
STATUTORY INSTRUMENTS

1995 No. 3062

FRIENDLY SOCIETIES

The Friendly Societies (Activities of a Subsidiary) Order 1995

Made - - - - *28th November 1995*
Laid before Parliament *1st December 1995*
Coming into force - - *1st January 1996*

The Friendly Societies Commission, with the consent of the Treasury, in exercise of the powers conferred upon it by section 13(8) of the Friendly Societies Act 1992(1), hereby makes the following Order:

Citation and Commencement

1. This Order may be cited as the Friendly Societies (Activities of a Subsidiary) Order 1995 and shall come into force on 1st January 1996.

Variation of Schedule 7

2. Schedule 7 to the Friendly Societies Act 1992 (which relates to activities which may be carried on by a subsidiary of or body jointly controlled by an incorporated friendly society) is amended by inserting—

- (a) at the end of paragraph 10, the words “or paragraph 11 or 12 below”; and
- (b) after paragraph 10, the following paragraphs—

“11. The carrying on of a business which is a deposit-taking business within the meaning of the Banking Act 1987(2) but only to the extent that money which is received as a deposit, or money which is lent, is received from, or lent to, an individual.

12. The carrying on of insurance business which is general business within the meaning of the Insurance Companies Act 1982(3) but only to the extent that a contract of insurance which is effected or carried out is a contract which is effected with an individual.”

(1) 1992 c. 40
(2) 1987 c. 22
(3) 1982 c. 50

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

In witness whereof the common seal of the Friendly Societies Commission is hereto fixed, and is authenticated by me, a person authorised under paragraph 13 of Schedule 1 to the Friendly Societies Act 1992 on

L.S.

10th November 1995.

Michael Cook
Secretary to the Commission

We consent to this Order.

28th November 1995

S. Burns
B. Wells
Two of the Lords Commisioners of Her Majesty's
Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order varies Schedule 7 to the Friendly Societies Act 1992 (which relates to the activities which may be carried on by a subsidiary of, or a body jointly controlled by, an incorporated friendly society). Two new activities are added, personal deposit taking and personal lines general insurance. The activity set out in paragraph 10 of providing administrative services to friendly societies or other bodies whose business consists of any activity falling within the other paragraphs of Schedule 7 is extended so that such services may be provided to a body whose business consists of an activity falling within the new paragraphs.

Paragraph 11 enables a subsidiary or jointly controlled body of a friendly society to carry on as its object deposit-taking business, as defined in the Banking Act 1987. That part of the business consisting of taking deposits, or lending money, is restricted to dealing with individuals.

Paragraph 12 enables a subsidiary or jointly controlled body of a friendly society to carry on as its object general insurance business as defined in the Insurance Companies Act 1982. That part of the business consisting of effecting and carrying out contracts of general insurance is restricted to contracts which are affected with individuals. This enables a contract to be effected with an individual and for the right to payment under that contract to be assigned to a body corporate or for a transfer of an engagement to be accepted where the contract was effected with an individual.

Subsidiaries which carry on these activities are required to be authorised under the relevant legislation to conduct the activity.

A compliance cost assessment of the effect that this instrument would have on the cost of business is available from:

The Secretary

Friendly Societies Commission

15 Great Marlborough St

London W1V 2LL