Charities Act 2011

2011 CHAPTER 25

PART 11

CHARITABLE INCORPORATED ORGANISATIONS (CIOS)

CHAPTER 4

CONVERSION, AMALGAMATION AND TRANSFER

Transfer of CIO's undertaking to another CIO

240 Resolutions about transfer of CIO's undertaking to another CIO

(1) A CIO may resolve that all its property, rights and liabilities should be transferred to another CIO specified in the resolution.

(2) Where a CIO has passed such a resolution, it must send to the Commission—

(a) a copy of the resolution, and

(b) a copy of a resolution of the transferee CIO agreeing to the transfer to it.

(3) The resolutions referred to in subsections (1) and (2)(b) must have been passed—

(a) by a 75% majority of those voting at a general meeting of the CIO (including those voting by proxy or by post, if voting that way is permitted), or

(b) unanimously by the CIO's members, otherwise than at a general meeting.

(4) The date of passing of such a resolution is—

(a) the date of the general meeting at which it was passed, or

(b) if it was passed otherwise than at a general meeting, the date on which provision in the CIO's constitution or in regulations made under section 223 treats it as having been passed (but that date may not be earlier than that on which the last member agreed to it).

(5) The resolution of the transferor CIO does not take effect until confirmed by the Commission.

241 Notice of transfer of CIO's undertaking to another CIO

Having received the copy resolutions referred to in section 240(2), the Commission—

(a) may direct the transferor CIO to give public notice of its resolution in such manner as is specified in the direction, and

(b) if it gives such a direction, must take into account any representations made to it by persons appearing to it to be interested in the transferor CIO, where those representations are made to it within the period of 28 days beginning with the date when public notice of the resolution is given by the transferor CIO.

242 Cases where confirmation of resolution must or may be refused

(1) The Commission must refuse to confirm the resolution of the transferor CIO if it considers that there is a serious risk that the transferee CIO would be unable properly to pursue the purposes of the transferor CIO.

(2) The Commission may refuse to confirm the resolution if it is not satisfied that the provision in the constitution of the transferee CIO about the matters mentioned in subsection (3) is—

(a) the same, or

(b) substantially the same,

as the provision about those matters in the constitution of the transferor CIO.

(3) The matters are—

(a) the purposes of the CIO,

(b) the application of property of the CIO on its dissolution, and

(c) authorisation for any benefit to be obtained by charity trustees or members of the CIO or persons connected with them.

(4) Sections 248 (meaning of "benefit") and 249 (meaning of "connected person") apply for the purposes of this section.

243 Confirmation of resolution

(1) If the Commission does not notify the transferor CIO within the relevant period that it is either confirming or refusing to confirm the transferor CIO's resolution, the resolution is to be treated as confirmed by the Commission on the day after the end of that period.

(2) Subject to subsection (3), "the relevant period" means—

(a) if the Commission directs the transferor CIO under section 241 to give public notice of its resolution, the period of 6 months beginning with the date when that notice is given, or

(b) otherwise, the period of 6 months beginning with the date when both of the copy resolutions referred to in section 240(2) have been received by the Commission.

(3) The Commission may at any time within the period of 6 months mentioned in subsection (2)(a) or (b) give the transferor CIO a notice extending the relevant period by such period (not exceeding 6 months) as is specified in the notice.

(4) A notice under subsection (3) must set out the Commission's reasons for the extension.

244 Effect of confirmation of resolution

(1) If the resolution of the transferor CIO is confirmed (or treated as confirmed) by the Commission—

(a) all the property, rights and liabilities of the transferor CIO become by virtue of this subsection the property, rights and liabilities of the transferee CIO in accordance with the resolution, and

(b) the transferor CIO is dissolved.

(2) Any gift which—

(a) is expressed as a gift to the transferor CIO, and

(b) takes effect on or after the date on which the resolution is confirmed (or treated as confirmed),

takes effect as a gift to the transferee CIO.