



# Co-operative and Community Benefit Societies Act 2014

## 2014 CHAPTER 14

### PART 3

#### MEMBERS AND OFFICERS

##### *Register of members and officers*

#### **30 Register of members and officers**

- (1) A registered society must keep a register of members and officers (“the register”) at its registered office.
- (2) The following information must be entered on the register in relation to each member—
  - (a) the member’s name and postal address;
  - (b) where the member has notified the society of an electronic address for the purposes of receiving notices or documents under this Act, the electronic address and the purposes for which it has been notified;
  - (c) the number of shares held by the member and the amount paid or agreed to be considered as paid on the shares;
  - (d) a statement of other property in the society held by the member (whether in loans, deposits or otherwise);
  - (e) the date the person was entered on the register as a member;
  - (f) (where applicable) the date the person ceased to be a member.
- (3) The following information must be entered on the register in relation to each officer—
  - (a) the officer’s name and postal address;
  - (b) where the officer has notified the society of an electronic address for the purposes of receiving notices or documents under this Act, the electronic address and the purposes for which it has been notified;

- (c) the office held;
  - (d) the date the person took office.
- (4) Where it appears to the society that an electronic address shown on the register pursuant to subsection (2)(b) or (3)(b) is no longer current, the society may remove that address from the register.
- (5) The register may be kept by—
- (a) making entries in bound books, or
  - (b) recording the matters in question in any other way.
- (6) Where the register is kept otherwise than by making entries in a bound book, the society must take adequate precautions for—
- (a) guarding against falsification, and
  - (b) facilitating its discovery.
- (7) A registered society must—
- (a) keep a duplicate register at its registered office, containing the information in the register except information about members' shares and other property in the society, or
  - (b) construct the register in such a way that it is possible to open to inspection so much of the information in it as would be contained in a duplicate register without exposing information recorded in it about members' shares and other property in the society.
- (8) A person authorised for the purpose by the FCA may at all reasonable hours, on producing evidence of the authorisation, inspect any entry in a register or duplicate register kept under this section.
- (9) A registered society's register or duplicate register kept under this section, or any other register or list of members or shares kept by the society, is prima facie evidence of any of the following information entered in it—
- (a) the name, postal address, electronic address and occupation of a member;
  - (b) the number of shares held by a member, the shares' distinguishing numbers (if any), and the amount paid or agreed to be considered as paid on any of those shares;
  - (c) the date a person's name was entered on the register or list as a member;
  - (d) the date any person ceased to be a member.

*Provisions about certain kinds of member etc*

**31 Members under 18**

- (1) A person under the age of 18 may be a member of a registered society unless the society's registered rules provide otherwise.
- (2) A person under the age of 18—
- (a) may enjoy all the rights of a member of a registered society, and
  - (b) if aged 16 or over, may execute all instruments and give all receipts necessary to be executed or given under a society's registered rules.

This is subject to the society's registered rules and to the provisions of this Act.

- (3) A person under the age of 16 may not be a member of a registered society's committee or a trustee, manager or treasurer of a registered society.

### **32 Bodies corporate may be members**

Shares in a registered society may be held by any other body corporate (if that body's regulations so permit) by its corporate name.

### **33 Society a member of another society: references to members making and signing documents etc**

- (1) This section applies where a registered society ("society A") is a member of another registered society ("society B").
- (2) For the purposes of any enactment relating to a registered society's members making or signing an application, instrument or document, any reference in the enactment to a member is to be read, in relation to society A as a member of society B, as a reference to 2 members of society A's committee and its secretary.

#### *Dealings with members*

### **34 Advances to members**

A registered society's rules may provide for advances of money to members—

- (a) on the security of real or personal property or, in Scotland, of heritable or moveable estate, or
- (b) if the society is registered to carry on banking business, in any way that is customary in the conduct of such business.

