 - (b) the law applicable in Northern Ireland to societies registered there may be applied, in such cases and subject to such modifications as may be provided in the arrangements, to societies registered at the central office or by the assistant registrar for Scotland.
- (2) Subject to subsection (3) below, on and after the day appointed under subsection (1) above, references in the principal Act to a registered society shall not, in the application of that Act outside Northern Ireland, include a society registered in Northern Ireland.
- (3) The Treasury may make regulations for giving effect to any arrangements made under subsection (1) of this section, and such regulations may in particular—
 - (a) confer rights and obligations (appropriate to registered societies) under the Friendly Societies Acts 1896 to 1968 and this Act on societies registered in Northern Ireland in such circumstances as may be specified in the regulations;
 - (b) confer functions on the chief registrar, the central office and the assistant registrar for Scotland in relation to societies registered in Northern Ireland ; and
 - (c) make such modifications of the Friendly Societies Acts 1896 to 1968, this Act and the Government of Ireland (Companies, Societies, &c.) Order 1922 as appear to the Treasury to be expedient to give effect to the arrangements.
- (4) Any reference in this section to societies registered in Northern Ireland is a reference to societies which are registered in Northern Ireland under the principal Act or any enactment of the Parliament of Northern Ireland passed for purposes similar to that Act.
- (5) No limitation on the powers of the Parliament of Northern Ireland imposed by the Government of Ireland Act 1920 shall preclude, or be taken to have precluded, that Parliament from enacting, before or after the passing of this Act, any provision which is similar to some provision of this section (other than this subsection) but does not come into force before the day appointed for the purposes of subsection (1) above.

13 Regulations and orders

- (1) Any power of the Treasury to make an order or regulations under any of the preceding provisions of this Act and any power of the chief registrar to make regulations under any of those provisions shall be exercisable by statutory instrument.
- (2) A statutory instrument made in the exercise of any such power shall be subject to annulment in pursuance of a resolution of either House of Parliament.

- (3) The Statutory Instruments Act 1946 shall apply to any power of the chief registrar under this Act to make regulations by statutory instrument as if he were a Minister of the Crown.

14 Amendments and repeals

- (1) There shall have effect—
- (a) the amendments of the principal Act set out in Part I of Schedule 2 to this Act,
 - (b) the amendments of the principal Act, in its application to Scotland, set out in Part II of that Schedule, and
 - (c) the amendments of the other enactments set out in Part III of that Schedule, being minor amendments, amendments consequential on the preceding provisions of this Act and amendments designed to facilitate the consolidation of the Friendly Societies Acts 1896 to 1968.
- (2) The enactments specified in Schedule 3 to this Act are hereby repealed to the extent specified in the third column of that Schedule.

15 Citation, construction, extent and commencement

- (1) This Act may be cited as the Friendly Societies Act 1971, and this Act and the Friendly Societies Acts 1896 to 1968 may be cited together as the Friendly Societies Acts 1896 to 1971.
- (2) Subject to subsections (3) and (4) below, this Act shall be construed as one with the Friendly Societies Acts 1896 to 1968.
- (3) This Act, except subsection (5) of section 12, does not extend to Northern Ireland.
- (4) Her Majesty may by Order in Council provide that all or any of the provisions of this Act shall extend—
- (a) to any of the Channel Islands,
 - (b) to the Isle of Man,
- with such exceptions, adaptations and modifications (if any) as may be specified in the Order.
- (5) An Order in Council made under subsection (4) above may be varied or revoked by a subsequent Order in Council so made, and any Order in Council revoking an Order in Council under subsection (4) above may contain such transitional or other incidental or supplemental provisions as appear to Her Majesty to be necessary or expedient in consequence of the revocation.
- (6) This Act shall come into force on such day as the Treasury may by order made by statutory instrument appoint, and different days may be so appointed for different provisions of this Act or for different purposes.

SCHEDULES

SCHEDULE 1

Section 8.

SECTIONS TO BE SUBSTITUTED FOR SECTION 77 OF PRINCIPAL ACT

“77 Cancellation and suspension of registration.

