

SCHEDULES

SCHEDULE 13

AUTHORISATION: SUPPLEMENTARY PROVISIONS

PART I

APPLICATIONS FOR AUTHORISATION

Preliminary

- 1 (1) In this Part of this Schedule “application” means an application by a friendly society for authorisation and, in relation to any application, “the society” means the friendly society making the application.
- (2) For the purposes of this Part of this Schedule “officer”, in relation to a registered friendly society, does not include a trustee of the society.

Procedure for granting authorisation

- 2 (1) An application shall be made in such manner as the Commission may specify, either generally or in any particular case.
- (2) Subject to sub-paragraph (3) below, the society must submit to the Commission such proposals as to the manner in which it proposes to carry on business, such financial forecasts and such other information as may be required by or in accordance with regulations made by the Commission with the consent of the Treasury.
- (3) Where the application is made under section 33 above the society shall, instead of submitting the information mentioned in sub-paragraph (2) above, furnish the Commission with the documents referred to in sub-paragraph (4) below and such other information as the Commission may request.
- (4) The documents referred to in sub-paragraph (3) above are—
- (a) a statement by the society, signed by its secretary and certified by its appropriate actuary or some other independent person acceptable to the Commission, which describes—
 - (i) the insurance business carried on by the society in the United Kingdom immediately before the commencement of section 32 above (and stating, in relation to each description of insurance business, the class specified in head A or B of Schedule 2 to this Act into which that description falls); and
 - (ii) the non-insurance business carried on by it in the United Kingdom at that time;

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- (b) where any solvency requirements imposed by or under this Act are applicable to the society, a statement by the society's appropriate actuary that, in his opinion, the society complies with those requirements; and
 - (c) a statement made jointly by each member of the committee of management, the secretary and the chief executive that the affairs of the society are directed in accordance with the criteria of prudent management and will continue to be so.
 - (5) The Commission shall decide an application within 6 months of receiving the information referred to in sub-paragraph (2) above or, in the case of an application under section 33 above, the documents and other information mentioned in sub-paragraph (3) above.
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- (1) If on an application the Commission proposes to impose conditions, the provisions of paragraphs 7 and 8 below shall apply.
 - (2) If the Commission proposes to refuse to grant authorisation, it shall serve a notice on the society stating—
 - (a) that it proposes to refuse to grant authorisation;
 - (b) the grounds for the proposed refusal; and
 - (c) that the society may make representations with respect to the proposed refusal within such period of not less than 28 days as may be specified in the notice and that, if the society so requests, the Commission will afford to it an opportunity of being heard by the Commission within that period.
 - (3) If the grounds for the proposed refusal include the ground that a person is not a fit and proper person to hold office in the society, the Commission shall also serve the notice specified in sub-paragraph (2) above on the person concerned giving him the like right to make representations and to be heard with respect to his fitness and propriety for office.
 - (4) If, on an application made by virtue of section 33 above, the grounds for the proposed refusal include the ground that the Commission is not satisfied that a statement referred to in paragraph 2(4)(b) or (c) above is accurate, it shall also serve the notice specified in sub-paragraph (2) above on the person or, as the case may be, each person who made the statement giving him the like right to make representations and to be heard with respect to the accuracy of his statement.
 - (5) The Commission shall, before reaching a decision on the application, consider any representations made to it in accordance with sub-paragraph (2), (3) or (4) above.
 - (6) If, on an application for authorisation, the Commission refuses to grant authorisation it shall serve—
 - (a) on the society and each of its officers;
 - (b) on any other person on whom a notice was served under sub-paragraph (4) above,a notice stating the Commission's decision and the grounds for it.
 - (7) The non-receipt by an officer or other person of a notice of a matter under this paragraph does not affect the validity of any action on the part of the Commission.

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Offences in connection with application

- 4 (1) A friendly society which furnishes any information or makes any statement which is false or misleading in a material particular in connection with an application shall be guilty of an offence and liable—
- (a) on conviction on indictment, to a fine; and
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.
- (2) Any person who knowingly or recklessly furnishes any information or makes any statement which is false or misleading in a material particular in connection with an application shall be guilty of an offence and liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or both; and
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.

Terms of authorisation: supplementary

- 5 (1) On granting authorisation to a friendly society the Commission shall send a copy of the terms of the authorisation—
- (a) to the secretary of the society; and
 - (b) to the central office;
- and the central office shall keep a copy of those terms in the public file of the society.
- (2) Where the terms of a society's authorisation are superseded by the grant of authorisation—
- (a) on an application to which section 35 above applies, or
 - (b) on an application required by a direction under section 39 above,
- the central office shall, on placing the copy of the terms of the authorisation on the public file of the society under sub-paragraph (1) above, indicate on the copy of the previous terms kept on that file that they have been superseded.