
STATUTORY INSTRUMENTS

2012 No. 3012

**The Charitable Incorporated
Organisations (General) Regulations 2012**

PART 4

CIO CAPACITY AND RELATED MATTERS

CIO contracts

19.—(1) A contract may be made—

- (a) by a CIO, by writing under its common seal; or
- (b) on behalf of a CIO, by a person acting under its authority, express or implied.

(2) Any formalities required by law in the case of a contract made by an individual also apply, unless a contrary intention appears, to a contract made by or on behalf of a CIO.

Execution of documents

20.—(1) A document is executed by a CIO—

- (a) by the affixing of its common seal; or
- (b) whether or not the CIO has a common seal, in accordance with paragraph (2).

(2) A document is validly executed by a CIO if it is signed—

- (a) where the CIO has more than one charity trustee, by at least two of the CIO's charity trustees; or
- (b) where the CIO has only one charity trustee, by that charity trustee.

(3) A document—

- (a) signed in accordance with paragraph (2); and
- (b) expressed, in whatever words, to be executed by the CIO,

has the same effect as if executed under the common seal of the CIO.

(4) In favour of a purchaser a document is to be treated as duly executed by a CIO if it purports to be signed in accordance with paragraph (2).

(5) For the purposes of paragraph (4), “purchaser” means a purchaser in good faith for valuable consideration and includes a lessee, mortgagee or other person who for valuable consideration acquires an interest in property.

(6) References in this regulation to a document being (or purporting to be) signed by a charity trustee are to be read, in a case where a body corporate is a charity trustee, as references to the document being (or purporting to be) signed by an individual authorised by the body corporate to sign on its behalf.

Execution of deeds

21.—(1) A document—

- (a) executed by a CIO in accordance with regulation 20; and
- (b) which makes clear on its face that it is intended by the person or persons making it to be a deed,

has effect, upon delivery, as a deed.

(2) For the purposes of paragraph (1) a document is presumed, unless the contrary intention is proved, to be delivered upon its being executed.

(3) In favour of a purchaser—

- (a) if a document is treated as duly executed under regulation 20 and
- (b) the document makes clear on its face that it is intended by the person or persons making it to be a deed,

the document is treated as having been delivered upon its being executed.

(4) In paragraph (3) “purchaser” has the meaning given by regulation 20(5).

Execution of deeds or other documents by attorney

22.—(1) A CIO may, by instrument executed as a deed, empower a person, either generally or in respect of specified matters, as its attorney to execute deeds or other documents on its behalf.

(2) A deed or other document so executed, whether in the United Kingdom or elsewhere, has effect as if executed by the CIO.

Common seal

23.—(1) A CIO may have a common seal but need not have one.

(2) A CIO which has a common seal must have its name engraved in legible characters on the seal.

(3) Subsections (3) and (5) of section 45 of the Companies Act 2006 (offence of failure to comply with requirements in relation to common seal)(1) apply in relation to a failure by a CIO to comply with paragraph (2) as they apply in relation to a failure by a company to comply with subsection (2) of that section; and, in its application by virtue of this paragraph, subsection (3) of that section has effect as if paragraph (a) were omitted.

(4) Subsections (4) and (5) of that section (offence of using etc. a seal which does not satisfy the necessary requirements) apply to the use, or authorisation of the use, of a seal of a CIO which does not comply with paragraph (2) as they apply to the use, or authorisation of the use, of a seal of a company which does not comply with subsection (2) of that section.

(5) The following provisions of Part 36 of the Companies Act 2006 (offences under the Companies Acts) apply in relation to an offence under that Act committed by virtue of this regulation as they apply to an offence under the Companies Acts—

- (a) section 1121 (liability of officer in default);
- (b) section 1122 (liability of company as officer in default);
- (c) section 1127 (summary proceedings: venue);
- (d) section 1128 (summary proceedings: time limit for proceedings);
- (e) section 1129 (legal professional privilege); and
- (f) section 1132 (production and inspection of documents where offence suspected).

(1) 2006 c.46.

(6) In their application to CIOs the provisions of the Companies Act 2006 mentioned in this regulation have effect as if—

- (a) for references to a company there were substituted references to a CIO;
- (b) for references to an officer of a company there were substituted references to a charity trustee of a CIO;
- (c) provisions relating only to Scotland or Northern Ireland were omitted;
- (d) references to the Secretary of State were omitted.

(7) In its application to CIOs section 1121 has effect as if subsection (2) were omitted.

(8) In its application to CIOs section 1122 has effect as if the following were substituted—

“(1) Where a company is an officer of a CIO, it does not commit an offence as a charity trustee in default unless one of its officers is in default.

(2) Where any such offence is committed by a company the officer in question also commits the offence and is liable to be proceeded against and punished accordingly.

(3) In this section—

“in default” has the meaning given by section 1121;

“officer” includes any director, manager or secretary.”

(9) In its application to CIOs section 1132(3)(b) has effect as if for “the secretary of the company, or such other officer of it” there were substituted “such charity trustee of the CIO”.

Official seal for use abroad

24.—(1) A CIO that has a common seal may have an official seal for use outside the United Kingdom.

(2) The official seal must be a facsimile of the CIO’s common seal, with the addition on its face of the place or places where it is to be used.

(3) The official seal when duly affixed to a document has the same effect as the CIO’s common seal.

(4) A CIO having an official seal may, by writing under its common seal, authorise any person appointed for the purpose to affix the official seal to any deed or other document to which the CIO is a party.

Bills of exchange and promissory notes

25. A bill of exchange or promissory note is deemed to have been made, accepted or endorsed on behalf of a CIO if made, accepted or endorsed in the name of, or by or on behalf of or on account of the CIO by a person acting under its authority.