



# Co-operative and Community Benefit Societies Act (Northern Ireland) 1969

## 1969 CHAPTER 24

### PART II

#### REGISTERED SOCIETIES

##### CONTRACTS, PROPERTY, ETC., OF SOCIETY

#### **27 Promissory notes and bills of exchange.**

A promissory note or bill of exchange shall be deemed to have been made, accepted or endorsed on behalf of any registered society if made, accepted or endorsed in the name of the society, or by or on behalf or account of the society, by any person acting under the authority of the society.

#### **28 Contracts.**

(1) Contracts may be made, varied or discharged on behalf of a registered society as follows:—

- (a) a contract which, if made between individuals, would be by law required to be<sup>F1</sup> executed as a deed] may be made, on behalf of the registered society in writing under the common seal of the society;
- (b) a contract which, if made between individuals, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the society in writing by any person acting under the express or implied authority of the society;
- (c) a contract which, if made between individuals, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the society by a person acting under the express or implied authority of the society;

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- (d) a contract made according to this subsection may be varied or discharged in the same manner in which it is authorised by this section to be made and a contract<sup>[F1]</sup> executed as a deed] which, if made between individuals, might be varied or discharged in writing not<sup>[F1]</sup> executed as a deed], signed by any person interested therein, may be similarly varied or discharged on behalf of the society by a writing not under seal, signed by any person acting under the express or implied authority of the society.
- (2) A signature purporting to be made by a person holding any office in a registered society attached to a writing whereby any contract purports to be made, varied or discharged by or on behalf of the society shall, until the contrary is proved, be taken to be the signature of a person holding that office at the time when the signature was made.
- (3) A contract which may be or have been made, varied or discharged according to the provisions contained in this section shall be effectual in law and bind the society and its successors and all other parties thereto.

**F1** 2005 NI 7

### **[F2]28A Purported contracts, deeds and obligations**

- (1) A contract which purports to be made by or on behalf of a registered society at a time when the society has not been registered under this Act shall have effect, subject to any agreement to the contrary, as one made with the person purporting to act for the society or as agent for it.
- (2) A contract to which subsection (1) applies shall be treated—
- (a) as imposing on that person all the obligations it purports to impose on the society; and
  - (b) as conferring on him all the rights it purports to confer on the society.
- (3) Subsections (1) and (2) apply to the making of a deed as they apply to the making of a contract.]

**F2** S. 28A inserted (1.7.2006) by [Industrial and Provident Societies \(Northern Ireland\) Order 2006 \(S.I. 2006/314 \(N.I. 3\)\)](#), arts. 1(3), **5(1)**; S.R. 2006/242, **art. 2**

### **[F3]28B Common seal**

- (1) Notwithstanding any statutory provision or rule of law, a registered society need not have a common seal.
- (2) If a registered society has a common seal, the society shall have its registered name engraved on the seal in legible characters.
- (3) If, after the coming into operation of subsection (1), a registered society decides to have a common seal, it shall not cause such a seal to be made unless the registered rules of the society contain provision for the custody and use of that seal.
- (4) Section 71 shall not apply in respect of an offence committed by a registered society under section 70 where the offence consists of a failure to comply with subsection (2) or (3) of this section.

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- (5) Any officer of a registered society, or any other person acting on such a society's behalf, who uses or authorises the use of any seal purporting to be the common seal of the society which does not have the society's registered name engraved on it in legible characters shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

**F3** Ss. 28B-28F inserted (1.7.2006) by [Industrial and Provident Societies \(Northern Ireland\) Order 2006 \(S.I. 2006/314 \(N.I. 3\)\)](#). arts. 1(3), {6(1)}; S.R. 2006/242, [art. 2](#)

## 28C Execution of documents

- (1) The following provisions shall have effect with respect to the execution of documents by a registered society.
- (2) A registered society may, if it has a common seal, execute a document by affixing that seal to it.
- (3) A document—
- signed by a member of the committee of a registered society and the secretary of the society, or by two members of that committee, and
  - expressed (in whatever form of words) to be executed by the society,
- shall have the same effect as if it were executed under the common seal of the society.
- (4) A document executed by a registered society which makes it clear on its face that it is intended by the person or persons making it to be a deed shall have effect, upon delivery, as a deed, and it shall be presumed, unless a contrary intention is proved, to be delivered upon its being so executed.
- (5) In favour of a purchaser a document shall be deemed to have been duly executed by a registered society if it purports to be signed by a member of the committee of the society and the secretary of the society, or by two members of the committee, and, where it makes it clear on its face that it is intended by the person or persons making it to be a deed, to have been delivered upon its being executed.
- (6) Subsections (3) to (5) shall apply whether or not the society has a common seal, and, in subsection (5), “purchaser” means a purchaser in good faith for valuable consideration and includes a lessee, mortgagee or other person who for valuable consideration acquires an interest in property.

