



# Industrial and Provident Societies Act 2002

## 2002 CHAPTER 20

An Act to enable the law relating to societies registered under the Industrial and Provident Societies Act 1965 to be amended so as to bring it into conformity with certain aspects of the law relating to companies; to amend the procedure whereby such a society may convert itself into, or amalgamate with or transfer its engagements to, a company; and for connected purposes. [8th July 2002]

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### 1 Requirements for conversion of a registered society into a company

- (1) Section 52 of the Industrial and Provident Societies Act 1965 (c. 12) (“the 1965 Act”) (conversion into, amalgamation with, or transfer of engagements to company) shall be amended as provided in subsection (2) below.
- (2) For subsection (3) (resolution to be passed by not less than three-fourths of the members voting in person or, where the rules allow, by proxy), there shall be substituted—
  - “(3) In this section the expression “special resolution” means a resolution—
    - (a) which is passed at a general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to the rules of the society (“the rules”);
    - (b) which is passed by not less than three-fourths of such of the qualifying members of the society as may have voted in person or, where the rules allow proxies, by proxy;
    - (c) on which not less than half of the qualifying members of the society voted either in person or, where the rules allow proxies, by proxy; and
    - (d) which is confirmed by a majority of such of the qualifying members of the society as may have voted in person or, where the rules allow proxies, by proxy at a subsequent general meeting of which notice has been duly given held not less than fourteen days nor more than one month from the day of the meeting at which the resolution was passed in accordance with paragraphs (a) to (c) of this subsection,

and references to the qualifying members of a society are references to the members of the society who are for the time being entitled under the society's rules to vote.

- (3A) At any such meeting as aforesaid, a declaration by the chairman that—
- (a) all reasonably practicable steps have been taken to ascertain the number of qualifying members of the society; and
  - (b) the resolution has been carried,
- shall be deemed conclusive evidence of those facts.
- (3B) Subsections (4) and (5) of section 50 of this Act shall have effect for the purposes of this section as they have effect for the purposes of that section but as if in subsection (5) of that section for the reference to subsection (2)(b) of that section there were substituted a reference to subsection (3)(d) of this section.”

## **2 Power to modify, etc. to assimilate to company law**

- (1) If, on any modification of the statutory provisions in force in Great Britain relating to companies, it appears to the Treasury to be expedient to modify the relevant statutory provisions for the purpose of assimilating the law relating to companies and the law relating to industrial and provident societies, the Treasury may, by order, make such modifications of the relevant statutory provisions as they think appropriate for that purpose.
- (2) The “relevant statutory provisions” are the provisions of the Industrial and Provident Societies Acts 1965 to 1978 as for the time being in force except the following provisions of the 1965 Act—
- (a) section 1 (societies which may be registered);
  - (b) section 10(1) (amendments of registered rules);
  - (c) sections 16 to 18 (cancellation, suspension or refusal of registration of society or rules);
  - (d) sections 23 to 27 (nominations, provision for intestacy, payment in respect of mentally incapable persons and validity of payments);
  - (e) sections 50 to 54 (amalgamation, transfer of engagements and conversions);
  - (f) section 55(b) (dissolution of registered society by instrument);
  - (g) section 56 (power of registrar to petition for winding up);
  - (h) section 58 (instrument of dissolution); and
  - (i) section 59 (restriction on dissolution or cancellation of registration of society).
- (3) The power conferred by subsection (1) of this section includes power to modify the relevant statutory provisions so as to—
- (a) confer power to make orders, regulations, rules or other subordinate legislation;
  - (b) create criminal offences; or
  - (c) provide for the charging of fees but not any charge in the nature of taxation.

- (4) An order under this section may—
  - (a) make consequential amendments of or repeals in the provisions listed in subsection (2) of this section; or
  - (b) make such transitional or saving provisions as appear to the Treasury to be necessary or expedient.
- (5) The power to make an order under this section shall be exercisable by statutory instrument and no such order shall be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.
- (6) In this section—

“modification” includes any additions and, as regards modifications of the statutory provisions relating to companies, any modification whether effected by any future Act or by an instrument made after the passing of this Act under an Act whenever passed; and

“statutory provisions” except in the expression “relevant statutory provisions” includes the provisions of any instrument made under an Act.

### **3 Channel Islands**

- (1) Her Majesty may by Order in Council direct that any of the provisions of this Act or any instrument made under it shall extend, with such modifications (if any) as may be specified in the Order, to any of the Channel Islands.
- (2) An Order in Council under this section may make such transitional, incidental or supplementary provision as appears to Her Majesty to be necessary or expedient.

### **4 Short title, commencement and extent**

- (1) This Act may be cited as the Industrial and Provident Societies Act 2002 and this Act and the Industrial and Provident Societies Acts 1965 to 1978 may be cited together as the Industrial and Provident Societies Acts 1965 to 2002.
- (2) This Act shall come into force on the expiration of the period of two months beginning with the date on which it is passed.
- (3) This Act does not extend to Northern Ireland.