
DRAFT STATUTORY INSTRUMENTS

2006 No.

**The Community Benefit Societies (Restriction
on Use of Assets) Regulations 2006**

PART 3

Prescribed societies, circumstances etc.

Prescribed community benefit societies

5. All kinds of community benefit societies except—
- (a) a community benefit society that is a registered social landlord; and
 - (b) a community benefit society that is a charity,
- are prescribed pursuant to section 1(1) of the 2003 Act.

Prescribed circumstances

6. The following circumstances are prescribed pursuant to section 1(2)(b) of the 2003 Act—
- (a) use or dealing with a society's assets for the purposes of—
 - (i) paying a member the value of his withdrawable share capital or interest on such capital;
 - (ii) making any payment pursuant to section 24 (proceedings on death of nominator), 25 (provision for intestacy) or 26 (payments in respect of mentally incapable persons) of the 1965 Act;
 - (iii) making any payment in accordance with the rules of the society to trustees of the property of bankrupt members or, in Scotland, members whose estate has been sequestrated; or
 - (iv) where the society is to be dissolved in accordance with section 55 of the 1965 Act (dissolution of registered society) or wound up under the Insolvency Act 1986(1), paying its creditors; and
 - (b) the transfer of a society's assets to—
 - (i) a prescribed community benefit society which has a restriction on use and which will apply that restriction to any assets so transferred;
 - (ii) a community interest company;
 - (iii) a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
 - (iv) a charity (including a community benefit society that is a charity); or

- (v) a body, established in Northern Ireland or a State other than the United Kingdom, that is equivalent to any of those persons.

Prescribed rules

7. A restriction on use is prescribed as unalterable pursuant to section 1(4)(b) of the 2003 Act.