### **35 Remedies for members' debts**

- (1) Money payable by a member to a registered society is a debt due from the member to the society, and is recoverable as a debt—
- (a) in the county court, or
  - (b) in Scotland, before the sheriff whose jurisdiction contains the society's registered office or the member's residence, at the option of the society.
- (2) A registered society has a lien on a member's shares in the society for any debt due from the member to the society, and may set off any sum credited to the member on those shares in or towards the payment of that debt.

### **36 Payments in respect of persons lacking capacity**

- (1) This section applies if—
- (a) a registered society's committee is satisfied (after considering medical evidence) that a member is incapable of managing the member's own affairs by reason of a mental disorder or mental disability, and
  - (b) the committee is satisfied that no person has been duly appointed to administer the member's property on behalf of the member.

- (2) The society may (if it is proved to the committee's satisfaction that it is just and expedient so to do) pay the amount of any shares, loans, and deposits belonging to the member to a person whom the committee judges proper to receive it on behalf of the member.
- (3) Receipt by that person is a valid discharge to the society for the sum paid.
- (4) Subsections (1) to (3) do not apply where—
- (a) the member lacks capacity (within the meaning of the Mental Capacity Act 2005) for the purposes of this Act,
  - (b) there is a donee of an enduring power of attorney or lasting power of attorney (within the meaning of that Act) or a deputy appointed for the member by the Court of Protection, and
  - (c) the donee or deputy has power in relation to the member for the purposes of this Act.
- (5) In this section references to a member include a person claiming through a member.
- (6) A payment made under this section to a person appearing to the committee at the time of the payment to be entitled under this section is valid and effectual against any demand made upon the committee or society by any other person.

*Distribution of member's property in society on death*

**37 Nomination by member of entitlement to property in society on member's death**

- (1) A member of a registered society may, in accordance with subsection (2), nominate one or more persons to become entitled at the member's death to—
- (a) the whole of any property in the society (whether in shares, loans or deposits or otherwise) which the member may have at the time of death, or
  - (b) to such part or respective parts of that property as may be specified in the nomination.
- (2) A nomination must be—
- (a) made in a written statement signed by the member and delivered at or sent to the society's registered office during the member's lifetime, or
  - (b) made in any book kept at the society's registered office.
- (3) The nomination of a person who (at the date of the nomination) is an officer or employee of the society is valid only if that person is the nominator's spouse, civil partner, parent, child, brother, sister, nephew or niece.
- (4) For the purposes of the disposal of any property which is the subject of a nomination, if at the date of death the amount of property in the society comprised in the nomination exceeds £5,000, the nomination is valid to the extent of £5,000 but not further or otherwise.
- (5) A registered society must keep a book recording—
- (a) the names of all persons nominated under this section, and
  - (b) any revocation or variation of a nomination.
- (6) An order under section 6 of the Administration of Estates (Small Payments) Act 1965 (power to provide for increases in amounts disposable on death by nomination) has

effect in relation to the limits in subsection (4) as it has effect in relation to the limits referred to in section 2 of that Act.

### **38 Section 37: variation and revocation of nominations**

- (1) In this section “nomination” means a nomination under section 37.
- (2) A member’s nomination may be varied or revoked by—
  - (a) a subsequent nomination by the member, or
  - (b) any similar document in the nature of a revocation or variation signed by the member and delivered at or sent to the society’s registered office during the member’s lifetime.
- (3) A member’s nomination is not revocable or variable by the member’s will (or by any codicil to the will).
- (4) Any nomination made by a member who subsequently marries or forms a civil partnership is revoked by the marriage or formation of the civil partnership.
- (5) But if any of the member’s property is transferred by an officer of the society in pursuance of the nomination in ignorance of the marriage or civil partnership, the nominee’s receipt is a valid discharge to the society (and the society is under no liability to any other person claiming the property).

