



Friendly Societies Act 1974

1974 CHAPTER 46

Change of name, amalgamation and transfer of engagements and conversion of societies

81 Power to change name.

- (1) A registered society may 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 18 of this Act unless that change has the approval in writing of the Chief Registrar or, in the case of societies registered and doing business exclusively in Scotland, the assistant registrar for Scotland.
- (2) No such change of name shall affect any right or obligation of the society or of any member thereof, and any pending legal proceedings may be continued by or against the trustees of the society, or any other officer who may sue or be sued on behalf of the society, notwithstanding its new name.

82 Amalgamation and transfer of engagements.

- (1) 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.
 - (2) A registered society may, by special resolution, transfer [^{F1}to any extent] 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.
 - (3) A registered society may by special resolution determine to transfer [^{F1}to any extent] its engagements to a company under the Companies Acts [^{F1}or to an industrial and provident society].
- [^{F2}(3A) A registered society, in order to transfer some but not all of its engagements, must in addition to passing the special resolution required by subsection (2) or (3) above resolve to do so by an affected members' resolution, that is, a resolution passed by the appropriate majority of the members whose engagements with the society are included

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in the transfer and who, under the rules of the society, would be entitled to vote on a special resolution.

(3B) In subsection (3A) above, “appropriate majority” means a majority consisting of not less than three quarters of those members who vote.]

^{F3}(4) Before a registered friendly society becomes amalgamated with, or transfers its engagements to, another friendly society in pursuance of subsection (1) or subsection (2) above, or transfers its engagements to a company in accordance with subsection (3) above, 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) If a registered society transfers all its engagements [^{F4}to a company under the Companies Acts], the registration of that society under this Act shall thereupon become void and shall be cancelled by the Chief Registrar or, under the direction of the Chief Registrar, by the assistant registrar for Scotland.

(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.

(7) An amalgamation or transfer of engagements in pursuance of any of the provisions of this section shall not prejudice any rights of a creditor of any registered society which is a party thereto.

[^{F5}(8) This section does not apply to an amalgamation of or transfer of engagements by a registered friendly society.

(9) In this section “industrial and provident society” means a society registered or deemed to be registered under the Industrial and Provident Societies Act 1965 or the Industrial and Provident Societies Act (Northern Ireland) 1969.]

Textual Amendments

- F1** Words in s. 82(2)(3) inserted and added (13.9.1993) by [Friendly Societies Act 1992 \(c. 40\)](#), s. 95, [Sch. 16 para. 29\(2\)\(3\)\(a\)\(b\)](#) (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, [Sch. 3](#) (with arts. 5, 6).
- F2** S. 82(3A)(3B) inserted (13.9.1993) by [Friendly Societies Act 1992 \(c. 40\)](#), s. 95, [Sch. 16 para. 29\(4\)](#) (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, [Sch. 3](#) (with arts. 5, 6).
- F3** S. 82(4) repealed (13.9.1993) by [Friendly Societies Act 1992 \(c. 40\)](#), s. 120(2), [Sch. 22 Pt.I](#) (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, [Sch. 3](#) appendix (with arts. 5, 6).
- F4** Words in s. 82(5) repealed (13.9.1993) by [Friendly Societies Act 1992 \(c. 40\)](#), s. 120(2), [Sch. 22 Pt.I](#) (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, [Sch. 3](#) appendix. (with arts. 5, 6)

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F5 S. 82(8)(9) added (13.9.1993) by Friendly Societies Act 1992 (c. 40), s. 95, **Sch. 16 para. 29(5)** (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, **Sch. 3** (with arts. 5, 6).

Modifications etc. (not altering text)

C1 S. 82 extended by S.I. 1987/2132, **reg. 28(7)**

83 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 82 above or section 86 below or of any other provision of this 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 beginning with the date on which the special resolution concerned is received at the central office (being the period referred to in section 86(4) below), 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 (2) and (3) of section 77 above 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 subsection (1) of that section; and it is hereby declared that [Part I of the Arbitration Act 1996] 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 (1) 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.

