

SCHEDULE 1

Regulation 2

RESTRICTION ON USE

The rule included in a prescribed community benefit society's rules must be in the following terms—

“Restriction on use

Pursuant to regulations made under Article 9 of the Industrial and Provident Societies (Northern Ireland) Order 2006:

- (1) All of the society's assets are subject to a restriction on their use.
- (2) The society must not use or deal with its assets except—
 - (a) where the use or dealing is, directly or indirectly, for a purpose that is for the benefit of the community;
 - (b) to pay a member of the society the value of his withdrawable share capital or interest on such capital;
 - (c) to make a payment pursuant to section 23 (proceedings on death of nominator), 24 (provision for small payments on death) or 25 (payments in respect of mentally incapable persons) of the Industrial and Provident Societies Act (Northern Ireland) 1969;
 - (d) to make a payment in accordance with the rules of the society to trustees of the property of bankrupt members;
 - (e) where the society is to be dissolved or wound up, to pay its creditors; or
 - (f) to transfer its assets to one or more of the following—
 - (i) a prescribed community benefit society whose assets have been made subject to a restriction on use and which will apply that restriction to any assets so transferred;
 - (ii) a registered housing association which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
 - (iii) a charity (including a community benefit society that is a charity); or
 - (iv) a body, established in England and Wales, Scotland or a State other than the United Kingdom, that is equivalent to any of those persons.
- (3) Any expression used in this rule which is defined for the purposes of regulations made under Article 9 of the 2006 Order shall have the meaning given by those regulations.”