

## SCHEDULES

### SCHEDULE 15 U.K.

Section 85.

#### AMALGAMATIONS, TRANSFERS OF ENGAGEMENTS AND CONVERSION: SUPPLEMENTARY

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

- C1** Sch. 15: power to modify conferred (16.1.2009) by [Building Societies \(Funding\) and Mutual Societies \(Transfers\) Act 2007 \(c. 26\)](#), ss. 3, 6(2); S.I. 2009/36, art. 2

### PART I U.K.

#### PROVISION OF INFORMATION TO MEMBERS

##### *Statements relating to amalgamations and transfers*

- 1 (1) A friendly society which desires—
- (a) to amalgamate under section 85 above; or
  - (b) to transfer its engagements to any person, or to undertake to fulfil the engagements of another friendly society, under section 86 above;
- shall, subject to sub-paragraph (2) below, send a statement concerning the matters specified in paragraph 2 below to every member entitled (when the statements are sent) to vote on any resolution required by section 85, 86 or 90.
- (2) Sub-paragraph (1) above does not apply, in the case of a friendly society desirous of undertaking to fulfil another society's engagements, where the [<sup>F1</sup>appropriate authority] has consented under section 86(3)(b) or 90(2)(b) above to its proceeding by resolution of the committee of management.
- (3) The statement referred to in sub-paragraph (1) above shall be sent so as to arrive no later than 14 days (or such longer period as the rules may require for notice of any resolution required by section 85, 86 or 90 above) before—
- (a) the meeting at which any such resolution is to be moved; or
  - (b) where proxy voting is permitted, such earlier date as may be specified by the society, under its rules, as the final date for the receipt of [<sup>F2</sup>appointments of proxies] to vote at the meeting.
- (4) If it appears to the [<sup>F1</sup>appropriate authority] that it is impractical to include the summary mentioned in paragraph 2(1)(d) below in the statement referred to in sub-paragraph (1) above, the [<sup>F1</sup>appropriate authority] may direct that the summary shall be sent separately from that statement within such period as the [<sup>F1</sup>appropriate authority] may specify in the direction.

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)*

#### Textual Amendments

- F1** Words in Sch. 15 para. 1 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 56(2)** (with Sch. 12)
- F2** Words in Sch. 15 para. 1(3)(b) substituted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **21(1)(c)**

- 2 (1) The matters of which a statement required by paragraph 1 above is to give particulars are the following, namely—
- (a) the financial position of the society and that of every other society or person participating in the amalgamation or transfer;
  - (b) any interest of the members of the committee of management of the society in the amalgamation or transfer;
  - (c) the compensation or other consideration (if any) proposed to be paid to or in respect of—
    - (i) the members of the committee of management or other officers of the society; and
    - (ii) the officers of every other society or person participating in the amalgamation or transfer;
  - (d) in the case of a transfer, a summary of any actuary’s report which the society is directed to furnish to the [<sup>F3</sup>appropriate authority] under section 88 above; and
  - (e) any other matter which the [<sup>F3</sup>appropriate authority] requires in the case of the particular amalgamation or transfer.
- (2) No statement shall be sent unless its contents, so far as they concern the matters specified in this paragraph, have been approved by the [<sup>F3</sup>appropriate authority].
- [<sup>F4</sup>(3) The PRA must consult the FCA before approving a statement under subparagraph (2).]

#### Textual Amendments

- F3** Words in Sch. 15 para. 2 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 56(2)** (with Sch. 12)
- F4** Sch. 15 para. 2(3) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 56(3)** (with Sch. 12)

#### *Statements relating to conversion of society into company*

- 3 (1) A friendly society which desires to convert into a company under section 91 above shall send a statement concerning—
- (a) such matters as may be prescribed in regulations made by the <sup>F5</sup> . . . Treasury; and
  - (b) such other matters as may be required by the [<sup>F6</sup>appropriate authority] in the case of the particular conversion;
- to every member entitled (when the statements are sent) to vote on any resolution required by subsection (2) of that section.