- (1) Subject to the following provisions of this section, the chief registrar or, in the case of a society registered and doing business exclusively in Scotland, the assistant registrar for Scotland may, by writing under his hand, cancel the registration of a society in the following cases, namely.—
 - (a) if he thinks fit, at the request of the society evidenced in such manner as he may direct;
 - (b) on proof to his satisfaction that an acknowledgment of registration has been obtained by fraud or mistake ;
 - (c) on proof to his satisfaction that the society exists for an unlawful purpose or has wilfully and after notice from the chief or any assistant registrar violated any of the provisions of this Act, or has ceased to exist.
- (2) Subject to the following provisions of this section, in any case falling within paragraph (b) or paragraph (c) of subsection (1) of this section in which the chief registrar or the assistant registrar for Scotland might cancel the registration of a society, he may, by writing under his hand.—
 - (a) suspend the registration of the society for a term not exceeding three months ;
and
 - (b) from time to time renew any such suspension for the like period.
- (3) Subject to subsection (4) of this section, not less than two months' previous notice in writing specifying briefly the ground of the proposed cancellation or suspension shall be given to a society by the chief or assistant registrar before its registration is cancelled or suspended.
- (4) Subsection (3) of this section shall not apply where the registration of a society is cancelled—
 - (a) at its own request; or
 - (b) under section 71(3) of this Act; or
 - (c) under section 73(4) of this Act;and if before the expiry of the period of notice under subsection (3) of this section a society duly lodges an appeal under section 77A of this Act, the society's registration shall not be cancelled before the date of determination or abandonment of the appeal.
- (5) Where before the expiry of the period of notice under subsection (3) of this section of the proposed cancellation of a society's registration the society duly lodges an appeal against the proposed cancellation under section 77A of this Act, the chief or assistant registrar, as the case may require, may by writing under his hand suspend the society's registration from the expiry of that period until the date of the determination or abandonment of the appeal.

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- (6) Where the registration of a society has been cancelled or suspended, notice shall forthwith be advertised in the Gazette and in some newspaper in general circulation in the neighbourhood of the society's registered office.
- (7) Where the registration of a society has been cancelled under subsection (1) of this section or suspended under subsection (2) or subsection (5) of this section, then, as the case may require.—
- (a) from the time of the cancellation, or
 - (b) from the time of the suspension until the period of that suspension and any renewal of it under subsection (2)(b) of this section ends (whether on the expiry of that period or on a successful appeal under section 77A of this Act against such a renewal),
- the society shall not be entitled to any of the privileges of this Act as a registered society, but without prejudice to any liability actually incurred by the society (which liability may be enforced against it as if the cancellation or suspension had not taken place).

77A Appeals against cancellation and suspension of registration.

- (1) A society may appeal, in accordance with subsection (2) of this section, against—
- (a) the cancellation of its registration (other than as mentioned in paragraphs (a) to (c) of section 77(4) of this Act) if the appeal is lodged before the expiry of the period of notice of the proposed cancellation given under subsection (3) of section 77 of this Act; or
 - (b) the renewal under subsection (2)(b) of that section of a suspension of a society's registration, so far as that renewal provides for the suspension to continue more than six months from the original date of suspension.
- (2) An appeal under this section shall lie—
- (a) from a decision of the assistant registrar for Scotland, to the chief registrar and, if the chief registrar confirms the decision, to the Court of Session ;
 - (b) from a decision of the chief registrar otherwise than under paragraph (a) above, to the High Court.”

SCHEDULE 2

Section 14(1).

AMENDMENTS OF OTHER ENACTMENTS

PART I

AMENDMENTS OF PRINCIPAL ACT OF GENERAL APPLICATION

- 1 In section 2(2) (functions of central office) paragraph (c) (duty to publish actuarial and other tables) shall be omitted.
- 2 In section 5, for the words " The Treasury shall" there shall be substituted the words " There shall be paid " ; the word " pay " shall be omitted; for the words from " and such sums " to " and other" in the second place where they occur, there shall be substituted the words " as the Minister for the Civil Service may allow and any " ; and the words " as the Treasury may allow " shall be omitted.