**F3** Ss. 28B-28F inserted (1.7.2006) by [Industrial and Provident Societies \(Northern Ireland\) Order 2006 \(S.I. 2006/314 \(N.I. 3\)\)](#). arts. 1(3), {6(1)}; S.R. 2006/242, [art. 2](#)

## 28D Power of society to have official seal for use abroad

- (1) This section shall apply to a registered society if—
- it has a common seal; and
  - its objects require or comprise the transaction of business in foreign countries.
- (2) The society may, if authorised by its registered rules, have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.

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- (3) An official seal is a facsimile of the society's common seal with the addition on its face of the name of every territory, district or place where it is to be used.

**F3** Ss. 28B-28F inserted (1.7.2006) by [Industrial and Provident Societies \(Northern Ireland\) Order 2006 \(S.I. 2006/314 \(N.I. 3\)\)](#). arts. 1(3), {6(1)}; S.R. 2006/242, [art. 2](#)

## **28E Effect of use of official seal**

The official seal of a registered society when duly affixed to a document shall have the same effect as the society's common seal.

**F3** Ss. 28B-28F inserted (1.7.2006) by [Industrial and Provident Societies \(Northern Ireland\) Order 2006 \(S.I. 2006/314 \(N.I. 3\)\)](#). arts. 1(3), {6(1)}; S.R. 2006/242, [art. 2](#)

## **28F Authorisation of use of official seal**

- (1) If a registered society has an official seal, it may authorise any person appointed for the purpose as respects any territory, district or place appearing on the face of that seal to affix it to any deed or other document to which the society is party there.
- (2) An authorisation for the purposes of subsection (1) shall be given by writing under the society's common seal.
- (3) As between the society and a person dealing with such an agent, the agent's authority shall continue—
- (a) if a period is mentioned in the authorisation, during that period; or
  - (b) if no period is there mentioned, until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.
- (4) The person affixing the official seal shall certify in writing on the deed or other instrument to which the seal is affixed the date on which and the place at which it is affixed.]

**F3** Ss. 28B-28F inserted (1.7.2006) by [Industrial and Provident Societies \(Northern Ireland\) Order 2006 \(S.I. 2006/314 \(N.I. 3\)\)](#). arts. 1(3), {6(1)}; S.R. 2006/242, [art. 2](#)

## **29 Charges on assets of registered societies.**

- (1) An instrument which is executed after the passing of this Act by a registered society and which creates or is evidence of a fixed or floating charge on assets of the society shall not be a bill of sale for the purposes of the Bills of Sale (Ireland) Acts 1879 and 1883 or be invalidated by those Acts if an application for the recording of the charge is made in accordance with subsection (2).
- (2) An application for the recording of a charge in pursuance of subsection (1) shall be made by delivering by post or otherwise to the registrar, within the period of<sup>F4</sup> twenty-one days] beginning with the date of execution of the instrument which creates or is evidence of the charge or within any extended period allowed under subsection (5),—

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- (a) a copy of the instrument authenticated in the <sup>F5</sup>manner directed by the registrar] and such additional particulars relating to the charge <sup>F6</sup>authenticated in the manner directed by the registrar] ; and
- <sup>F7</sup>(b) any fee required by rules made in accordance with paragraph 23 of Schedule 1ZA to the Financial Services and Markets Act 2000.]
- <sup>F8</sup>(3) If an application is made in accordance with subsection (2), the registrar must—
- (a) give the person who makes the application an acknowledgment of the application, bearing the registrar’s seal;
- (b) place the copy of the instrument included in the application, a note of any particulars included in it, and a copy of the acknowledgement on a file kept by the registrar in respect of the society; and
- (c) make the file available for inspection during office hours by members of the public on payment of any fee required by rules made in accordance with paragraph 23 of Schedule 1ZA to the Financial Services and Markets Act 2000.
- (4) The registrar may, under section 98 (Form, deposit and evidence of documents), make provision for—
- (a) the giving to the registrar of notice of any release, discharge or other transaction relating to a charge in respect of which an application under this section has been made;
- (b) the inclusion in the file mentioned in this section of any such notice appearing to the registrar to relate to the charge.]
- (5) If in the case of such an instrument as is mentioned in subsection (1) it appears to the<sup>F4</sup> registrar], on the application of the society which executed the instrument or of any other person claiming the benefit of the instrument, that by reason of inadvertence or other sufficient cause—
- (a) an application for the recording of the charge to which the instrument relates was not made within the period of<sup>F4</sup> twenty-one days] mentioned in subsection (2); or
- (b) any matters were omitted from or were mis-stated in such an application, the<sup>F4</sup> registrar may, on such terms as <sup>F9</sup>the registrar] thinks fit, direct] that the period for making such an application shall be extended or, as the case may be, that the omission or mis-statement shall be rectified.