*Changes to legislation:* There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)

- (2) Regulations under sub-paragraph (1) above may include among the prescribed matters any alternatives to a proposed conversion which may be available.

#### Textual Amendments

- F5** Words in Sch. 15 para. 3(1)(a) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F6** Words in Sch. 15 para. 3 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(2) (with Sch. 12)

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

- C2** Sch. 15 para. 3(1)(a): Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), Sch. 1 Pt. II (with art. 5); S.I. 2001/3538, art. 2(1)

- 4 The statement referred to in paragraph 3 above shall be sent so as to arrive no later than 14 days (or such longer period as the rules may require for notice of any resolution required by section 91 above) before—
- (a) the meeting at which any such resolution is to be moved; or
  - (b) where proxy voting is permitted, such earlier date as may be specified by the society, under its rules, as the final date for the receipt of [F7 appointments of proxies] to vote at the meeting;
- but no such statement may be sent unless its contents, so far as they concern the matters mentioned in that paragraph, have been approved by the [F8 appropriate authority].

#### Textual Amendments

- F7** Words in Sch. 15 para. 4(b) substituted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), 21(1)(d)
- F8** Words in Sch. 15 para. 4 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(2) (with Sch. 12)

- [F9 4ZA. The PRA must consult the FCA before approving a statement under paragraph 4.]

#### Textual Amendments

- F9** Sch. 15 para. 4ZA inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(4) (with Sch. 12)

- [F10 4A.(1) A society is to be regarded as sending a member—
- (a) the statement required by paragraph 1; or
  - (b) the statement required by paragraph 3,
- if it makes the statement available to the member on a website; and the end date for the purposes of section 119AB(4)(b) is the day falling 28 days after the later of the two dates referred to in section 119AB(4)(a).
- (2) If the statement is absent from a website for part of the period referred to in section 119AB(4), and the absence is disregarded for the purposes of section 119AB(5), that absence does not invalidate—
- (a) the proceedings of a meeting of the society,

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- (b) a subsequent amalgamation of the society,
- (c) a transfer of engagements by or to the society, or
- (d) a conversion of the society into a company.]

**Textual Amendments**

**F10** Sch. 15 para. 4A inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), 17

**PART II U.K.**

CONFIRMATION BY [F11 APPROPRIATE AUTHORITY]

**Textual Amendments**

**F11** Words in Sch. 15 Pt. 2 heading substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 56\(5\)](#) (with Sch. 12)

*Applications for confirmation*

- 5 (1) An application by a friendly society for confirmation by the [F12 appropriate authority]—
- (a) of an amalgamation under section 85 above,
  - (b) of a transfer of engagements of a friendly society under section 86 above, or
  - (c) of the conversion of a friendly society into a company under section 91 above,
- shall be made in such manner as [F13 the [F12 appropriate authority] may direct].
- (2) An application for confirmation of an amalgamation shall be made jointly by the friendly societies concerned.
- [F14(3) The [F15 appropriate authority] may, on the application or with the consent of a friendly society, direct in relation to any provision of regulations made for the purposes of sub-paragraph (1) above that the provisions shall not apply to the society, or shall apply to it with such modifications as may be specified in the direction.
- F14(4) A direction under sub-paragraph (3) above may be subject to conditions.
- F14(5) A direction under sub-paragraph (3) above may be revoked by the [F16 appropriate authority] at any time; and the [F16 appropriate authority] may at any time vary any such direction on the application or with the consent of the society to which it applies.
- [ The PRA must send the FCA a copy of any direction, variation or revocation it makes F17(5A) under this paragraph.]
- F14(6) Where the [F18 appropriate authority]—
- (a) makes a direction under subsection (3) above, or
  - (b) revokes or varies such a direction,

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)*

[<sup>F19</sup>the FCA must] cause the direction, variation or revocation to be entered on a register kept by it for the purposes of this subsection.

<sup>F14</sup>(7) The register kept for the purposes of subsection (6) above shall be available for inspection on reasonable notice by members of the public.