- 3 In section 8(1) (purposes for which friendly societies may be established) in paragraph (a) after the word " children " in each place where it occurs there shall be inserted the words " (including stepchildren) " and after the words " during minority" there shall be inserted the words " or at any later time whilst they are receiving full-time education ".
- 4 At the end of section 10 (name by which a society may be registered) there shall be added the words " or in any name which in his opinion is otherwise undesirable ".
- 5 At the end of section 11 (acknowledgment of registration) there shall be added the following subsection :—
- “(2) An acknowledgment under subsection (1) of this section of the registry of a society shall also constitute an acknowledgment, and be conclusive evidence, of the registry of the rules of the society in force at the date of the registry of the society.”
- 6 In section 14 (societies carrying on business in more than one part of the United Kingdom) in subsection (1), the words from " but the rules " to the end of the subsection shall be omitted and for subsection (2) there shall be substituted the following subsection:—
- “(2) Such a society shall not be entitled to any of the privileges of this Act as a registered society in any other part of the United Kingdom until a copy of its registered rules has been sent to, and those rules have been recorded by, the registrar of that part ; and any registered amendment of the rules so recorded shall not have effect in that part until a copy of the amendment has been so sent and the amendment so recorded.”
- 7 In section 17(1) (documents to accompany application for registration of society with branches) for paragraphs.(c) and (d) there shall be substituted the following paragraph:—
- “(c) two copies of all branch rules.”
- 8 In section 18 (documents to accompany application for registration of new branch) for paragraph (d) of subsection (1) there shall be substituted the following paragraph:—
- “(d) two copies of the rules of the branch ;”
- 9 At the end of section 24 (registered office of societies and branches) there shall be added the following subsection:—
- “(3) Section 13 of this Act shall not apply in relation to a change in the situation of the registered office of a society or branch, but where notice of such a change is sent to the registrar under this section he shall register it as an amendment of the rules of the society or branch concerned.”
- 10 Section 34 (special rules for transfer of stock transferable at the Bank of England or Bank of Ireland) shall cease to have effect.
- 11 In section 50 (devolution of property on death of trustee) after the word " assignment" there shall be inserted the words " or assignation " , and the words " and whether the property is real or personal " , " as personal estate " and the words from " except " to the end of the section shall be omitted.
- 12 For section 53 (discharge of mortgages by endorsed receipt) there shall be substituted the following section:—

Status: This is the original version (as it was originally enacted).

“53 (1) Where, in the case of any mortgage or other assurance to a registered society or branch of any property, a receipt hi full for all money secured thereby on that property is endorsed on or annexed to the mortgage or other assurance, being a receipt—

- (a) signed by the trustees of the society or branch and countersigned by the secretary thereof ; and
- (b) in the form set out in Part III of Schedule 2 to this Act or in any other form specified in the rules of the society or branch or any schedule thereto,

then, for the purposes of the provisions of section 115 of the Law of Property Act 1925 which are 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 which are referred to in subsection (1) of this section 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) ; and
- (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).

(3) This section extends to England and Wales only.”

13 In section 55(2) (proceedings in case of failure of officers to account or pay over money etc.) after the words " jurisdiction, and " there shall be inserted the words " notwithstanding anything in section 108 of the County Courts Act 1959 or section 62 of the Summary Jurisdiction (Scotland) Act 1954 ".

14 In section 56 (nomination of sum payable on death of deceased member) in subsection (1) after the word " person " there shall be inserted the words " or persons " and for the words from " not exceeding" to the end of the subsection there shall be substituted the words " or any specified amount of money so payable shall be paid at his decease, but the total amount which may be nominated under this section shall not exceed £500 " ; and in subsection (3) of that section (nominations not to be in favour of officers and servants of the society or branch concerned) after the word " not" there shall be inserted the words " at the date of the nomination ".

15 In section 57(1) (payment on death of nominator) after the word " member " there shall be inserted the words " or as the case may be the amount specified in the nomination, but in any case ".

