



# Friendly Societies Act 1992

## 1992 CHAPTER 40

### PART V

#### REGULATION OF FRIENDLY SOCIETIES' BUSINESS

##### *Powers of [FCA and PRA]*

#### **54 Supervision of activities of subsidiaries etc.**

- (1) In this section “friendly society group” means an incorporated friendly society, subsidiaries of that society and bodies jointly controlled by it.
- (2) If it appears to the [FCA or the PRA] that the activities of subsidiaries of an incorporated friendly society or bodies jointly controlled by it are or may become disproportionate to those of the friendly society group as a whole, it may direct the society—
  - (a) to take or refrain from taking steps specified in the direction with a view to securing that the activities in question cease to be or do not become disproportionate; or
  - (b) to take steps so specified with a view to securing—
    - (i) that it ceases to have control or joint control of any subsidiary or jointly controlled body in question; or
    - (ii) that any such subsidiary or jointly controlled body is wound up.
- (3) If it appears to the [FCA or the PRA] that any activity of a subsidiary of an incorporated friendly society or of a body jointly controlled by such a society is unsuitable for a member of a friendly society group, it may direct the society—
  - (a) to take steps specified in the direction with a view to securing that that activity ceases; or
  - (b) to take steps so specified with a view to securing—
    - (i) that it ceases to have control or joint control of the subsidiary or jointly controlled body; or
    - (ii) that the subsidiary or jointly controlled body is wound up.

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 54. (See end of Document for details)*

- (4) A direction under this section may specify [<sup>F2</sup>that the society is to comply with it—
- (a) immediately on receipt of a final notice in relation to the direction;
  - (b) before the end of such period as may be specified in the direction, beginning with the giving of a final notice in relation to the direction; or
  - (c) on the happening of an event subsequent to the giving of such a notice.]
- (5) A society given a direction under this section must—
- (a) comply with the direction; or
  - (b) convert itself into a company in accordance with Part VIII of this Act.
- [<sup>F3</sup>(6) The [<sup>F4</sup>FCA or the PRA] may by written notice to the society—
- (a) vary a direction [<sup>F5</sup>issued by it] under this section at the request of the society; or
  - (b) revoke a direction [<sup>F5</sup>issued by it] under this section.]
- [<sup>F6</sup>(6A) The FCA must consult the PRA before issuing a direction under this section to a PRA-  
authorised person or varying such a direction.
- (6B) The PRA must consult the FCA before issuing or varying a direction under this section.]
- [<sup>F7</sup>(7) If a society requests the FCA or the PRA to notify the society as to whether, in the opinion of that authority, it has complied with a direction issued by that authority, the FCA or the PRA (as the case may be) must comply with the request.
- (7A) The PRA must send a copy to the FCA of any direction, notice, final notice or notification it issues under this section.]
- [<sup>F8</sup>(8) . . . . .
- (9) The [<sup>F9</sup>[<sup>F10</sup>FCA] shall keep] a copy—
- (a) of a direction under this section;
  - (b) of a notice under subsection (6) above; or
  - [<sup>F11</sup>(ba) of a final notice varying a direction under this section;]
  - (c) of a notification under subsection (7) above;
- [<sup>F12</sup> . . . in the public file of the society.
- [<sup>F13</sup>(10) "Final notice" means a final notice given under section 390 of the Financial Services and Markets Act 2000, as applied by section 58A(6) below.]

#### Textual Amendments

- F1** Words in s. 54(2)(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 9 para. 18\(2\)](#) (with Sch. 12)
- F2** S. 54(4): Words and paras. (a)-(c) 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. 71\(b\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538, art. 2\(1\)](#)
- F3** S. 54(6) 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. 71\(c\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538, art. 2\(1\)](#)
- F4** Words in s. 54(6) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 9 para. 18\(3\)\(a\)](#) (with Sch. 12)
- F5** Words in s. 54(6) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 9 para. 18\(3\)\(b\)](#) (with Sch. 12)

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*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 54. (See end of Document for details)*

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- F6** S. 54(6A)(6B) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 18(4)** (with Sch. 12)
- F7** S. 54(7)(7A) substituted for s. 54(7) (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 18(5)** (with Sch. 12)
- F8** S. 54(8) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5)
- F9** Words in s. 54(9) 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. 71(e)(i)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F10** Word in s. 54(9) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 18(6)** (with Sch. 12)
- F11** S. 54(9)(ba) inserted (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. 71(e)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F12** Words in s. 54(9) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5)
- F13** S. 54(10) inserted (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. 71(f)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

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#### **Commencement Information**

- I1** S. 54 wholly in force; s. 54 not in force at Royal Assent see s. 126(2); s. 54 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; s. 54 in force for all remaining purposes at 28.4.1993 by S.I. 1993/1186, art. 2(2), **Sch. 2**

**Changes to legislation:**

There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 54.