

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Friendly and Industrial and Provident Societies Act 1968 (c.55) in respect of the conditions which must be satisfied in order for a society to be able to disapply section 4 of that Act. Section 4 imposes a duty on a society to appoint a qualified auditor to audit its accounts.

The Order is made under section 2 of the Industrial and Provident Societies Act 2002 so as to make these conditions consistent with the relevant company law conditions. The conditions for companies were altered by S.I. 2004/16.

Article 2 of the Order provides that, for a society to be able to disapply section 4, its assets must not exceed £2,800,000 (instead of £1,400,000) and its turnover must not exceed £5,600,000 (instead of £350,000). Article 3 provides for the amendments to have effect in relation to any year of account ending two months or more after the coming into force of this Order.

A Regulatory Impact Assessment of this Order is available from the General Insurance, Mutuals and Inclusion Team, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ and at www.hm-treasury.gov.uk. Copies have been placed in the libraries of both Houses of Parliament.