16 In section 58(2) (payment on intestacy of member who was illegitimate) for the word " trustees " there shall be substituted the words " society or branch ".

17 In section 61, in subsection (1) (registered societies and branches not to pay sums on death of a member except on production of death certificate) after the word " production" there shall be inserted the word " either " and at the end of the subsection there shall be inserted the words " or, except in a case falling within section 63 of this Act, of the grant of probate to the will of the member or other

Status: This is the original version (as it was originally enacted).

- person or of letters of administration to his estate or of a certificate of confirmation to his estate ".
- 18 In section 68 (decision on disputes) in subsection (7) (power to state a case and order discovery of documents)—
- (a) for the words from "Notwithstanding" to "Arbitration Act 1889, or " there shall be substituted the words " Section 21 of the Arbitration Act 1950 shall not apply to any dispute falling within this section and, notwithstanding anything ";
 - (b) for the words from " in England or Ireland" to " Inner House " there shall be substituted the words " of the High Court or, in Scotland ", and
 - (c) for the words from " may also grant" to the end of the subsection there shall be inserted the words " where a dispute falling within this section is referred to a magistrates' court, the court may grant to either party such discovery of documents being, in the case of discovery to be made on behalf of the society or branch, discovery by such officer of the society or branch as the court may determine, as might have been granted by virtue of section 12 of the Arbitration Act 1950 by the chief or an assistant registrar to whom the dispute had been referred, and where a dispute falling within this section has been referred to the assistant registrar for Scotland, the registrar may grant such warrant for the recovery of documents and examination of havers as might be granted by the sheriff ".
- 19 In section 69(1) (power of registered society to change its name by special resolution) for the words " by special resolution, with " there shall be substituted the words " change its name by an amendment of its rules and in no other manner, but no amendment of the rules of a registered society which purports to change the name of the society shall be registered under section 13 of this Act unless that change has " and the words from " change its name ", in the first place where they occur, to the end of the subsection shall be omitted.
- 20 In section 76(1) (power of registrar, on application of a certain number of the members of a registered society and with the consent of the Treasury, to appoint inspectors to investigate, or to call a special meeting of, the society) the words "but with the consent of the Treasury in every case" shall be omitted.
- 21 In section 78(1)(d) (dissolution of registered societies and branches by award of the chief registrar or assistant registrars) the words " or assistant registrars " shall be omitted.
- 22 In section 79(6) (time limit for proceedings to set aside dissolution of society or branch effected by instrument of dissolution) the words "within three months from the date of the Gazette in which the advertisement appears" shall be transposed to follow the word " commences ".
- 23 (1) In section 80 (dissolution of societies and branches by award) in subsection (3), in the proviso, for the words " being made " there shall be substituted the words " coming into operation, and where within that period the society makes such alterations and adjustments the chief registrar may cancel the award ".
- (2) In subsection (6) of that section for the word "publishing" there shall be substituted the word " advertising ".
- (3) In subsection (7) of that section the words " within three months from the date on which that advertisement appears" shall be transposed to follow the word " commences ".

Status: This is the original version (as it was originally enacted).

