

SCHEDULE 7
REGULATION OF REGISTERED SOCIAL LANDLORDS

PART 1

CONTROL OF PAYMENTS TO MEMBERS ETC.

Payments by way of gift, dividend or bonus

- 1 (1) A registered social landlord must not make a gift or pay a sum by way of dividend or bonus to—
 - (a) a person who is or has been a member of the body,
 - (b) a person who is a member of the family of a person within paragraph (a),
 - (c) a company of which a person within paragraph (a) or (b) is a director, or
 - (d) a firm of which a person within paragraph (a) or (b) is a member,except as permitted by this paragraph.
- (2) The following are permitted—
 - (a) the payment of a sum which, in accordance with the constitution or rules of the body, is paid as interest on capital lent to the body or subscribed by way of shares in the body,
 - (b) the payment by a fully mutual housing association to a person who has ceased to be a member of the association of a sum which is due to the person either under a tenancy agreement with the association or under the terms of the agreement under which the person became a member of the association.
- (3) Where a landlord pays a sum or makes a gift in contravention of this paragraph, the landlord may recover the sum or the value of the gift, and proceedings for its recovery must be taken if the Scottish Ministers so direct.