



# Industrial and Provident Societies Act 1965

## 1965 CHAPTER 12

### *Amalgamations, transfers of engagements and conversions*

#### **50 Amalgamation of societies**

- (1) Any two or more registered societies may by special resolution of each of those societies become amalgamated together as one society, with or without any dissolution or division of the funds of those societies or any of them; and the property of each of those societies shall become vested in the amalgamated society without the necessity of any form of conveyance other than that contained in the special resolution.
- (2) In this section the expression " special resolution " means a resolution which is—
  - (a) passed by not less than two-thirds of such members of the society for the time being entitled under the society's rules to vote as may have voted in person, or by proxy where the rules allow proxies, at any general meeting of which notice, specifying the intention to propose the resolution, has been duly given according to those rules; and
  - (b) confirmed by a majority of such members of the society for the time being entitled as aforesaid as may have voted as aforesaid at a subsequent general meeting of which notice has been duly given held not less than fourteen days nor more than one month from the day of the meeting at which the resolution was passed in accordance with paragraph (a) of this subsection.
- (3) At any such meeting as aforesaid, a declaration by the chairman that the resolution has been carried shall be deemed conclusive evidence of that fact.
- (4) A copy of every special resolution for the purposes of this section signed by the chairman of the meeting at which the resolution was confirmed and countersigned by the secretary of the society shall be sent to the appropriate registrar and registered by him; and until that copy is so registered the special resolution shall not take effect.
- (5) It shall be the duty of a registered society to send any special resolution for registration in accordance with the last foregoing subsection within fourteen days from the day

on which the resolution is confirmed under subsection (2)(b) of this section, but this subsection shall not invalidate registration of the resolution after that time.

## **51 Transfer of engagements between societies**

- (1) Any registered society may by special resolution transfer its engagements to any other registered society which may undertake to fulfil those engagements; and if that resolution approves the transfer of the whole or any part of the society's property to that other society, the whole or, as the case may be, that part of the society's property shall vest in that other society without any conveyance or assignment.
- (2) Subsections (2) to (5) of section 50 of this Act shall have effect for the purposes of this section as they have effect for the purposes of that section.
- (3) In its application to Scotland, subsection (1) of this section shall have effect as if for the word " assignment" there were substituted the word " assignation ".

## **52 Conversion into, amalgamation with, or transfer of engagements to company**

- (1) A registered society may by special resolution determine to convert itself into, or to amalgamate with or transfer its engagements to, a company under the Companies Acts.
- (2) If a special resolution for converting a registered society into a company contains the particulars required by the Companies Act 1948 to be contained in the memorandum of association of a company and a copy thereof has been registered by the appropriate registrar, a copy of that resolution under the seal and stamp of the central office or bearing the signature of the assistant registrar for Scotland, as the case may require, shall have the same effect as a memorandum of association duly signed and attested under the said Act of 1948.
- (3) Subsections (2) to (5) of section 50 of this Act shall have effect for the purposes of this section as they have effect for the purposes of that section but as if in paragraph (a) of the said subsection (2) for the words " two-thirds " there were substituted the words " three-fourths ".
- (4) Subject to subsection (5) of this section, if a registered society is registered as, or amalgamates with, or transfers all its engagements to, a company under the Companies Acts, the registration of that society under this Act shall thereupon become void and, subject to section 59 of this Act, shall be cancelled by the chief registrar or, under the direction of the chief registrar, by the assistant registrar for Scotland.
- (5) Registration of a registered society as a company shall not affect any right or claim for the time being subsisting against the society or any penalty for the time being incurred by the society ; and—
  - (a) for the purpose of enforcing any such right, claim or penalty, the society may be sued and proceeded against in the same manner as if it had not become registered as a company ; and
  - (b) every such right or claim, or the liability to any such penalty, shall have priority as against the property of the company over all other rights or claims against or liabilities of the company.

### **53 Conversion of company into registered society**

- (1) A company registered under the Companies Acts may, by a special resolution as defined by section 141 of the Companies Act 1948, determine to convert itself into a registered society; and for this purpose, in any case where the nominal value of the company's shares held by any member other than a registered society exceeds one thousand pounds, the resolution may provide for the conversion of the shares representing that excess into a transferable loan stock bearing such rate of interest as may be fixed, and repayable on such conditions only as are determined by the resolution.
- (2) Any such resolution as aforesaid shall be accompanied by a copy of the rules of the society therein referred to and shall appoint seven persons, being members of the company, who, together with the secretary, shall sign the rules and who may either—
  - (a) be authorised to accept any alterations made by the appropriate registrar therein without further consulting the company; or
  - (b) be required to lay any such alterations before the company in general meeting for acceptance as the resolution may direct.
- (3) A copy of the resolution aforesaid shall be sent with a copy of the rules aforesaid to the appropriate registrar who, upon the registration of the society under this Act, shall give to it, in addition to an acknowledgement of registration under section 2(3) of this Act, a certificate similarly sealed or signed that the rules of the society referred to in the resolution have been registered.
- (4) A copy of any such resolution as aforesaid under the seal of the company together with the certificate issued as aforesaid by the appropriate registrar shall be sent for registration to the office of the registrar of companies within the meaning of the Companies Act 1948 and, upon his registering that resolution and certificate, the conversion shall take effect.
- (5) The name under which any company is registered under this section as a registered society shall not include the word " company " .
- (6) Subject to the next following subsection, upon the conversion of a company into a registered society under this section, the registration of the company under the Companies Acts shall become void and shall be cancelled by the registrar of companies aforesaid.
- (7) The registration of a company as a registered society shall not affect any right or claim for the time being subsisting against the company or any penalty for the time being incurred by the company; and—
  - (a) for the purpose of enforcing any such right, penalty or claim the company may be sued and proceeded against in the same manner as if it had not been registered as a society;
  - (b) any such right or claim and the liability to any such penalty shall have priority as against the property of the registered society over all other rights or claims against or liabilities of the society.

### **54 Saving for rights of creditors**

An amalgamation or transfer of engagements in pursuance of section 50, 51 or 52 of this Act shall not prejudice any right of a creditor of any registered society which is a party thereto.