- 24 In section 83, in subsection (1) (notice of proceedings to set aside dissolution), for the words from "central office" to the end of the subsection there shall be substituted the words "registrar not later than the expiry of whichever of the following periods first expires, namely, the period of seven days after the commencement of the proceedings and the period of three months referred to in section 79(6) or, as the case may require, section 80(7) of this Act "and in subsection (2) of that section for the words "the central office" there shall be substituted the words "the registrar".
- 25 In section 84 (offences) in paragraph (c) after the word "insufficient" there shall be inserted the words "being a return or information required for the purposes of this Act".
- 26 (1) In section 87 (punishment of fraud, false declarations, and misappropriations) in subsection (1) for the words "guilty of a misdemeanour" there shall be substituted the words "liable on summary conviction to a fine not exceeding £400 or on conviction on indictment to a fine or to imprisonment for a term not exceeding two years or to both a fine and such a term of imprisonment".
- (2) In subsection (3) of that section for the words from "or withholds" to the end of the subsection there shall be substituted the words "or fraudulently withholds any such property in his possession or fraudulently applies any such property for purposes which are not authorised by the rules of the society or branch or which are not in accordance with this Act, he shall be liable on summary conviction to a fine not exceeding £400 and to be ordered to deliver up that property or to repay all moneys improperly applied and any person who fails to comply with such an order made by a court in Scotland shall be liable on summary conviction to imprisonment for a term not exceeding two months. "
- (3) After subsection (3) of that section there shall be inserted the following subsections :
 —
 “(3A) If—
 (a) in proceedings under subsection (3) above which do not result in a conviction, or
 (b) in civil proceedings instituted for the purpose,
 a court of summary jurisdiction is satisfied that any person having possession of any property of a registered society or branch has failed to deliver it up when requested to do so by the society or branch, the court may make an order requiring him to deliver up that property; and any person who fails to comply with such an order made by a court in Scotland shall be liable on summary conviction to imprisonment for a term not exceeding two months.
- (3B) If in any such proceedings as are referred to in subsection (3A) of this section a court of summary jurisdiction is satisfied that any person has applied money belonging to a registered society or branch for purposes which are not authorised by the rules of the society or branch or which are not in accordance with this Act, the court may order him to repay to the society or branch the money which he has so applied ; and, whatever the nature of the proceedings in which any such order is made, the order shall be enforceable as an order for the payment of money recoverable, in England summarily, as a civil debt.
- (3C) Where a court makes an order under subsection (3A) or subsection (3B) of this section, the order may be appealed against as if it were an order of that court made on the conviction of the person to whom the order is directed.”

Status: This is the original version (as it was originally enacted).

- (4) In subsection (4) of section 87, for the words " Complaint under this section may be made " there shall be substituted the words " Proceedings under subsection (3) of this section may be instituted by, and in England only by, the following persons, that is to say " .
- 27 In section 91 (recovery of fines) in subsection (1) the words " or by the rules of a registered society or branch " shall be omitted and for subsection (2) of that section there shall be substituted the following subsection:—
- “(2) Summary proceedings for an offence under this Act may be instituted by the chief registrar or by any assistant registrar or by any person aggrieved”.
- 28 In section 92 (jurisdiction of magistrates' court) for the words from " and Ireland" to the end of paragraph (a) there shall be substituted the words " without prejudice to the provisions of the Magistrates' Courts Act 1952 as to the jurisdiction of a magistrates' court, all summary offences under this Act may be prosecuted " ; and in paragraphs (b) and (c) of that section for the words " at the place where" there shall be substituted the words " before a magistrates' court acting for the petty sessions area in which " .
- 29 In section 96(1) (power of Treasury to determine fees for certain purposes) after the word " may" there shall be inserted the words " by regulations under section 99 of this Act " .
- 30 (1) In section 98 (forms for various purposes under the principal Act) for subsections (1) and (2) there shall be substituted the following subsection:—
- “(1) Until such time as a form for the purpose is prescribed by regulations under section 99 of this Act, for the purpose of each of the acknowledgements specified in Parts I and II of Schedule 2 to this Act the appropriate form set out in those Parts of that Schedule shall be used.”
- (2) In subsection (3) of that section for the words from " abstract " to " document" there shall be substituted the words " and valuation report " .
- 31 (1) In section 99 (regulations for carrying out the principal Act) in subsection (1) after the words " this Act", in the first place where they occur, there shall be inserted the words " including, subject to section 98(3) of this Act, the forms to be used for any purpose under this Act " .
- (2) At the end of subsection (2) of that section (regulations to be laid before Parliament) there shall be added the words " and section 5 of the Statutory Instruments Act 1946 shall apply to a statutory instrument containing such regulations as if this subsection were such a provision as is referred to in subsection (2) of that section "
- 32 In section 106 (definitions) in the definition of " the registrar " for the words from " for England " to the end of the definition there shall be substituted the words " in relation to a society or branch whose registered office is for the time being, or is to be, in England, the central office and in relation to a society or branch whose registered office is for the time being, or is to be, in Scotland, the assistant registrar for Scotland " ; and for the definition of " gazette " there shall be substituted the following:—
- “the expression " Gazette", in relation to a registered society or branch, means—
- (a) the London Gazette if the registered office of the society or branch is situated in England ;

Status: This is the original version (as it was originally enacted).

