

2013 No. 0000

INDUSTRIAL AND PROVIDENT SOCIETIES

The Industrial and Provident Societies (Increase in Shareholding Limit) Order 2013

Made - - - - ***
Laid before Parliament ***
Coming into force - - - - ***

The Treasury, in exercise of the powers conferred by section 2(1) and (2) of the Industrial and Provident Societies Act 1975^(a) and now vested in them^(b), make the following Order.

Citation and commencement

This Order may be cited as the Industrial and Provident Societies (Increase in Shareholding Limit) Order 2013 and shall come into force on [SPRING 2014].

Interpretation

In this Order—

“the Act” means the Industrial and Provident Societies Act 1965^(c), and

“society” means any body which is or is deemed to be a society registered under the Act.

Increase in shareholding limit

In section 6(1) of the Act^(d) (limit on the interest a member may hold in the shares of a society), for the words “twenty thousand pounds” substitute “XXXXX thousand pounds”.

Powers of society’s committee

— Where the registered rules of a society provide for a maximum shareholding limit in accordance with section 6(1) of the Act, the committee may, by a resolution recorded in writing and notified in writing to the Financial Conduct Authority within 60 days of being made, resolve that the maximum shareholding limit be increased to an amount not exceeding XXXXX thousand pounds.

a () 1975 c.41. The title of that Act is prospectively amended by section 2 of the Co-operative and Community Benefit Societies and Credit Unions Act 2010 (c.7).

b () S.I. 2001/2617.

c () 1965 c.12.

d () Section 6(1) has been amended by paragraph 8 of Schedule 2 of the Housing (Consequential Provisions) Act 1985 (c.71), S.I. 1994/341 and S.I. 1997/627.

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The power conferred on the committees of societies by paragraph (1) shall not be exercisable after the date of registration (under section 10 of the Act) of an amendment to the rules of the society made after the coming into force of this Order.

Without prejudice to paragraph (2), the power conferred on the committees of societies by paragraph (1) shall not be exercisable after the expiration of the period of eighteen months beginning with the date on which this Order comes into force.

The society's rules continue to have effect subject to the resolution.

But if any amendment of the society's rules is registered, the rules have effect as if the resolution had not been passed. This does not affect any interest in the society's shares held by a member immediately before the date of registration of the amendment.

Name

Name

Two of the Lords Commissioners of Her Majesty's Treasury

Date

EXPLANATORY NOTE

(This note is not part of the Order)

This Order raises the maximum amount that members of industrial and provident societies (with certain exemptions) may invest in the society from £20,000 to £XX,XXX. This is done in regulation 3 through an amendment to section 6 of the Industrial and Provident Societies Act 1965 (c.12).

Regulation 4 provides for the committee of an industrial and provident society to change the rules of the society to raise the limit in cases where the rules currently reflect the previous limit. The power to do so can only be exercised once, and must be exercised within eighteen months of the coming into force of this Order.

An impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and on www.gov.uk/government/organisations/hm-treasury, and is published with the Explanatory Memorandum alongside the instrument on the legislation.gov.uk website.