<sup>F14</sup>(8) The [<sup>F20</sup>[<sup>F21</sup>FCA] shall keep] a copy of—

- (a) any direction made <sup>F22</sup>... under subsection (3) above, and
- (b) any revocation or variation of any such direction,

<sup>F23</sup> . . . in the public file of the society to which it relates.]

### Textual Amendments

- F12** Words in Sch. 15 para. 5(1) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(a) (with Sch. 12)
- F13** Words in Sch. 15 para. 5(1) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 128(e)(ii) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F14** Sch. 15 para. 5(3)-(8) inserted (1.8.1996) by S.I. 1996/1188, art. 8
- F15** Words in Sch. 15 para. 5(3) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(a) (with Sch. 12)
- F16** Words in Sch. 15 para. 5(5) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(a) (with Sch. 12)
- F17** Sch. 15 para. 5(5A) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(b) (with Sch. 12)
- F18** Words in Sch. 15 para. 5(6) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(c)(i) (with Sch. 12)
- F19** Words in Sch. 15 para. 5(6) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(c)(ii) (with Sch. 12)
- F20** Words in Sch. 15 para. 5(8) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 128(g)(i) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F21** Word in Sch. 15 para. 5(8) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(d)(i) (with Sch. 12)
- F22** Words in Sch. 15 para. 5(8) omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(6)(d)(ii) (with Sch. 12)
- F23** Words in Sch. 15 para. 5(8) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

- 6 (1) Where a friendly society applies for confirmation of an amalgamation, transfer or conversion, it shall publish a notice of the application—
- (a) in one or more of the London Gazette, the Edinburgh Gazette or the Belfast Gazette, as the Commission directs, and,
  - (b) if it so directs, in one or more newspapers.

<sup>F24</sup>(1A) . . . . .

(2) The notice shall—

- (a) state that any interested party has the right to make representations to the [<sup>F25</sup>appropriate authority] with respect to the application;

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- (b) specify a date determined by the [<sup>F25</sup>appropriate authority] before which any written representations or notice of a person’s intention to make oral representation must be received by the [<sup>F25</sup>appropriate authority]; and
  - (c) specify a date determined by the [<sup>F25</sup>appropriate authority] as the day on which it intends to hear any oral representations.
- (3) Where a friendly society participating in a transfer is required under section 88 above to furnish an actuary’s report, the society shall publish a notice in the manner required by sub-paragraph (1) above—
- (a) stating that such a report has been obtained;
  - [<sup>F26</sup>(b) stating—
    - (i) the addresses of the offices of the society, <sup>F27</sup> ...
    - <sup>F28</sup>(ii) .....
- at which copies of the report shall be available for inspection for a period of not less than 21 days beginning with the date of the first publication of the notice; and]
- (c) containing such particulars of any other matter relating to the report which the [<sup>F25</sup>appropriate authority] requires in the case of the transfer in question;
- and such a society may include the notice required by this sub-paragraph in the notice required by sub-paragraph (1) above.

#### Textual Amendments

- F24** Sch. 15 para. 6(1A) omitted (31.12.2020) by virtue of [The Friendly Societies \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1039\)](#), regs. 1, **15(2)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F25** Words in Sch. 15 para. 6 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 56(7)** (with Sch. 12)
- F26** Sch. 15 para. 6(3)(b) substituted (1.9.1994) by S.I. 1994/1984, reg. 25, **Sch. 4 para. 1(2)**
- F27** Word in Sch. 15 para. 6(3)(b)(i) omitted (31.12.2020) by virtue of [The Friendly Societies \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1039\)](#), regs. 1, **15(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F28** Sch. 15 para. 6(3)(b)(ii) omitted (31.12.2020) by virtue of [The Friendly Societies \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1039\)](#), regs. 1, **15(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

- 7 After the date specified in the notice in pursuance of paragraph 6(2)(b) above, the [<sup>F29</sup>appropriate authority] shall—
- (a) determine the time and place at which oral representations may be made;
  - (b) give notice of that determination to the friendly society applying for confirmation and to any persons who have give notice of their intention to make oral representations; and
  - (c) send copies of any written representations received by the [<sup>F29</sup>appropriate authority] to that society;
- and the [<sup>F29</sup>appropriate authority] shall allow that society an opportunity to comment on the written representations (whether at a hearing or in writing) before the expiration of such period as the [<sup>F29</sup>appropriate authority] specifies in a notice to the society.