(b) the Edinburgh Gazette if the registered office of the society or branch is situated in Scotland ;”

33 In Schedule 1 (matters for which rules of societies must provide) in paragraph 12 (provision for voluntary dissolution) the words from " in a friendly society " to the words " by consent" in the second place where they occur shall be omitted.

PART II

AMENDMENTS OF PRINCIPAL ACT APPLICABLE TO SCOTLAND

34 At the end of section 31 (registered cattle insurance and other societies) there shall be added the following subsection:—

“(3) In its application to Scotland, subsection (1) of this section shall have effect as if the words " and affixed his seal" were omitted.”

35 In section 35 (priority on death, bankruptcy, etc. of officer) in subsection (2) the words " cessio bonorum of a debtor in Scotland " shall be omitted, and at the end there shall be added the following subsection:—

“(3) In the application of subsection (1) of this section to Scotland for the reference to the bankruptcy of any officer there shall be substituted a reference to an award of sequestration being made on any officer's estate or his executing a trust deed for his creditors or his entering into a composition contract.”

36 At the end of section 45 (loans to assured members) there shall be added the following subsection:—

“(3) In the application of subsection (1) of this section to Scotland, for the word " sureties " there shall be substituted the word " cautioners ”.”

37 In section 46 (loans out of a separate loan fund) after the word " sureties " there shall be inserted the words " or, in Scotland, cautioners ”.

38 At the end of section 47 (holding of land) there shall be added the following subsection:—

“(3) In the application of subsection (1) of this section to Scotland.—

- (a) for the word " exchange" there shall be substituted the word " excamb "or " excambion" as the case may require ;
- (b) for the word " mortgage ", in the first place where it occurs, there shall be substituted the words " grant a heritable security over " and the other references to " mortgage " shall be construed accordingly ; and
- (c) for the word "mortgagee" there shall be substituted the words " creditor in a heritable security ”.”

39 In section 54 (security by officers) after the word " surety " there shall be inserted the words " or, in Scotland, a cautioner ”.

40 At the end of section 68 (decision of disputes) there shall be added the following subsection:—

“(9) In the application of this section to Scotland—

Status: This is the original version (as it was originally enacted).

- (a) in subsection (1) the words from "and shall not" to "injunction" shall be omitted;
 - (b) in subsection (7) for the word "arbitrator" there shall be substituted the word "arbitrator".
- 41 At the end of section 91 (recovery of fines) there shall be added the following subsection:—
- “(4) In the application of subsection (3) of this section to Scotland, the word "summarily" shall be omitted.”
- 42 In section 106 (definitions) at the end of the definition of "property" there shall be added the words "and (in Scotland) to all heritable and moveable estate", and at the end of the section there shall be added the following subsection:—
- “(2) In the application of this Act to Scotland, "heritable security" means any security capable of being constituted over any interest in land by disposition or assignation of that interest in security of any debt, and of being recorded in the Register of Sasines.”
- 43 In Schedule 2, in Part III, in paragraph (2) of the Form of Bond for the words "caution and surety" there shall be substituted the word "cautioner".

