

*Status: Point in time view as at 06/04/2018.*

*Changes to legislation: There are currently no known outstanding effects for the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016, Cross Heading: Co-operative and Community Benefit Societies. (See end of Document for details)*



## 2016 CHAPTER 16

### *Co-operative and Community Benefit Societies*

#### **Registration of societies as co-operative or community benefit societies etc.**

**8.—**(1) In the 1969 Act for section 1 (societies which may be registered) substitute—

##### **“1 Societies that may be registered**

(1) A society for carrying on any industry, business or trade (including dealings of any kind with land) that meets the conditions in subsection (2) may be registered under this Act as—

- (a) a co-operative society, or
- (b) a community benefit society.

(2) The conditions are—

- (a) that it is shown to the satisfaction of the registrar—
  - (i) in the case of registration as a co-operative society, that the society is a bona fide co-operative society, or
  - (ii) in the case of registration as a community benefit society, that the business of the society is being, or is intended to be, conducted for the benefit of the community,
- (b) that the society's rules contain provision in respect of the matters mentioned in Part 1 of Schedule 1, and
- (c) that the place that under those rules is to be the society's registered office is in Northern Ireland.

(3) Subsection (1) is subject to—

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- (a) section 2 (minimum number of members of a society);
  - (b) section 7(1) (society with withdrawable share capital not to be registered with the object of carrying on the business of banking).
- (4) For the purposes of subsection (2)(a)(i) “co-operative society” does not include a society that carries on, or intends to carry on, business with the object of making profits mainly for the payment of interest, dividends or bonuses on money invested or deposited with, or lent to, the society or any other person.

### **1A Meaning of “registered society”**

(1) In this Act “registered society” means—

- (a) a society registered under this Act as a co-operative or community benefit society, or
- (b) a society that was registered or treated as registered under this Act (otherwise than as a credit union) immediately before section 8 of the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 came into operation.

(2) Nothing in that section affects the status of a society within subsection (1)(b) (a “pre-2016 Act society”) as registered or treated as registered under this Act.”.

(2) Accordingly, the legislation mentioned below may be cited by the new short title or title indicated.

<i>Existing short title or title</i>	<i>New short title or title</i>
Industrial and Provident Societies Act (Northern Ireland) 1969	Co-operative and Community Benefit Societies Act (Northern Ireland) 1969
Industrial and Provident Societies (Amendment) (Northern Ireland) Order 1976	Co-operative and Community Benefit Societies (Northern Ireland) Order 1976
Industrial and Provident Societies (Northern Ireland) Order 2006	Co-operative and Community Benefit Societies (Northern Ireland) Order 2006

#### **Commencement Information**

**II** [S. 8](#) in operation at 6.4.2018 by [S.R. 2017/217](#), [art. 2\(b\)](#)

### **Members under 18 years old**

**9** In the 1969 Act for section 19 (members under age of 18) substitute—

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### **“19 Members under age of 18**

(1) A person under the age of 18 may be a member of a registered society unless the society's registered rules provide otherwise.

(2) A person under the age of 18—

(a) may enjoy all the rights of a member of a registered society, and

(b) if aged 16 or over, may execute all instruments and give all receipts necessary to be executed or given under a society's registered rules.

This is subject to the society's registered rules and to the provisions of this Act.

(3) A person under the age of 16 may not be a member of a registered society's committee or a trustee, manager or treasurer of a registered society.”.

### **Limits on holding shares**

**10.**—(1) Section 6(1) of the 1969 Act (maximum shareholding in society) is amended as follows.

(2) After “any interest in the” insert “ withdrawable ”.

(3) For “twenty thousand pounds” substitute “ £100,000 ”.

(4) The amendment made by subsection (3) does not restrict the power conferred by section 4 of the Industrial and Provident Societies (Amendment) (Northern Ireland) Order 1976 (power to alter limit specified in section 6(1) of the 1969 Act).

### **Year of account**

**11** In the 1969 Act after section 36 insert—

#### **“36A Year of account (existing societies)**

(1) This section applies to a registered society that was registered before the day this section comes into operation.

(2) The society's year of account begins—

(a) in the case of its first year of account, with the date of the society's registration;

(b) in any other case, immediately after the end of its previous year of account.

