



# Friendly Societies Act 1992

## 1992 CHAPTER 40

### PART X

#### GENERAL AND SUPPLEMENTARY

##### *Interpretation*

#### **119 General interpretation.**

(1) In this Act, unless the context otherwise requires—

“the 1974 Act” means the <sup>M1</sup>Friendly Societies Act 1974;

“actuary” means an actuary possessing [<sup>F1</sup>such qualifications, if any, as may be specified in rules made by the Authority under section 340 of the Financial Services and Markets Act 2000 (and subsections (3) to (6) of that section apply in relation to an actuary appointed by virtue of any provision of this Act as they apply in relation to an actuary appointed in compliance with such rules)];

“annuities on human life” does not include superannuation allowances and annuities payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment, or of the dependants of such persons;

<sup>F2</sup>  
...

“appointed actuary” means the actuary appointed [<sup>F3</sup>in accordance with rules made under section 340 of the Financial Services and Markets Act 2000];

“the appropriate actuary” means—

(a) if the society is under [<sup>F4</sup>a duty imposed by rules made by the Authority under section 340 of the Financial Services and Markets Act 2000], the society’s appointed actuary; and

(b) if it is not under [<sup>F5</sup>such a] duty, an actuary appointed to perform the function in question;

[<sup>F6</sup>“the appropriate authority” means—

(a) in relation to a society which is a PRA-authorised person, the PRA; and

(b) in relation to a society which is not a PRA-authorised person, the FCA;]

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“committee of management” means the committee of management or other directing body of a society or branch;

[<sup>F8</sup>“the life assurance consolidation Directive” means Directive 2002/83/EC of the European Parliament and of the Council of 5th November 2002 concerning life assurance;]

“contract of insurance” includes any contract the effecting of which constitutes the carrying on of insurance business by virtue of section 117 above;

[<sup>F9</sup>“controller” has the meaning given by section 55A above;]

“the court” except in relation to the winding-up of an incorporated friendly society, means—

- (a) in the case of a body whose registered office is situated in England and Wales or in Northern Ireland, the county court for the district in which the office is situated;
- (b) in the case of a body whose registered office is situated in Scotland, the sheriff in whose jurisdiction the office is situated;

and, in relation to the winding-up of an incorporated friendly society, means the court which has jurisdiction under the applicable winding-up legislation to wind-up the society;

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[<sup>F11</sup>“EEA State” has the meaning given by Schedule 1 to the Interpretation Act 1978 (c. 30);]

[<sup>F12</sup>“EFTA State” means an EEA State which is not a member State;]

[<sup>F13</sup>“electronic address” means any number or address used for the purposes of sending or receiving documents or information by electronic means;]

[<sup>F6</sup>“the FCA” means the Financial Conduct Authority;]

“financial year” is to be construed in accordance with section 118;

“the first general insurance Directive” means Council Directive 73/239/EEC of 24th July 1973 on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct insurance other than life assurance;

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[<sup>F15</sup>“the general insurance Directives” means the first general insurance Directive, the second general insurance Directive and the third general insurance Directive as amended, and such other Directives as make provision with respect to the business of direct insurance other than life assurance;]

“group business” is to be construed in accordance with section 11 above;

“jointly controlled body” is to be construed in accordance with section 13 above;

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[<sup>F16</sup>“manager”, in relation to a friendly society to which section 37(2) or (3) above applies, means any person (other than an employee of a society) appointed by the society to manage any part of its insurance business, or any employee of the

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society (other than a chief executive) who, under the immediate authority of a member of the committee of management or chief executive of the society—

- (a) exercises managerial functions, or is responsible for maintaining accounts or other records of the society; and
- (b) is not a person whose functions relate exclusively to business conducted from a place of business which is not in a member State;]

“memorandum” has the meaning given by paragraph 4(3) of Schedule 3 to this Act;

“modifications”, in relation to enactments, includes additions, omissions and amendments [F17 and cognate expressions are to be construed accordingly];

“non-insurance business” means business falling within head C of Schedule 2 to this Act;

“notice” means written notice and “notice to” a person means notice given to that person, and “notify” shall be construed accordingly;

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.....

