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STATUTORY INSTRUMENTS

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**2005 No. 1788**

**The Community Interest Company Regulations 2005**

**PART 5**

**Alteration of objects**

**Requirement for Regulator's approval**

**13.** An alteration of the memorandum of a community interest company with respect to the statement of the company's objects does not have effect except in so far as it is approved by the Regulator.

**Documents to be delivered to registrar of companies**

**14.—(1)** If a copy of a special resolution under section 4(1) of the 1985 Act is delivered to the registrar of companies pursuant to section 380 of the 1985 Act<sup>(1)</sup> (registration of resolutions), the company must also deliver—

- (a) a community interest statement; and
- (b) a statement, in a form approved by the Regulator, of the steps that have been taken to bring the proposed alteration to the notice of persons affected by the company's activities.

(2) The community interest statement and the statement under paragraph (1)(b) must be signed by each person who is a director of the company.

**Decisions etc**

**15.—(1)** On receiving the copies of the special resolution under section 4(1) of the 1985 Act, the community interest statement delivered under regulation 14(1)(a) and the statement delivered under regulation 14(1)(b), the registrar of companies must—

- (a) forward a copy of each of the documents to the Regulator; and
- (b) retain the documents pending the Regulator's decision.

(2) The Regulator must decide whether to approve the proposed alteration of the memorandum of the community interest company with respect to the statement of the company's objects.

(3) The Regulator may approve the proposed alteration if he considers that—

- (a) the statement of the company's objects as altered by the special resolution will comply with the requirements imposed by and by virtue of section 32 of the 2004 Act;
- (b) the company will satisfy the community interest test; and
- (c) the company has taken reasonable steps to bring the proposed alteration to the notice of persons affected by its activities.

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(1) There are amendments to section 380 of the 1985 Act but none is relevant to these Regulations.

(4) In considering whether the company will satisfy the community interest test, the Regulator shall have regard to—

- (a) the statement of the company's objects as altered by the special resolution;
- (b) the community interest statement; and
- (c) any other relevant considerations.

(5) The Regulator must give notice of the decision to the registrar (but the registrar is not required to record it).

(6) The registrar shall not—

- (a) record the special resolution delivered pursuant to section 380 of the 1985 Act;
- (b) register any copy of the altered memorandum delivered pursuant to section 6 of the 1985 Act; or
- (c) cause notice of that alteration to be published pursuant to section 711 of the 1985 Act<sup>(2)</sup> (public notice by registrar of receipt of documents),

unless and until the Regulator has given notice of a decision to approve the proposed alteration.

(7) If the Regulator gives notice of a decision to approve the proposed alteration, the registrar shall also—

- (a) record the community interest statement; and
- (b) record the statement delivered under regulation 14(1)(b).

(8) If the Regulator decides not to approve the proposed alteration of the memorandum of the community interest company with respect to the statement of the company's objects, the company may appeal to the Appeal Officer against the decision.

### **Exemptions**

**16.** Regulations 13 to 15 do not apply where a community interest company is to cease being a community interest company by becoming a charity or a Scottish charity and the special resolution to alter the memorandum of the company with respect to the statement of its objects is forwarded to the registrar of companies in accordance with section 54 of the 2004 Act.

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(2) There are amendments to section 711 of the 1985 Act but none is relevant to these Regulations.