**F4** 1997 NI 22

**F5** Words in s. 29(2)(a) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2018 \(S.I. 2018/323\)](#), art. 1, [Sch. 2 para. 9\(a\)\(i\)\(aa\)](#) (with art. 3)

**F6** Words in s. 29(2)(a) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2018 \(S.I. 2018/323\)](#), art. 1, [Sch. 2 para. 9\(a\)\(i\)\(bb\)](#) (with art. 3)

**F7** S. 29(2)(b) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2018 \(S.I. 2018/323\)](#), art. 1, [Sch. 2 para. 9\(a\)\(ii\)](#) (with art. 3)

**F8** S. 29(3)(4) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2018 \(S.I. 2018/323\)](#), art. 1, [Sch. 2 para. 9\(b\)](#) (with art. 3)

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- F9** Words in s. 29(5) substituted (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2018 \(S.I. 2018/323\)](#), art. 1, **Sch. 2 para. 2(d)** (with art. 3)

**F10** **30 Holding of land.**

A registered society may, unless its registered rules direct otherwise, acquire and hold in its own name any land and may dispose of any such land; and—

- (a) no purchaser, assignee, mortgagee or tenant shall be bound to inquire as to the authority for any such dealing with the land by the society; and
- (b) the receipt of the society shall be a discharge for all moneys arising from or in connection with any such dealing.

**F10** [1981 NI 3](#)

**Modifications etc. (not altering text)**

- C1** [S. 30](#) excluded by [S.I. 1992/1725 \(N.I. 15\)](#), art. 13A(1) (as substituted (29.8.2020) by [Housing \(Amendment\) Act \(Northern Ireland\) 2020 \(c. 5\)](#), **ss. 1(1), 10(2)**)

**31**<sup>F11</sup> **Investments.**

A registered society may invest any part of its funds in or upon any security authorised by its registered rules, and also, unless those rules direct otherwise—

- (a) in or upon any mortgage, bond, debenture, debenture stock, corporation stock, annuity, rentcharge, rent or other security (not being securities payable to bearer) authorised by or under any Act of any<sup>F12</sup> district council or joint committee constituted by two or more such councils or local authority within the meaning of] section 34 of the Local Loans Act 1875 ;
- (b) in the shares or on the security of any other registered society, of any<sup>F13</sup> building society within the meaning of the Building Societies Act 1986], or of any company [<sup>F14</sup>registered under the Companies Act 2006] or incorporated by Act or by charter, being a society or company with limited liability;
- <sup>F15</sup>(c) in any investments in which trustees may invest under—
  - (i) the general power of investment in section 3 of the Trustee Act (Northern Ireland) 2001 (as restricted by sections 4 and 5 of that Act); or
  - (ii) section 8(1)(a) of that Act (land);]

**F11** [1971 c. 29](#)

**F12** [1983 NI 1](#)

**F13** [1986 c. 53](#)

**F14** Words in s. 31(b) substituted (1.10.2009) [Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 2(1), **Sch. 1 para. 21(4)** (with art. 10)

**F15** [2001 c. 14 \(NI\)](#)

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### **32 Proxy voting by societies.**

- (1) A registered society which has invested any part of its funds in the shares or on the security of any other body corporate may appoint as proxy any one of its members notwithstanding that he is not personally a shareholder of that other body corporate.
- (2) Any member of the society so appointed shall during the continuance of his appointment be taken by virtue thereof as holding the number of shares held by the society for all purposes other than the transfer of any such share or the giving of a receipt for any dividend thereon.

### **33 Discharge of mortgages.**

- (1) Where, in the case of any mortgage to a registered society of any property, a receipt in full for all moneys secured thereby on that property is endorsed on or annexed to the mortgage or other assurance, being a receipt—
  - (a) signed by two members of the committee and countersigned by the secretary of the society or, if the society is in liquidation, signed by the liquidator or liquidators for the time being, described as such; and
  - (b) in the form set out in Schedule 3, or in any other form specified in the rules of the society or any schedule thereto,then, that receipt shall be fully effective to vacate the mortgage and vest in the mortgagor the estate of and in the property comprised in the mortgage.
- (2) If the mortgage is registered in accordance with the Registration of Deeds Acts, the Registrar under those Acts shall—
  - (a) on production of the receipt mentioned in subsection (1), make an entry in the margin of the registry-book against the registry of the memorial of the mortgage that the mortgage is satisfied; and
  - (b) grant a certificate, either on the mortgage or separately, that the mortgage is satisfied.
- (3) The certificate granted under subsection (2)(b) shall—
  - (a) be received in all courts and proceedings without further proof; and
  - (b) have the effect of clearing the register of the mortgage.
- (4) In this section “mortgage” includes a further charge, and “mortgagor”, in relation to a mortgage, means the person for the time being entitled to the equity of redemption.

### **34 Receipt on payment of moneys secured to a society.**

On payment of all moneys intended to be secured to a registered society on the security of any property, the debtor or his successor or representatives shall be entitled to a receipt in the form set out in Schedule 3, or in any other form specified in the rules of the society or any schedule thereto.

**Changes to legislation:**

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