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- (7) In the course of proceedings on a complain 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 for the district [^{F7}or division], or in Scotland to the sheriff of the sheriffdom, 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 of sheriff shall have the same powers in the matter as in regard to the settlement of disputes under this Act.

Textual Amendments

- F6** Words in s. 83(3) substituted (31.1.1997) by 1996 c. 23 s. 107(1) Sch. 3 para. 29(3); S.I. 1996/3146 art. 3
- F7** Words in s. 83(8) inserted (1.1.1994) by Friendly Societies Act 1992 (c. 40), s. 95, Sch. 16 para. 30(1) (2) (with ss. 7(5) and 93(4)); S.I. 1993/3226, art. 2, Sch. 2

84 Conversion of registered societies into companies.

- (1) A registered society may by special resolution determine to convert itself into a company under the Companies Acts.
- (2) If a special resolution for converting a registered society into a company contains the particulars required by the Companies Acts to be contained in the memorandum of association of a company and a copy thereof has been registered at the central office, a copy of that resolution under the seal and stamp of the central office shall have the same effect as a memorandum of association duly signed and attested under the Companies Acts.
- (3) Subject to subsection (4) below, if a registered society is registered as a company under the Companies Acts, the registration of that society under this Act shall thereupon become void and shall be cancelled by the Chief Registrar or, under the direction of the Chief Registrar, by the assistant registrar for Scotland.
- (4) Registration of a registered society as a company shall not affect any right or claim subsisting against the society or any penalty incurred by the society; and—
- (a) for the purpose of enforcing any such right, claim or penalty, the society may be sued and proceeded against in the same manner as if it had not become registered as a company; and
 - (b) every such right or claim, or the liability to any such penalty, shall have priority as against the property of the company over all other rights or claims against or liabilities of the company.

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Modifications etc. (not altering text)

- C2** By Friendly Societies Act 1992 (c. 40), s. 95, **Sch. 16 para.31** (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, **Sch. 2**, it is provided that s. 84 shall cease to apply (13.9.1993) to registered friendly societies.

[^{F8}84A Conversion of registered societies into industrial and provident societies.

- (1) A registered society other than a registered friendly society may apply for registration under the Industrial and Provident Societies Act 1965 if the proposal to apply for registration has been submitted to the members of the society for their consent by the procedure required for a proposal to amend the rules of the society and consent has been obtained in accordance with that procedure.
- (2) On the registration under the Industrial and Provident Societies Act 1965 of a registered society all property held immediately before that registration by any person in trust for the society or any branch of the society (whether or not a registered branch) shall become by virtue of this subsection property of the industrial and provident society.
- (3) After its registration under that Act, the society shall continue to be entitled to all rights and subject to all liabilities to which it was entitled or subject immediately before registration.
- (4) It is hereby declared for the avoidance of doubt that—
 - (a) the reference in subsection (2)(a) above to property includes a reference to property situated outside the United Kingdom; and
 - (b) the reference to rights and liabilities of such a society or branch includes a reference and liabilities under the law of any country or territory outside the United Kingdom.
- (5) Not later than the end of the period of 90 days beginning with the day on which a registered society is registered under the Industrial and Provident Societies Act 1965—
 - (a) the trustees of the society shall deliver to the registered office of the industrial and provident society any property of the registered society or any branch of the registered society held by them and any documents relating to the property, rights and liabilities of the registered society or to its financial affairs;
 - (b) the trustees of any branch of the registered society shall deliver to that office any property of the branch or any other branch of the society held by them and any documents relating to the property, rights and liabilities of the branch or to its financial affairs; and
 - (c) if he holds property on trust for the society or any branch of the society, the Public Trustee shall deliver to that office the property so held by him and any documents relating to it;but nothing in this Act shall have effect to relieve the trustees of a registered society or branch or the Public Trustee from any liability arising from acts or omissions before that registration.
- (6) If a registered society is registered under the Industrial and Provident Societies Act 1965, the registration of that society under this Act shall thereupon become void and shall be cancelled by the Chief Registrar or, under the direction of the Chief Registrar, by the assistant registrar for Scotland.