“officer” means—

- (a) in relation to a registered friendly society or a registered branch—
  - (i) a trustee;
  - (ii) the treasurer, secretary and chief executive (however described);
  - (iii) a member of the committee of management; and
  - (iv) a person appointed by the society or branch to sue or be sued on its behalf; or
- (b) in relation to an incorporated friendly society, a member of the committee of management, the chief executive (however described) and the secretary;

[F6“the PRA” means the Prudential Regulation Authority;]

[F6“PRA-authorised person” has the meaning in section 2B of the Financial Services and Markets Act 2000;]

“the public file”, in relation to a friendly society, means the file relating to the society which the [F18FCA] is required to maintain under section 104 above;

“registered address”, in relation to a member of an incorporated friendly society, has the meaning given by paragraph 14(6) of Schedule 3 to this Act;

“the second general insurance Directive” means Council Directive [88/357/EEC](#) of 22nd June 1988 on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance and laying down provisions to facilitate the effective exercise of freedom to provide services and amending Directive [73/239/EEC](#);

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“special resolution” has the meaning given by paragraph 7 of Schedule 12 to this Act;

“subscription” includes any premium or other sum (however described) payable, in respect of the provision of benefits, by (or on behalf of) a member of a friendly society under the rules of the society;

“subsidiary” is to be construed in accordance with section 13 above; and

[F19“supervisory authority”, in relation to an EEA State other than the United Kingdom, means the authority responsible in that State for supervising [F20persons whose business consists of effecting or carrying out contracts of insurance];]

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[<sup>F19</sup>“the third general insurance Directive” means Council Directive [92/49/EEC](#) of 18th June 1992 <sup>F21</sup> on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance and amending Directives [73/239/EEC](#) <sup>F22</sup> and [88/357/EEC](#) <sup>F23</sup>;

<sup>F14</sup> .....

<sup>F24</sup> .....

[<sup>F25</sup>(1AA) Any reference in this Act to the seal of the [<sup>F26</sup>FCA] is a reference to the seal provided for in regulations made under section 109(1)(b) of the Friendly Societies Act 1974 (and not to the [<sup>F27</sup>FCA’s] common seal).]

[<sup>F28</sup>(1A) References in this Act to the first or third general insurance Directive<sup>F29</sup>... are references to that Directive as amended by the [<sup>F30</sup>European Parliament and Council Directive of 29th June 1995 amending Directives [77/780/EEC](#) and [89/646/EEC](#) in the field of credit institutions, [<sup>F31</sup>Directives [<sup>F32</sup>[73/239/EEC](#)] and [92/49/EEC](#) in the field of non-life insurance], Directive [93/22/EEC](#) in the field of investment firms and Directive [85/611/EEC](#) in the field of undertakings for collective investment in transferable securities (UCITS) with a view to reinforcing prudential supervision (No. [95/26/EC](#))] [<sup>F33</sup>and as amended by the reinsurance Directive].]

<sup>F34</sup>(1B) .....

[<sup>F35</sup>(1C) In the definition of “supervisory authority” in subsection (1), the reference to contracts of insurance and to effecting or carrying out such contracts must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.]

[<sup>F36</sup>(1D) References in this Act to the life assurance consolidation Directive are references to that Directive as amended by the reinsurance Directive.]

(2) References in this Act to the “ECU” are to the unit of account of that name defined in Council Regulation (EEC) No.3180/78 as amended; and the exchange rates as between the ECU and pounds sterling to be applied for each year beginning on 31st December shall be the rates applicable on the last day of the preceding October for which exchange rates for the currencies of all the member States were published in the Official Journal of the Communities.

[<sup>F37</sup>(3) In this section, “the reinsurance Directive” means Directive [2005/68/EC](#) of the European Parliament and of the Council of 16 November 2005 on reinsurance and amending Council Directives [73/239/EEC](#), [92/49/EEC](#) as well as Directives [98/78/EC](#) and [2002/83/EC](#).]

#### Textual Amendments

- F1** Words in the definition of “actuary” in s. 119(1) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8(1), 13(1), **Sch. 3 para. 115(a)(i)** (with art. 13(3), [Sch. 5](#)); [S.I. 2001/3538](#), **art. 2(1)**
- F2** Words in s. 119(1) omitted (1.4.2013) by virtue of [The Financial Services Act 2012 \(Mutual Societies\) Order 2013](#) ([S.I. 2013/496](#)), art. 1(1), **Sch. 9 para. 49(2)(a)** (with [Sch. 12](#))
- F3** Words in the definition of “appointed actuary” in s. 119(1) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8(1), 13(1), **Sch. 3 para. 115(a)(iii)** (with art. 13(3), [Sch. 5](#)); [S.I. 2001/3538](#), **art. 2(1)**