PART III

AMENDMENTS OF OTHER PROVISIONS

- 44 In the Shop Clubs Act 1902 section 3 and the Schedule (rules of certified shop clubs and thrift funds required to contain certain provisions substantially identical with those required by the principal Act) shall cease to have effect.
- 45 In section 9(1) of the War Loan (Supplemental Provisions) Act 1915 (investment of funds of friendly societies in Scotland) the words "friendly society or" shall be omitted.
- 46 In section 8(2)(b) of the Industrial Assurance Act 1923 (provisions to be contained in rules of collecting societies) after the word "and" there shall be inserted the words "except where section 10(2) of the Friendly Societies Act 1971 applies".
- 47 In section 36 of the Industrial Assurance Act 1923 (amendments of section 70 of the principal Act in its application to collecting societies) in subsection (1) for the words "Section seventy of the Friendly Societies Act 1896, in its" there shall be substituted the words "Sections 1 and 2 of the Friendly Societies Act 1971 in their" and paragraph (i) shall be omitted, and in subsection (2) of that section for the words "said section" there shall be substituted the words "said sections" and for the words "subsection (2) thereof" there shall be substituted the words "subsection (3) of the said section 1".
- 48 In section 16(5) of the Industrial Assurance and Friendly Societies Act 1948 (extension of time for summary proceedings for offences under the principal Act) after the words "Act of 1896" there shall be inserted the words "which are instituted by the chief registrar or any assistant registrar or by the procurator fiscal".
- 49 In section 6(1) of the Friendly and Industrial and Provident Societies Act 1968 (resolutions relating to appointment and removal of auditors) the words "Subject to subsection (5) of this section" shall be omitted.

Status: This is the original version (as it was originally enacted).

SCHEDULE 3

Section 14(2).

ENACTMENTS REPEALED

Chapter	Short Title	Extent of Repeal
59 & 60 Vict. c. 25.	The Friendly Societies Act 1896.	<p>Section 2(2)(c).</p> <p>In section 5 the word " pay " and the words " as the Treasury may allow ".</p> <p>In section 14, in subsection (1) the words from " but the rules " to the end of the subsection.</p> <p>In section 18, in subsection (2) the words from the beginning to " of the society ".</p> <p>Section 34.</p> <p>In section 35(2) the words " cessio bonorum of a debtor in Scotland ".</p> <p>In section 50 the words from " and whether " to " personal estate ", except the word " vest," and the words from " except " to the end of the section.</p> <p>In section 69, in subsection (1) the words from " change its name " in the first place where they occur, to the end of the subsection.</p> <p>Section 70.</p> <p>In section 71, in subsection (1) the words " amalgamate with or " and in subsection (3) the words " or amalgamates with ".</p> <p>Section 73(7).</p> <p>Section 74.</p> <p>In section 76(1) the words " but with the consent of the Treasury in every case ".</p> <p>In section 78(1), in paragraph (b) the words from " as respects " to " branches"</p>

Status: This is the original version (as it was originally enacted).

Chapter	Short Title	Extent of Repeal
2 Edw. 7 c. 21.	The Shop Clubs Act 1902.	<p>in the second place where it occurs, paragraph (c) and in paragraph (d) the words " or assistant registrars ".</p> <p>In section 102 the words The expression ' misdemeanour' shall mean crime and offence ".</p> <p>In Schedule 1, in paragraph 12 the words from " in a friendly society" to the words " by consent" in the second place where they occur.</p> <p>Section 3.</p> <p>The Schedule.</p>
5 & 6 Geo. 5. c. 93.	The War Loan (Supplemental Provisions) Act 1915.	In section 9(1) the words " friendly society or ".
13 & 14 Geo. 5. c. 8.	The Industrial Assurance Act 1923.	<p>In section 17, in subsection (1) the words " collecting society or ", the words " the Friendly Societies Act 1896 or " and the words " society or" in the second and third places where they occur, in subsection (2) the words from " in the case of a society " to " company may ", and in subsection (3) the words " society or" in each place where they occur and the words from " or members " to " management ".</p> <p>In section 36, paragraph (i) of subsection (1) and in subsection (2) the words " amalgamate with or ".</p>
15 & 16 Geo. 5. c. 20.	The Law of Property Act 1925.	In section 115(9) the word " friendly ".
8 & 9 Eliz. 2. c. 61.	The Mental Health (Scotland) Act 1960.	In Schedule 4, the entry relating to the Friendly Societies Act 1896.
1968 c. 55.	The Friendly and Industrial and Provident Societies Act 1968.	In section 6(1) the words " Subject to subsection (5) of this section ".