
DRAFT STATUTORY INSTRUMENTS

2006 No.

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

PART 3

Prescribed societies, circumstances etc.

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.

⁽¹⁾ 1986 c.45.