



Friendly Societies Act 1992

1992 CHAPTER 40

PART VIII

AMALGAMATIONS, TRANSFERS OF ENGAGEMENTS AND CONVERSION OF FRIENDLY SOCIETIES INTO COMPANIES

Transfers of engagements

86 Transfer of engagements by or to friendly society.

- (1) A friendly society may, in accordance with this Part of this Act, transfer its engagements to any extent to any of the following persons, that is to say—
- ^{F1}(a)
 - (b) to an industrial and provident society;
 - ^{F2}(c) to a company registered under the Companies Act 2006;
 - (d) in relation to engagements the fulfilment of which will constitute the carrying on of insurance business, to any other person who is an ^{F3}insurer;
 - (e) in relation to engagements the fulfilment of which will not constitute the carrying on of insurance business, to a person (or body of persons) who is not of a description specified in ^{F4}paragraph (b), (c) or (d) above].
- (2) A friendly society, in order to transfer any of its engagements, must—
- (a) comply with the applicable requirements of Part I of Schedule 15 to this Act;
 - (b) resolve to transfer the engagements by special resolution;
 - (c) if the transfer is of some but not all of its engagements, resolve to do so by an affected members' resolution;
 - (d) record the extent of the transfer as so resolved in an instrument of transfer of engagements; and
 - (e) obtain the confirmation of the ^{F5}appropriate authority] of the transfer;
- and, on obtaining that confirmation, the instrument of transfer of engagements may be registered under subsection (4) below.

Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 86. (See end of Document for details)

- (3) Where it is proposed to transfer the engagements of one friendly society to another friendly society, the proposed transferee, in order to undertake to fulfil them, must—
- (a) comply with the applicable requirements of Part I of Schedule 15 to this Act and, if required, with sections 87 and 88 below; and
 - (b) resolve to undertake to fulfil the engagements by special resolution or, if the [^{F6}appropriate authority] consents to that mode of proceeding, by resolution of the committee of management.

[^{F7}(3A) The PRA must consult the FCA before giving its consent under subsection (3)(b).]

- (4) Where the [^{F8}appropriate authority] confirms a transfer of engagements, [^{F9}the FCA] shall, on the application of the society proposing to transfer them and the proposed transferee—

- (a) register a copy of the instrument of transfer of engagements; and
- (b) issue a registration certificate to the transferee,

and a registration certificate shall specify a date as the transfer date for that transfer.

- (5) On the transfer date—

- (a) the property, rights and liabilities of the society transferring its engagements shall by virtue of this subsection become, to the extent provided in the instrument of transfer of engagements, the property, rights and liabilities of the transferee; and
- (b) if the transfer is of all the society's engagements, the society shall be dissolved;

but the transfer shall be deemed to have been effected immediately before any such dissolution.

- (6) The [^{F10}FCA] shall keep a copy of the instrument and of the registration certificate issued under subsection (4) above—

- (a) where the transferee is a friendly society, in the public file of that society;
- (b) in any other case, in the public file of the society transferring the engagements.

- (7) Where a friendly society is dissolved by subsection (5)(b) above, its registration under this Act or the 1974 Act shall be cancelled by the [^{F10}FCA].

- (8) Where it is proposed that any engagements of a person other than a friendly society should be transferred to a friendly society, the proposed transferee, in order to undertake to fulfil them, must resolve to do so by special resolution.

- (9) For the purposes of this section—

- (a) an “affected members’ resolution” is a resolution approving a transfer of engagements which is passed by the appropriate majority of those members whose contracts with the society are included in the transfer and who are entitled to vote on the resolution; and
- (b) the “appropriate majority” means a majority consisting of not less than three quarters of those who vote on the resolution (in person or by proxy) at a meeting of the society or in a [^{F11}... ballot;

and sub-paragraphs (1)(b) and (c), (4), (5) and (6) of paragraph 7 of Schedule 12 to this Act shall apply to an affected members’ resolution as they apply to a special resolution.

- (10) Delegate voting may not take place on an affected members’ resolution; and where the rules of a friendly society provide for delegate voting on any matter, they must provide for voting by individual members on such resolutions.

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(11) Schedule 15 to this Act has effect for supplementing this section.

[^{F12}(12) In this section “insurer” means—

(a) a person who has permission under [^{F13}Part 4A] of the Financial Services and Markets Act 2000 to effect or carry out contracts of insurance, ^{F14}...

^{F15}(b)

(13) Subsection (12) 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.]

Textual Amendments

- F1** S. 86(1)(a) repealed (1.12.2001) by S.I. 2001/3649, arts. 1, 201(2)
- F2** S. 86(1)(c) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 133(4)** (with art. 10)
- F3** Word in s. 86(1)(d) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 201(3)
- F4** Words in s. 86(1)(e) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 201(4)
- F5** Words in s. 86(2)(e) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 35(2)** (with Sch. 12)
- F6** Words in s. 86(3)(b) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 35(2)** (with Sch. 12)
- F7** S. 86(3A) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 35(3)** (with Sch. 12)
- F8** Words in s. 86(4) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 35(4)(a)** (with Sch. 12)
- F9** Word in s. 86(4) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 35(4)(b)** (with Sch. 12)
- F10** Word in s. 86(6)(7) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 35(5)** (with Sch. 12)
- F11** Word in s. 86(9)(b) omitted (12.4.2011) by virtue of The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), **21(2)(a)**
- F12** S. 86(12)(13) inserted (1.12.2001) by S.I. 2001/3649, arts. 1, 201(5)
- F13** Words in s. 86(12) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 35(6)** (with Sch. 12)
- F14** Word in s. 86(12)(a) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **8(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F15** S. 86(12)(b) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **8(b)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

- C1** S. 86: power to modify conferred (16.1.2009) by Building Societies (Funding) and Mutual Societies (Transfers) Act 2007 (c. 26), ss. 3, 6(2); S.I. 2009/36, art. 2

Changes to legislation:

There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 86.