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- (7) Schedule 6A to this Act shall have effect to supplement this section.
- (8) In the application of this section to Northern Ireland, references in this section and Schedule 6A to the Industrial and Provident Societies Act 1965 shall be construed as references to the Industrial and Provident Societies Act (Northern Ireland) 1969.]

Textual Amendments

F8 S. 84A inserted ((1.2.1993) except paragraph (8), (1.1.1994) to the extent that it inserts section 84A(8)) by Friendly Societies Act 1992 (c. 40), s. 95, Sch. 16 para.32 (with ss. 7(5) and 93(4)); S.I. 1993/16, art. 2, Sch. 3; S.I. 1993/3226, art. 2, Sch. 2.

85 Conversion of society into branch.

- (1) By a resolution passed by a majority of the members or delegates present and entitled to vote at any general meeting, of which notice specifying the intention to propose any such resolution has been duly given according to the rules, a registered society may determine to become a branch of any other registered society and also, if thought fit, of any registered branch thereof.
- (2) If the rules of the society do not comply with all the provisions of this Act and of the Treasury regulations in respect of the registration of branches, the meeting at which any such resolution is passed as is referred to in subsection (1) above may amend the rules so as to bring the rules into compliance with this Act and with the Treasury regulations.
- (3) Where such a resolution as is referred to in subsection (1) above has been passed at a general meeting of a registered society, there shall be sent to the registrar—
- (a) a copy of the rules of the society marked to show the amendments, if any, made at the meeting, and
 - (b) two copies of the resolution and of any such amendment of rules, each signed by the chairman of the meeting and by the secretary of the society and countersigned by the secretary of the society of which it is to become a branch.
- (4) If the registrar finds that the rules of a society, with or without any such amendment as is referred to in subsections (2) and (3) above, comply with the provisions of this Act and of the Treasury regulations, he shall—
- (a) without further request or notice, cancel the registration of the society and register it as a branch of the other society referred to in the resolution in question and also, if it is so specified in that resolution, of any branch of that other society; and
 - (b) without further application or evidence, register any such amendment of rules; and until such registration the resolution shall not take effect.
- (5) Notwithstanding anything in section 91(6) below, publication of a notice of any cancellation of registration under this section shall not be required.
- (6) The rules of a society which becomes a branch under this section shall, so far as they are not contrary to any express provision of this Act or of the Treasury regulations, and subject to any such amendment thereof as is referred to in the preceding provisions of this section, continue in force as the rules of the branch until amended.

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86 Meaning and registration of special resolutions.

(1) [^{F9}Subject to subsection (2A) below] For the purposes of this Act a special resolution, in relation to a registered society [^{F9}or branch], 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.

[^{F10}(2A) For the purposes of this Act “special resolution”, in relation to a registered friendly society, shall be construed in accordance with paragraph 7 of Schedule 12 to the 1992 Act.]

(3) A copy of every special resolution for any of the purposes mentioned in this Act, signed by the chairman of the meeting and countersigned by the secretary, shall be sent to the central office and, subject to subsection (4) below, shall be registered there; and until that copy is so registered the special resolution shall not take effect.

(4) Where, in accordance with subsection (3) above, there is sent to the central office a copy of a special resolution passed at a meeting of a registered friendly society for the purpose referred to in subsection (1), subsection (2) or subsection (3) of section 82 above, 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.

Textual Amendments

F9 Words in s. 86(1) inserted (13.9.1993) by Friendly Societies Act 1992 (c. 40), s. 95, **Sch. 16 para. 33(a)** (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2(1), **Sch. 3** (with art. 5).

F10 S. 86(2A) inserted (13.9.1993) by Friendly Societies Act 1992 (c. 40), s. 95, **Sch. 16 para. 33(b)** (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2(1), **Sch. 3** (with art. 5).

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