

SCHEDULE 2

Article 2(3)

Modified application of Part 26 of the Companies Act 2006 to relevant societies

1. Unless the context otherwise requires and subject to any further modification in this Schedule, in Part 26 of the 2006 Act—

- (a) a reference to the articles of a company is a reference to the rules of a relevant society;
- (b) a reference to a class of members is to be ignored;
- (c) a reference to a company includes a reference to a relevant society;
- (d) a reference to a company's creditors does not include a reference to a member of a relevant society to whom an amount is owed by the society if, but only in so far as, the amount concerned is owed in respect of the member's shares;
- (e) a reference to the directors of a company is a reference to the members of the committee of a relevant society;
- (f) a reference to a member of a company is a reference to a person whose name is entered as a member in the register kept by a relevant society in accordance with section 44(1) of the 1965 Act;
- (g) a reference to an officer of a company is a reference to an officer of a relevant society; and
- (h) a reference to the registrar is a reference to the FCA in its capacity as the authority responsible for the registration of a relevant society under the 1965 Act.

2. Part 26 of the 2006 Act applies in relation to a relevant society with the further modifications set out in the following paragraphs of this Schedule and with any other necessary modification.

3. In section 895 (application of Part 26) subsection (2) has effect as if after the definition of "company" there were inserted—

““relevant society” means a society which is registered under the Industrial and Provident Societies Act 1965 and is not—

- (a) a private registered provider of social housing; or
- (b) registered as a social landlord under Part 1 of the Housing Act 1996 or under Part 2 of the Housing (Scotland) Act 2010.”.

4. In section 899 (court sanction for compromise or arrangement)(1)—

- (a) in subsection (1) the reference to a majority in number representing 75% in value of the members present and voting at the meeting summoned under section 896(2) is a reference to 75% of the members of a relevant society present and voting at that meeting; and
- (b) in subsection (3)(b) the reference to contributories has the same meaning as it has in relation to a relevant society in the 1986 Act(3).

5. Section 900 (powers of court to facilitate reconstruction or amalgamation) has effect as if after subsection (4) there were inserted—

“(4A) Subsection (4B) applies where a compromise or arrangement is proposed for the purposes of, or in connection with, a scheme for the reconstruction of a relevant society or the amalgamation of a relevant society with any other relevant society or any company.

(4B) An order under this section may only be made with respect to the compromise or arrangement if the Financial Conduct Authority—

(1) Section 899 was amended by [S.I. 2008/948](#) and [2011/1265](#).

(2) Section 896 was amended by [S.I. 2008/948](#).

(3) For the meaning of “contributory” see section 79 of the 1986 Act, which has effect in relation to a relevant society with the modification in paragraph 1(b) of Schedule 1 to this Order.

Status: This is the original version (as it was originally made).

- (a) is satisfied that the compromise or arrangement is not contrary to the rules of the society or the provisions of the Industrial and Provident Societies Acts 1965 to 1968 or the Credit Unions Act 1979; and
- (b) has issued a statement to that effect.”.

6. Section 901 (obligations of company with respect to articles etc.) has effect as if after subsection (1) there were inserted—

“(1A) Where, in the case of a relevant society, the compromise or arrangement includes provision for amending the society’s rules, the order may be made only if the Financial Conduct Authority has issued a statement to the effect that it would register an amendment in the terms proposed if copies were sent to it for registration in accordance with section 10 of the Industrial and Provident Societies Act 1965.

(1B) Subsection (1A) does not apply if the intended effect of the compromise or arrangement is that the society will cease to be registered under that Act.”.

7. Where a copy of any order or other document is delivered to the FCA under section 899(4), 900(6) or 901(2) (in each case as applied in relation to a relevant society by article 2(3)), that provision also has effect as if it required the document concerned to be delivered—

- (a) in the case of a relevant society which is or has been an authorised person but not a PRA-authorised person, also to the FCA in its capacity as the society’s regulator;
- (b) in the case of a relevant society which is or has been a PRA-authorised person, also to the Prudential Regulation Authority;
- (c) in the case of a relevant society which is a relevant person, also to the scheme manager.

8. In paragraph 7—

“PRA-authorised person” has the meaning given in section 2B(5) of FSMA;

“regulator” has the meaning given in section 3A of FSMA(4); and

“the scheme manager” means the body corporate established by the Financial Services Authority under section 212 of FSMA (the manager of the Financial Services Compensation Scheme) as originally enacted(5).

(4) Sections 2B and 3A were substituted by the Financial Services Act 2012 (c. 21), section 6(1), which substituted new Part 1A of FSMA.

(5) Section 212 was amended by the Financial Services Act 2012, Schedule 10, paragraphs 1 and 2.