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)*

#### Textual Amendments

- F29** Words in Sch. 15 para. 7 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(7) (with Sch. 12)

*Confirmation by [<sup>F30</sup>appropriate authority]: General*

#### Textual Amendments

- F30** Words in Sch. 15 para. 8 cross-heading substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(8) (with Sch. 12)

- 8 (1) Where an application is duly made for confirmation by the [<sup>F31</sup>appropriate authority] of an amalgamation, transfer of engagements or conversion, the [<sup>F31</sup>appropriate authority] shall confirm the amalgamation, transfer or conversion unless it is precluded from doing so by any of the following provisions of this Schedule.
- (2) If it appears to the [<sup>F31</sup>appropriate authority], in relation to any amalgamation or transfer of engagements, that there is a substantial risk that the successor society or the person taking the transfer will not be able lawfully to carry out the engagements to be transferred to it under section 85(4) or 86(5) above, the [<sup>F31</sup>appropriate authority]—
- (a) shall not confirm the amalgamation or transfer; and
  - (b) where it has confirmed the amalgamation or transfer, shall <sup>F32</sup> . . . withdraw its confirmation;
- but it may not withdraw its confirmation on or after the transfer date for the amalgamation or transfer.
- (3) For the purposes of sub-paragraph (2) above, the [<sup>F31</sup>appropriate authority] may have regard to any requirements of the law of a country or territory outside the United Kingdom which appear to the [<sup>F31</sup>appropriate authority] to be relevant.

#### Textual Amendments

- F31** Words in Sch. 15 paras. 8-10 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(9) (with Sch. 12)
- F32** Words in Sch. 15 para. 8(2)(b) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

- 9 (1) Subject to sub-paragraph (3) below, the [<sup>F31</sup>appropriate authority] shall not confirm an amalgamation or transfer if it considers that—
- (a) some information material to the members' decision (including any decision on an affected members' resolution under section 86 above) about the amalgamation or transfer was not made available to all the members eligible to vote;
  - (b) the vote on any resolution approving the amalgamation or transfer does not represent the views of the members eligible to vote; or

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)*

- (c) some relevant requirement of this Act or the rules of any friendly society participating in the amalgamation or transfer was not fulfilled or not fulfilled as regards that society.
- (2) Subject to sub-paragraph (3) below, the [F31appropriate authority] shall not confirm the conversion of a society if it considers that—
- (a) some information material to the members’ decision about the conversion was not made available to all the members eligible to vote;
- (b) the vote on any resolution approving the conversion does not represent the views of the members eligible to vote;
- <sup>F33</sup>(c) .....
- (d) some relevant requirement of this Act or the rules of the society was not fulfilled.
- (3) The [F31appropriate authority] shall not be precluded from confirming an amalgamation, transfer or conversion by virtue only of the non-fulfilment of some relevant requirement of this Act or the rules of a friendly society if it appears to the [F31appropriate authority] that it could not have been material to the members’ decision about the amalgamation, transfer or conversion and the [F31appropriate authority] gives a direction that the failure is to be disregarded for the purposes of this paragraph.

#### Textual Amendments

- F31** Words in Sch. 15 paras. 8-10 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 56(9)** (with Sch. 12)
- F33** Sch. 15 para. 9(2)(c) repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2(1)**

- 10 (1) Where the [F31appropriate authority] would be precluded—
- (a) from confirming an amalgamation or transfer by reason of any of the defects specified in paragraph 9(1) above, or
- (b) from confirming a conversion by reason of any of the defects specified in paragraph 9(2) above, [F34or
- (c) from confirming a conversion by reason of paragraph 11 below,]

it may give to any friendly society participating in the amalgamation or transfer or, as the case may be, to the society proposing to convert a direction under sub-paragraph (2) below.

