

# LAND REFORM (SCOTLAND) ACT 2003

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## EXPLANATORY NOTES

### THE ACT – AN OVERVIEW

#### **Part 3** the Crofting Community Right to Buy

##### *Section 71: Crofting community bodies*

259. Subsection (1) prescribes that a crofting community body must be a company limited by guarantee and lists the requirements which must be included in its memorandum and articles of association.
260. Subsection (2) allows Ministers discretion over the minimum number of members a crofting community body must have.
261. Subsection (3) defines a “company limited by guarantee”, by reference to the [Companies Act 1985 \(c.6\)](#), as meaning a company having the liability of its members limited by the memorandum to such amount as the members may respectively undertake to contribute to the assets of the company in the event of its being wound up.
262. Subsection (4) provides that a crofting community body cannot be recognised as such until Ministers are satisfied that its main purpose is consistent with furthering the achievement of sustainable development.
263. Subsection (5) sets out the criteria by reference to which the memorandum and articles of a crofting community body must refer to the crofting community to which it relates. It also allows Ministers to set down alternative criteria where they consider it appropriate to do so.
264. Subsection (7) states, for the avoidance of doubt, that the memorandum and articles of association of the crofting community body may prevent its assets from passing, on a winding up of the body, to any body which is not a charity. Subsection (8) defines “charity”, for the purposes of this section, as being a body which is entitled to describe itself as a Scottish charity.