
STATUTORY INSTRUMENTS

1996 No. 1188

DEREGULATION

The Deregulation (Friendly Societies Act 1992) Order 1996

Made - - - - - *29th April 1996*

Coming into force - - - - - *1st August 1996*

Whereas:

- (a) the Treasury are of the opinion that certain provisions of the Friendly Societies Act 1992(1) impose burdens affecting persons in the carrying on of a trade, business, profession or otherwise and that by amending or repealing the provisions concerned and by making certain other provisions it is possible to remove or reduce the burdens without removing any necessary protection;
- (b) the Treasury have consulted such organisations as appear to them to be representative of interests substantially affected by their proposals and such other persons as they consider appropriate;
- (c) it appears to the Treasury that it is appropriate following that consultation to proceed with the making of this Order;
- (d) a document setting out the Treasury's proposals has been laid before Parliament in accordance with Section 3 of the Deregulation and Contracting Out Act 1994(2) and the period for Parliamentary consideration under Section 4 of that Act has expired;
- (e) the Treasury have had regard to the representations made during that period;
- (f) a draft of this Order has been laid before Parliament with a statement giving details of such representations and the changes to the Treasury's proposals in the light of those representations; and
- (g) a draft of this Order has been approved by resolution of each House of Parliament.

Now, therefore, the Treasury, in exercise of the power conferred on them by section 1(1) of the 1994 Act, hereby make the following Order.

Title and commencement

1. This Order may be cited as the Deregulation (Friendly Societies Act 1992) Order 1996 and shall come into force on 1st August 1996.

(1) 1992 c. 40.
(2) 1994 c. 40.

Interpretation

2. In this Order “the 1992 Act” means the Friendly Societies Act 1992.

Powers of group of an incorporated friendly society

3. In section 7(5) of the 1992 Act (purposes and powers of an incorporated friendly society) after “fall” there are inserted the words “within section 10 below or”.

Five yearly statement of long term business

4. In section 46 of the 1992 Act (annual investigation into condition of certain societies)—
- (a) subsection (6); and
 - (b) in subsection (7), the words “or statement”,
- are repealed.

Submission of altered rules

5. In section 93(5)(b) of the 1992 Act (number of copies of altered rules to be sent to the central office) for the word “four” there is substituted the word “three”.

Power to modify regulations

6. In section 103 of the 1992 Act (power to modify Parts V and VI of the Act in relation to particular friendly societies), after subsection (3) there are inserted the following subsections—

“(4) The Commission may, on the application or with the consent of a friendly society, direct in relation to any provision of regulations made for the purposes of Part V or VI of this Act that the provision shall not apply to the society, or shall apply to it with such modifications as may be specified in the direction.

(5) A direction under subsection (4) above may be subject to conditions.

(6) A direction under subsection (4) above may be revoked by the Commission at any time; and the Commission may at any time vary any such direction on the application or with the consent of the society to which it applies.

(7) Where the Commission—

- (a) makes a direction under subsection (4) above, or
- (b) revokes or varies such a direction,

it shall cause the direction, variation or revocation to be entered on a register kept by it for the purposes of this subsection.

(8) The register kept for the purposes of subsection (7) above shall be available for inspection on reasonable notice by members of the public.

(9) The Commission shall provide to the central office a copy of—

- (a) any direction made by it under subsection (4) above, and
- (b) any revocation or variation of any such direction,

and the central office shall keep the copy in the public file of the society to which it relates.”

Name of incorporated collecting society

7. Paragraph 9(2) of Schedule 3 to the 1992 Act is repealed.

Confirmation by the Friendly Societies Commission

8. In Schedule 15 to the 1992 Act (supplementary provisions about amalgamations, transfers of engagements and conversion) in paragraph 5 (applications to the Commission for confirmation), after sub-paragraph (2) there are inserted the following sub-paragraphs—

“(3) The Commission may, on the application or with the consent of a friendly society, direct in relation to any provision of regulations made for the purposes of sub-paragraph (1) above that the provisions shall not apply to the society, or shall apply to it with such modifications as may be specified in the direction.

(4) A direction under sub-paragraph (3) above may be subject to conditions.

(5) A direction under sub-paragraph (3) above may be revoked by the Commission at any time; and the Commission may at any time vary any such direction on the application or with the consent of the society to which it applies.

(6) Where the Commission—

(a) makes a direction under subsection (3) above, or

(b) revokes or varies such a direction,

it shall cause the direction, variation or revocation to be entered on a register kept by it for the purposes of this subsection.

(7) The register kept for the purposes of subsection (6) above shall be available for inspection on reasonable notice by members of the public.

(8) The Commission shall provide to the central office a copy of—

(a) any direction made by it under subsection (3) above, and

(b) any revocation or variation of any such direction,

and the central office shall keep the copy in the public file of the society to which it relates.”

29th April 1996

Derek Conway
Simon Burns
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Friendly Societies Act 1992 (“the Act”).

Article 3 of this Order amends section 7 of the Act to allow groups set up under that provision (or “branches”) of incorporated friendly societies to carry out social and benevolent activities on their own account.

Article 4 amends section 46 of the Act so as to abolish the requirement that any friendly society which carries out an annual valuation of its life assurance business must also draw up a statement of that business once every 5 years.

Article 5 amends section 93 of the Act so as to reduce the number of copies of altered rules which a society must send to the central office of the Registry of Friendly Societies from four to three.

Article 6 amends section 103 of the Act so that the Friendly Societies Commission may, by direction, disapply or modify some or all of the requirements, including actuarial, solvency and accounting requirements, in regulations made under Part V and VI of the Act. The Commission must maintain a register containing directions, and variations and revocations thereto, and that register will be available for public inspection. Also a copy of a direction, or revocation or alteration thereto, will be in the public file of the society to which it relates.

Article 7 amends paragraph 9(2) of Schedule 3 to the Act so as to remove the requirement for incorporated friendly societies which are collecting societies to have the words ‘collecting society limited’ at the end of their name.

Article 8 amends paragraph 5(1) of Schedule 15 to the Act so as to allow the Friendly Societies Commission to modify, by direction, the manner prescribed in regulations in which an application for confirmation by the Commission of an amalgamation, transfer of engagements or conversion is made. The Commission must maintain a register containing directions, and variations and revocations thereto, and that register will be available for public inspection. Also a copy of a direction, or revocation or alteration thereto, will be in the public file of the society to which it relates.