- (2) A direction under this sub-paragraph is a direction requiring a friendly society—
- (a) to take such steps to remedy the defect or defects, including the calling of a further meeting, [F35or (as the case may be) to remove the risk referred to in paragraph 11 below,] as are specified in the direction; and
- (b) to furnish the [F31appropriate authority] with evidence that those steps have been taken;

and if the [F31appropriate authority] is satisfied that the steps have been taken and the defect or defects has or have been substantially remedied, [F36or (as the case may be) that the risk has been removed,] the [F31appropriate authority] shall confirm the amalgamation, transfer or conversion.



*Changes to legislation:* There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)

### Textual Amendments

- F31** Words in Sch. 15 paras. 8-10 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(9)** (with Sch. 12)
- F34** Sch. 15 para. 10(1)(c) and the word “or” immediately preceding inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 128(k)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F35** Words in Sch. 15 para. 10(2)(a) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 128(l)(i)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F36** Words in Sch. 15 para. 10(2) inserted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 128(l)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

F37 . . .

### Textual Amendments

- F37** Cross-heading repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

- [<sup>F38</sup>11 The [<sup>F39</sup>appropriate authority] shall not confirm an amalgamation, transfer of engagements or conversion unless it is satisfied that there is no substantial risk that the successor society, the proposed transferee, or the company into which the society is converted, will not have—
- (a) such permission (if any) under [<sup>F40</sup>Part 4A] of the Financial Services and Markets Act 2000, <sup>F41</sup>...
- <sup>F42</sup>(b) . . . . .
- as will enable it to carry on the business which it will have as a result of the amalgamation, transfer or conversion without contravening section 19 of that Act (the general prohibition).]

### Textual Amendments

- F38** Sch. 15 para. 11 substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 128(n)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F39** Words in Sch. 15 para. 11 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(10)(a)** (with Sch. 12)
- F40** Words in Sch. 15 para. 11 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(10)(b)** (with Sch. 12)
- F41** Word in Sch. 15 para. 11(a) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(3)**; 2020 c. 1, Sch. 5 para. 1(1)
- F42** Sch. 15 para. 11(b) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(3)**; 2020 c. 1, Sch. 5 para. 1(1)

- [<sup>F43</sup>11A(1) The PRA must consult the FCA before confirming an amalgamation, transfer of engagements or a conversion.
- (2) The PRA must notify the FCA if it makes any such confirmation.]

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)*

**Textual Amendments**

**F43** Sch. 15 para. 11A inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 56(11)** (with Sch. 12)

*Confirmation of transfers of engagements*

- 12 The [<sup>F44</sup>appropriate authority] shall not confirm a transfer unless it is satisfied—
- (a) that all the engagements included in the transfer may be transferred under section 86 above to the transferee;
  - (b) that the transfer is in the interests of the members of each friendly society participating in the transfer; and
  - (c) where the transfer is not of all the engagements of the transferor, that the purposes of each friendly society participating in the transfer will, after the transfer, continue to include the carrying on of one or more activities falling within Schedule 2 to this Act.

