
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which are made under Article 9 of the Industrial and Provident Societies (Northern Ireland) Order 2006 (N.I. 3), enable certain community benefit societies to ensure, by means of a special rule, that their assets are only used for a purpose that is for the benefit of the community or for other limited purposes.

The regulations set out—

- (a) the terms of such a rule (called “a restriction on use”) and how it may be imposed (regulation 4 and Schedule 1);
- (b) the purposes for which a society’s assets may be used once it has a restriction on use (regulations 3 and 6);
- (c) the kinds of community benefit society which may have a restriction on use (regulation 5); and
- (d) that a restriction on use is unalterable (regulation 7).

The Registrar of Industrial and Provident Societies may enforce a restriction on use by—

- (a) issuing an enforcement notification requiring the society to take the necessary steps to ensure that a breach of the restriction on use is brought to an end or is not repeated; or
- (b) requiring an officer of a society who has been knowingly concerned in a breach of the restriction on use, to make a payment to the society or directing that he be removed from his position (regulations 9, 10 and 11).

Provision is made for warning notices (regulation 12) and appeals (regulation 14).

The courts are given the power, on an application by the Registrar of Industrial and Provident Societies, to make an order restraining a breach of a restriction on use and directing an officer of the society to take steps to prevent a contravention or bring it to an end (regulation 15).

Consequential modifications to the application of the [Industrial and Provident Societies Act \(Northern Ireland\) 1969 \(C. 24\)](#) are made in Schedule 2 to the Regulations.