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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order amends the Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014 (“the principal Order”) to take account of the Co-operative and Community Benefit Societies Act 2014 (c.14) (“the 2014 Act”), which comes into force on 1st August 2014. The 2014 Act consolidates certain enactments relating to co-operative societies, community benefit societies and other societies registered or treated as registered under the Industrial and Provident Societies Act 1965 (c. 12).

The meaning of “relevant society” is amended to take account of—

- the requirement that a new society, other than a credit union, is to be registered under the 2014 Act as a co-operative society or a community benefit society; and
- the meaning of “registered society” given by section 1(1) of the 2014 Act.

A registered society is a society, which may be a credit union, registered under the 2014 Act on or after 1st August 2014 or registered or treated as registered immediately before that date under the Industrial and Provident Societies Act 1965 Act.

Article 4 substitutes provision for the modified application to relevant societies in administration of provisions for the amalgamation of societies, transfer of engagements between societies and conversion into, amalgamation with, or transfer of engagements to a company. The substituted provision modifies sections 111 and 113 of the 2014 Act (special resolutions required for such transactions).

This Order makes further provision to take account of the repeal and re-enactment of the Industrial and Provident Societies Acts 1965 to 1968.

This Order makes two further amendments of the principal Order—

- article 5(e)(i) amends provision inserted in Schedule A1 to the Insolvency Act 1986 (c. 45) for the interpretation of references to a floating charge, so that provisions about a floating charge, including provision entitling the holder to appoint an administrator, apply in the case of a charge created by a society before, as well as on or after, 6th April 2014;
- article 8(a) inserts in Schedule 5 to the principal Order provision for the modified application of the Insurers (Reorganisation and Winding Up) Regulations 2004 (S.I. 2004/353).

A full impact assessment has not been produced for this instrument as no impact is foreseen on the costs of business or the voluntary sector.