**Textual Amendments**

**F44** Words in Sch. 15 para. 12 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 56(12)** (with Sch. 12)

- [<sup>F45</sup>13
- (1) The [<sup>F46</sup>appropriate authority] shall not confirm a transfer in any case where the transferee is required by section 87 above to furnish the [<sup>F46</sup>appropriate authority] with a report unless it is satisfied (after taking the proposed transfer into account) either that the transferee will possess the margin of solvency required by rules made by the [<sup>F47</sup>appropriate authority under Part 9A] of the Financial Services and Markets Act 2000 or, where no margin of solvency is required by such rules, that the value of the transferee's assets will exceed its liabilities.
  - (2) The [<sup>F46</sup>appropriate authority] shall not confirm a transfer of any engagements the fulfilment of which will constitute effecting or carrying out contracts of insurance in the United Kingdom unless it is satisfied (after taking the proposed transfer into account) either that the transferee will possess the margin of solvency required by rules made by the [<sup>F47</sup>appropriate authority under Part 9A] of the Financial Services and Markets Act 2000 or, where no margin of solvency is required by such rules, that the value of the transferee's assets will exceed its liabilities.
  - (3) This paragraph does not apply to any transfer of engagements to which paragraph 15 or 15A below applies.
  - (4) The reference in sub-paragraph (2) to effecting or carrying out contracts of insurance must be read with—
    - (a) section 22 of the Financial Services and Markets Act 2000;
    - (b) any relevant order under that section; and
    - (c) Schedule 2 to that Act.]

*Changes to legislation:* There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)

**Textual Amendments**

- F45** Sch. 13 para. 15 substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 206(1)
- F46** Words in Sch. 15 para. 13 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(13)(a) (with Sch. 12)
- F47** Words in Sch. 15 para. 13 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 56(13)(b) (with Sch. 12)

**Textual Amendments**

- F48** Sch. 15 para. 14 omitted (17.8.2001 for specified purposes and otherwise *prosp.*) by virtue of S.I. 2001/2617, arts. 2(a), 8(1), 13(1), Sch. 3 para. 128(r) (with art. 13(3), Sch. 5) and is repealed (*prosp.*) by S.I. 2001/3538, art. 2(1)

[<sup>F49</sup>15 (1) This paragraph applies to any transfer of engagements (other than contracts of reinsurance) where—

- (a) the effecting of the engagements constituted the carrying on of general business;
- (b) the transferor is a friendly society to which section 37(3) above applies; and
- (c) the transferee is—
  - (i) a friendly society to which section 37(2) or (3) above applies;
  - <sup>F50</sup>(ii) . . . . .
  - <sup>F50</sup>(iii) . . . . .
  - <sup>F51</sup>(iv) . . . . .
  - [<sup>F52</sup>(v) an insurance company whose head office is in Switzerland, which has permission under [<sup>F53</sup>Part 4A] of the Financial Services and Markets Act 2000 to effect or carry out contracts of insurance, which permission is not limited to reinsurance business;]
  - (vi) an insurance company whose margin of solvency is [<sup>F54</sup>supervised in accordance with rule 3.1 to 3.3 and rule 6.4 and 6.5 of the Third Country Branches Part of the Rulebook made by the Prudential Regulation Authority under the Financial Services and Markets Act 2000.]

[ For the purposes of sub-paragraph (1)(c)(vi), references to rules made by the <sup>F55</sup>(1A) Prudential Regulation Authority are to those rules as they have effect on IP completion day.]

- (2) The [<sup>F56</sup>appropriate authority] shall not confirm the transfer unless—
  - <sup>F57</sup>(a) . . . . .
  - (b) it is <sup>F58</sup>. . . satisfied that every policy included in the transfer evidences a contract which was entered into before the date of the application; [<sup>F59</sup>and]
  - (c) the relevant authority certifies that the transferee possesses the necessary margin of solvency after taking the proposed transfer into account; <sup>F60</sup> . . .
  - <sup>F61</sup>(d) . . . . .
- <sup>F62</sup>(3) . . . . .

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)*

<sup>F63</sup>(4) .....

<sup>F64</sup>(5) .....

<sup>F65</sup>(6) In this paragraph “the relevant authority” means—

- <sup>F66</sup>(a) .....
- (b) if the transferee falls within paragraph (1)(c)(v), the supervisory authority in Switzerland;
- (c) if the transferee falls within paragraph (1)(c)(vi), the [<sup>F56</sup>appropriate authority] or other supervisory body responsible for the supervision;
- (d) in any other case, the [<sup>F56</sup> appropriate authority].]]