### **39 Section 37: procedure on death**

- (1) This section applies where a member of a registered society has made a nomination under section 37.
- (2) On receiving satisfactory proof of the member’s death, the society’s committee must—
  - (a) transfer to a person any property to which the person is entitled under the nomination, or
  - (b) pay the person the full value of that property.
- (3) Subsection (2) applies in relation to property consisting of shares in the society even if the society’s rules provide that its shares are not transferable.
- (4) But if the transfer of shares to a person in accordance with the nomination would raise the person’s share capital beyond the maximum for the time being permitted in the case of the society, the society’s committee—
  - (a) must not transfer to the person more of those shares than raises the person’s share capital to that maximum, and
  - (b) must pay the person the value of any of those shares not transferred.
- (5) The society may pay any sum falling to be paid under subsection (2) or (4) to a person under the age of 16 (“the nominee”) to—
  - (a) a parent or guardian of the nominee, or
  - (b) any other person aged 18 or over who undertakes to hold it on trust for the nominee or to apply it for the nominee’s benefit and whom the society considers to be a fit and proper person for the purpose.

The receipt of the parent, guardian or other person is a valid discharge to the society for any sum paid under this subsection.

**40 Death of member: distribution of property not exceeding £5,000**

- (1) This section applies if—
- (a) a member of a registered society dies,
  - (b) the member's property in the society (as at death) in respect of shares, loans or deposits does not exceed £5,000, and
  - (c) that property is not the subject of a nomination under section 37 (nomination by member of entitlement to property in society on member's death).
- (2) The society's committee may, without letters of administration or probate of any will (or, in Scotland, confirmation) having been obtained, distribute that property among such persons as appear to the committee (on such evidence as it considers satisfactory) to be entitled by law to receive it.
- (3) A payment or transfer made under this section to a person appearing to the committee at the time of the payment or transfer to be entitled under this section is valid and effectual against any demand made upon the committee or society by any other person.
- (4) An order under section 6 of the Administration of Estates (Small Payments) Act 1965 (power to provide for increases in amounts disposable on death without representation) has effect in relation to the limit in subsection (1)(b) as it has effect in relation to the limits referred to in section 1 of that Act.

*Officers and employees in charge of money etc***41 Security to be given by certain officers**

- (1) This section applies to an officer of a registered society who receives or is in charge of money.
- (2) If the society's rules so require, the officer must (before undertaking the duties of office) give security in such sum as the society's committee may direct conditioned for—
- (a) the officer rendering an accurate account of all moneys received and paid by the officer on account of the society, at such times as its rules provide or as the society or its committee requires, and
  - (b) the payment of all sums due from the officer to the society.
- (3) The security must be given by the officer—
- (a) becoming bound, with or without a surety (or, in Scotland, cautioner) as the society's committee may require, in a bond in one of the forms set out in Schedule 1 or in such other form as the committee may approve, or
  - (b) giving the security of a guarantee society.

**42 Duty of certain officers and employees to account**

- (1) This section applies to—
- (a) an officer of a registered society who receives or is in charge of money, and
  - (b) an employee of a registered society who receives or is in charge of money and is not engaged under a special agreement to account.

A person to whom this section applies is referred to below as a "relevant person".

- (2) A relevant person must render such an account as the society or its committee may require (to be examined and allowed or disallowed by it)—
  - (a) at such time as the relevant person is required to do so by the society’s rules, or
  - (b) on demand, or
  - (c) on notice in writing requiring the relevant person to do so, given or left at that person’s last or usual place of residence.
- (3) A relevant person must, on demand or on the giving of notice of a kind mentioned in subsection (2)(c), pay over all moneys and deliver all property for the time being in the relevant person’s hands or custody to such person as the society or its committee may appoint.
- (4) Duties imposed on a relevant person under subsection (2) or (3) are, after that person’s death, to be treated as imposed on the person’s personal representatives.
- (5) In case of any neglect or refusal to comply with the preceding provisions of this section, the society may—
  - (a) sue on any bond or security given under section 41, or
  - (b) apply to—
    - (i) the county court (which may proceed in a summary way) or a magistrates’ court, or
    - (ii) in Scotland, the sheriff.
- (6) The order of the county court, magistrates’ court or sheriff is final and conclusive (despite anything in section 77 of the County Courts Act 1984).