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- F4** S. 119(1): Words in para. (a) of the definition of “appropriate actuary” substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 115(a)(iv)(A)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F5** S. 119(1): Words in para. (b) of the definition of “appropriate actuary” substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 115(a)(iv)(B)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F6** Words in s. 119(1) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 49(2)(c)** (with Sch. 12)
- F7** Definitions of “the central office”, “the Chief Registrar”, “collecting society”, “the Commission”, “the criteria of prudent management” and “notifiable voting rights” in s. 119(1) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F8** Words in s. 119(1) inserted (11.1.2005) by The Life Assurance Consolidation Directive (Consequential Amendments) Regulations 2004 (S.I. 2004/3379), regs. 1, **3(3)(a)**
- F9** S. 119(1): definition inserted (1.9.1994) by S.I. 1994/1984 reg. 30(a)
- F10** Words in s. 119(1) omitted (29.6.2008) by virtue of The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), arts. 1(2), **10(a)**
- F11** Words in s. 119(1) substituted (29.6.2008) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), arts. 1(2), **10(b)**
- F12** S. 119(1): definition inserted (1.9.1994) by S.I. 1994/1984, **reg. 30(b)**
- F13** Words in s. 119(1) inserted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), **4(1)**
- F14** Words in s. 119(1) omitted (11.1.2005) by virtue of The Life Assurance Consolidation Directive (Consequential Amendments) Regulations 2004 (S.I. 2004/3379), regs. 1, **3(3)(b)**
- F15** S. 119(1): definition substituted (1.9.1994) by S.I. 1994/1984 reg. 30(c)
- F16** S. 119(1): definitions of “the life Directives” and “manager” substituted for definition of “the life Directives” (1.9.1994) by S.I. 1994/1984, **reg. 30(d)**
- F17** Words in s. 119 inserted (with effect in accordance with art. 1(2) of the amending S.I.) by The Friendly Societies Act 1992 (International Accounting Standards and Other Accounting Amendments) Order 2005 (S.I. 2005/2211), art. 1(2), **Sch. para. 4**
- F18** Word in s. 119(1) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 49(2)(b)** (with Sch. 12)
- F19** Words in s. 119(1) inserted (1.9.1994) by S.I. 1994/1984, **reg. 30(f)**
- F20** Words in the definition of “supervisory authority” in s. 119(1) substituted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001 (S.I. 2001/3649), arts. 1, **205(3)**
- F21** O.J. L228, 11.8.92, page 1.
- F22** O.J. L228, 16.8.73, page 3.
- F23** O.J. L172, 4.7.88, page 1.
- F24** Words in s. 119(1) omitted (17.8.2001 for specified purposes and 1.12.2001 for all other purposes) by virtue of The Financial Services and Markets Act 2000 (Mutual Societies) Order 2001 (S.I. 2001/2617), arts. 2, Sch. 3 para. 115(a)(vii), **Sch. 4** (with art. 13(3), Sch. 5)
- F25** S. 119(1AA) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by The Financial Services and Markets Act 2000 (Mutual Societies) Order 2001 (S.I. 2001/2617), arts. 2, 8(1), 13(1), **Sch. 3 para. 115(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F26** Word in s. 119(1AA) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 49(3)(a)** (with Sch. 12)
- F27** Word in s. 119(1AA) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 49(3)(b)** (with Sch. 12)
- F28** S. 119(1A) inserted (18.7.1996) by S.I. 1996/1669, reg. 23, **Sch. 5 para. 6**
- F29** Words in s. 119(1A) omitted (11.1.2005) by virtue of The Life Assurance Consolidation Directive (Consequential Amendments) Regulations 2004 (S.I. 2004/3379), regs. 1, **3(4)(a)**
- F30** Words in s. 119(1A) substituted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001 (S.I. 2001/3649), arts. 1, **205(4)**

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- F31** Words in s. 119(1A) substituted (11.1.2005) by The Life Assurance Consolidation Directive (Consequential Amendments) Regulations 2004 (S.I. 2004/3379), regs. 1, **3(4)(b)**
- F32** Word in s. 119(1A) substituted (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 1(1), **Sch. 3 para. 1(a)(i)**
- F33** Words in s. 119(1A) inserted (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 1(1), **Sch. 3 para. 1(a)(ii)**
- F34** S. 119(1B) repealed (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001 (S.I. 2001/3649), arts. 1, **205(5)**
- F35** S. 119(1C) inserted (1.12.2001) by The Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001 (S.I. 2001/3649), arts. 1, **205(6)**
- F36** S. 119(1D) added (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 1(1), **Sch. 3 para. 1(b)**
- F37** S. 119(3) inserted (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 1(1), **Sch. 3 para. 1(c)**

#### Commencement Information

- I1** Ss. 116-119 wholly in force at 8.6.1992 see s. 126(2) and S.I. 1992/1325, **art. 2(c)**.

#### Marginal Citations

- M1** 1974 c. 46.

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