#### Textual Amendments

- F49** Sch. 15 para. 15 substituted (1.9.1994) by S.I. 1994/1984 reg. 25, Sch. 4 para. 3
- F50** Sch. 15 para. 15(1)(c)(ii)(iii) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(4)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F51** Sch. 15 para. 15(1)(c)(iv) repealed (1.12.2001) by virtue of S.I. 2001/3649, arts. 1, **207(2)(c)**
- F52** Sch. 15 para. 15(1)(c)(v) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, **207(2)(d)**
- F53** Words in Sch. 15 para. 15(1)(v) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(14)(a)** (with Sch. 12)
- F54** Words in Sch. 15 para. 15(1)(c)(vi) substituted (31.12.2020) by The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(4)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F55** Sch. 15 para. 15(1A) inserted (31.12.2020) by The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(4)(c)** (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 1(b)(i)); 2020 c. 1, Sch. 5 para. 1(1)
- F56** Words in Sch. 15 para. 15 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(14)(b)** (with Sch. 12)
- F57** Sch. 15 para. 15(2)(a) repealed (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13, **Sch. 3 para. 128(t)(i)**; Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F58** Word in Sch. 15 para. 15(2)(b) repealed (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13, **Sch. 3 para. 128(t)(ii)**; Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F59** Word in Sch. 15 para. 15(2)(b) inserted (31.12.2020) by The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(4)(d)(i)**; 2020 c. 1, Sch. 5 para. 1(1)
- F60** Word in Sch. 15 para. 15(2)(c) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(4)(d)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)
- F61** Sch. 15 para. 15(2)(d) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(4)(d)(iii)**; 2020 c. 1, Sch. 5 para. 1(1)
- F62** Sch. 15 para. 15(3) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(4)(e)**; 2020 c. 1, Sch. 5 para. 1(1)
- F63** Sch. 15 para. 15(4) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**
- F64** Sch. 15 para. 15(5) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**
- F65** Sch. 15 para. 15(6) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, **207(3)**
- F66** Sch. 15 para. 15(6)(a) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(4)(f)**; 2020 c. 1, Sch. 5 para. 1(1)

<sup>F67</sup>15A(1) This paragraph applies to any transfer of engagements (other than contracts of reinsurance) where—

*Changes to legislation:* There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)

- (a) the effecting of the engagements constituted the carrying on of long term business;
- (b) the transferor is a friendly society to which section 37(3) above applies; and
- (c) the transferee is—
  - (i) a friendly society to which section 37(2) or (3) above applies;
  - <sup>F68</sup>(ii) .....
  - <sup>F68</sup>(iii) .....
  - (iv) .....
  - (v) an insurance company whose margin of solvency is [<sup>F69</sup>supervised in accordance with rule 3.1 to 3.3 and rule 6.4 and 6.5 of the Third Country Branches Part of the Rulebook made by the Prudential Regulation Authority under the Financial Services and Markets Act 2000.]

[ For the purposes of sub-paragraph (1)(c)(v), references to rules made by the <sup>F70</sup>(1A) Prudential Regulation Authority are to those rules as they have effect on IP completion day.]

- (2) The [<sup>F71</sup>appropriate authority] shall not confirm the transfer unless—
  - <sup>F72</sup>(a) .....
  - (b) the relevant authority certifies that the transferee possesses the necessary margin of solvency after taking the proposed transfer into account; <sup>F73</sup>...
  - <sup>F74</sup>(c) .....
- <sup>F75</sup>(3) .....
- <sup>F76</sup>(4) .....
- <sup>F77</sup>(5) .....

[ In this paragraph “the relevant authority” means—  
<sup>F78</sup>(6) <sup>F79</sup>(a) .....

- (b) if the transferee falls within paragraph (1)(c)(v), the [<sup>F71</sup>appropriate authority] or other supervisory body responsible for the supervision;
- (c) in any other case, the [<sup>F71</sup>appropriate authority].]