(3) The society's year of account ends—

(a) with the date of the last balance sheet published by the society in the relevant period, or

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- (b) if no balance sheet is published in that period, with the 31 December in that period.
- (4) The “relevant period”—
  - (a) begins with the 31 August following the beginning of the year of account, and
  - (b) ends with the following 31 January.
- (5) The society may by notice to the registrar alter the date on which its current and subsequent years of account end to a date other than that provided for by subsection (3).
- (6) A notice under subsection (5) must state whether it extends or shortens the current year of account.
- (7) A notice extending the current year of account has no effect if—
  - (a) it is given less than 5 years after the end of a year of account that was extended under this section, or
  - (b) it would extend the year of account so that it would exceed 18 months.
- (8) If the society is dissolved by an instrument of dissolution under section 66A, its last year of account ends with the date of the instrument of dissolution.

### **36B Year of account (new registrations)**

- (1) This section applies to a registered society that is registered on or after the day this section comes into operation.
- (2) The society's first year of account is the period of more than 6 months but not more than 18 months that—
  - (a) begins with the date of the society's registration, and
  - (b) ends with its accounting reference date.
- (3) Each subsequent year of account—
  - (a) begins immediately after the end of the previous year of account, and
  - (b) ends with its next accounting reference date.
- (4) In each calendar year, the society's “accounting reference date” is (subject to subsection (5)) the last day of the month in which the anniversary of the society's registration falls.
- (5) The society may by notice to the registrar specify a new accounting reference date having effect in relation to its current and subsequent years of account.

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(6) A notice under subsection (5) must state whether the current year of account—

- (a) is to be shortened, so as to come to an end on the first occasion on which the new accounting reference date falls or fell after the beginning of the year of account, or
- (b) is to be extended, so as to come to an end on the second such occasion.

(7) A notice extending the current year of account has no effect if—

- (a) it is given less than 5 years after the end of a year of account that was extended under this section, or
- (b) it would extend the year of account so that it would exceed 18 months.

(8) If the society is dissolved by an instrument of dissolution under section 66A, its last year of account ends with the date of the instrument of dissolution.”.

#### **Publication of unaudited interim accounts**

**12** In section 37A of the 1969 Act (publication of accounts and balance sheets of registered societies) after subsection (6) insert—

“(6A) Subsections (4) to (6) do not apply to an interim revenue account or balance sheet that—

- (a) is published together with the latest year end revenue account and balance sheet complying with subsection (2), (3) or (6) (as the case may be), and
- (b) is marked in clearly legible characters and in a prominent position with the words “UNAUDITED REVENUE ACCOUNT” or “UNAUDITED BALANCE SHEET” (as the case may be).”.

#### **Dissolution of a registered society by an instrument of dissolution**

**13.**—(1) In section 64 of the 1969 Act (dissolution of a registered society)—

- (a) in subsection (1) omit paragraph (b) (and the “or” at the end of paragraph (a));
- (b) in the heading at the end insert “ on winding up ”.

(2) After section 66 of that Act insert—

#### **“66A Dissolution of a society by an instrument of dissolution**

(1) A registered society may be dissolved by an instrument of dissolution that complies with section 67 and is approved—

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- (a) in the case of any society, by at least 75% of the society's members consenting to it, that consent being testified by their signatures to the instrument, or
  - (b) in the case of a dormant society, by a special resolution of the society.
- (2) “Dormant society” means a society—
- (a) whose accounts for the current year of account and the two years of account preceding it show no accounting transactions except—
    - (i) fees paid to the registrar;
    - (ii) fees paid to the FCA;
    - (iii) fees paid to the PRA;
    - (iv) payments of dividends;
    - (v) payments of interest; and
  - (b) that has notified the registrar that it is dormant.
- (3) “Special resolution” has the same meaning as in section 59.”.
- (3) In section 67 of that Act (instrument of dissolution)—
- (a) in subsection (1) for “section 64(1)(b)” substitute “ section 66A(1) ”;
  - (b) for subsection (3) substitute—
    - “(3) An alteration in an instrument of dissolution may be made—
      - (a) by at least 75% of the society's members consenting to it, that consent being testified by their signatures to the alteration, or
      - (b) if the instrument was approved by a special resolution of the society, by a further special resolution (as defined in section 59).”;
  - (c) after subsection (5) insert—
    - “(5A) A copy of every special resolution for the purposes of section 66A or subsection (3) of this section—
      - (a) signed by the chair of the meeting at which the resolution was confirmed, and
      - (b) countersigned by the society's secretary,
 must be sent to the registrar before the end of the period of 14 days beginning with the day the resolution was confirmed.
    - (5B) The registrar must register a copy of a special resolution received under subsection (5A) at the same time as the registrar registers the instrument of dissolution and any alterations to it.”;
  - (d) in subsection (6)—
    - (i) after “consents to” insert “ , or approval of, ”;
    - (ii) at the end insert “ or of the special resolution (as the case may be). ”.

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