



# Friendly Societies Act 1974

## 1974 CHAPTER 46

### *Inspection, winding up and suspension of business*

#### **87 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 require the production of all or any of the books and documents of the society and may examine on oath its officers, members, agents and servants in relation to its business, and may administer oaths accordingly.
- (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.

#### **88 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.

## **89 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 Men.

- (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 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.

## **90 Appointment of inspectors and calling of special meetings**

- (1) Subject to subsection (2) below, upon the application of one-fifth of the whole number of members of a registered society or, in the case of a society of not less than 1,000 members of the appropriate number of those members, the Chief Registrar or, in the case of societies registered and doing business exclusively in Scotland, the assistant registrar for Scotland, may—
  - (a) appoint an inspector or inspectors to examine into and report on the affairs of the society; or
  - (b) call a special meeting of the society.
- (2) For the purposes of subsection (1) above the appropriate number—
  - (a) is 100 in the case of a society of not less than 1,000 and not more than 10,000 members, and
  - (b) is 500 in the case of a society of more than 10,000 members;but this section shall not apply to any society with branches (regardless of the number of members) except with the consent of the central body of that society.
- (3) An application under this section shall be supported by such evidence for the purpose of showing that the applicants have good reason for requiring the inspection or meeting

---

*Status: This is the original version (as it was originally enacted).*

---

and are not actuated by malicious motives, and such notice of the application shall be given to the society, as the Chief Registrar may direct.

- (4) The Chief or assistant registrar may, if he thinks fit require the applicants to give security for the costs of the proposed inspection or meeting before appointing any inspector or calling the meeting.
- (5) All expenses of and incidental or preliminary to any such inspection or meeting shall be defrayed by the members applying for it, or out of the funds of the society, or by members or officers, or former members or officers, of the society in such proportions as the Chief or assistant registrar may direct.
- (6) An inspector appointed under this section may require the production of all or any of the books and documents of the society, and may examine on oath its officers, members, agents and servants in relation to its business, and may for that purpose administer oaths.
- (7) The Chief or assistant registrar may direct at what time and place a special meeting under this section is to be held, and what matters are to be discussed and determined at the meeting ; and the meeting shall have all the powers of a meeting called according to the rules of the society, and shall have power to appoint its own chairman notwithstanding any rule of the society to the contrary.