#### Textual Amendments

- F67** Sch. 15 para 15A substituted (1.9.1994) by S.I. 1994/1984, reg. 25, **Sch. 4 para. 4**
- F68** Sch. 15 para. 15A(1)(c)(ii)(iii) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(5)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F69** Words in Sch. 15 para. 15A(1)(c)(v) substituted (31.12.2020) by The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(5)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F70** Sch. 15 para. 15A(1A) inserted (31.12.2020) by The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(5)(c)** (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 1(b)(ii)); 2020 c. 1, Sch. 5 para. 1(1)
- F71** Words in Sch. 15 para. 15A substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 56(15)** (with Sch. 12)
- F72** Sch. 15 para. 15A(2)(a) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)

- F73** Word in Sch. 15 para. 15A(2)(b) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(5)(d)**; 2020 c. 1, Sch. 5 para. 1(1)
- F74** Sch. 15 para. 15A(2)(c) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(5)(d)**; 2020 c. 1, Sch. 5 para. 1(1)
- F75** Sch. 15 para. 15A(3) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(5)(e)**; 2020 c. 1, Sch. 5 para. 1(1)
- F76** Sch. 15 Pt. II para. 15A(4) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**
- F77** Sch. 15 Pt. II para. 15A(5) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**
- F78** Sch. 15 para. 15A(6) substituted (1.12.2001) by S.I. 2001/3649, **arts. 1, 208(3)**
- F79** Sch. 15 para. 15A(6)(a) omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(5)(f)**; 2020 c. 1, Sch. 5 para. 1(1)

**Textual Amendments**

**F80** Sch. 15 para. 16 omitted (17.8.2001 for specified purposes and otherwise *prosp.*) by S.I. 2001/2617, arts. 2(a), 8(1), 13(1), Sch. 3 para. 128(v) (with art. 13(3), **Sch. 5**) and is repealed (*prosp.*) by S.I. 2001/2617, arts. 2(b), 13(2), Sch. 4 (with art. 13(3), **Sch. 5**)

F81 ...

**Textual Amendments**

**F81** Sch. 15 paras. 16A, 16B and cross-heading omitted (31.12.2020) by virtue of The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **15(6)**; 2020 c. 1, Sch. 5 para. 1(1)

- F81 16A .....
- F81 16B .....

*Effect of failure to comply with relevant requirements*

17 A failure to comply with a relevant requirement of this Act or any rules of a friendly society shall not invalidate any amalgamation, transfer of engagements or conversion; but a society which—

- (a) participates in an amalgamation or transfer or converts into a company; and
- (b) fails without reasonable excuse to comply with such a requirement;

shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.

*Interpretation*

[<sup>F82</sup>18<sup>F83</sup>(1).....

(2) In this Part of this Schedule—

“policy” means a contract (other than a contract of reinsurance) the effecting of which by a friendly society to which section 37(2) or (3) above applies constituted the carrying on of insurance business of any class;

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 15. (See end of Document for details)*

“policy holder” means a member whose contract with such a society is a contract the effecting of which by the society constituted the carrying on of insurance business (other than reinsurance business) of any class;

“relevant requirement”, with reference to this Act or the rules of a friendly society, means a requirement of this Part of this Act or of any rules prescribing the procedure to be followed by the society in approving or effecting an amalgamation or transfer of engagements or its conversion into a company.

<sup>F84</sup>(3) . . . . .]

**Textual Amendments**

- F82** Sch. 15 para. 18 substituted (1.9.1994) by S.I. 1994/1984, reg. 25, **Sch. 4 para. 7**
- F83** Sch. 15 para. 18(1) omitted (31.12.2020) by virtue of [The Friendly Societies \(Amendment\) \(EU Exit\) Regulations 2018](#) (S.I. 2018/1039), regs. 1, **15(7)**; 2020 c. 1, Sch. 5 para. 1(1)
- F84** Sch. 15 para. 18(3) repealed (1.1.1998) by S.I. 1997/2849, reg. 5, **Sch.**

**Changes to legislation:**

There are currently no known outstanding effects for the Friendly Societies Act 1992,  
SCHEDULE 15.