



Friendly Societies Act 1992

1992 CHAPTER 40

PART II

INCORPORATED FRIENDLY SOCIETIES

Dissolution and winding up

20 Dissolution by consent.

- (1) An incorporated friendly society may be dissolved by an instrument of dissolution.
- (2) An instrument of dissolution shall only have effect if it is approved by special resolution.
- (3) An instrument of dissolution shall set out—
 - (a) the liabilities and assets of the society in detail;
 - (b) the number of members, and the nature of their interests in the society;
 - (c) the claims of creditors, and the provision to be made for their payment;
 - (d) the intended appropriation or division of the funds and property of the society;
 - (e) the names of one or more persons to be appointed as trustees for the purposes of the dissolution, and their remuneration.
- (4) An instrument of dissolution may be altered, but the alteration shall only have effect if it is approved by special resolution.
- (5) The provisions of this Act shall continue to apply in relation to an incorporated friendly society as if the trustees appointed under the instrument of dissolution were the committee of management of the society.
- (6) The trustees shall—
 - (a) within 15 days of the passing of a special resolution approving an instrument of dissolution, give notice to the [F¹FCA and, if the society is a PRA-authorised person, the PRA] of the fact and the date of commencement of the dissolution, enclosing a copy of the instrument; and

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- (b) within 15 days of the passing of a special resolution approving an alteration of such an instrument, give notice to the [^{F1}FCA and, if the society is a PRA-authorized person, the PRA] of the fact, enclosing a copy of the altered instrument;
- and if the trustees fail to comply with this subsection, they shall each be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (7) An instrument of dissolution or an alteration to such an instrument shall be binding on all members of the society as from the date on which the copy of the instrument or altered instrument, as the case may be, is placed on the public file of the society under subsection (12) below.
- (8) The trustees shall, within 28 days from the termination of the dissolution, give notice to the [^{F1}FCA and, if the society is a PRA-authorized person, the PRA] of the fact and the date of the termination, enclosing an account and balance sheet signed and certified by them as correct, and showing—
- (a) the assets and liabilities of the society at the commencement of the dissolution; and
 - (b) the way in which those assets and liabilities have been applied and discharged.
- (9) If the trustees fail to comply with subsection (8) above they shall each be guilty of an offence and liable on summary conviction—
- (a) to a fine not exceeding level 2 on the standard scale; and
 - (b) in the case of a continuing offence, to an additional fine not exceeding one-tenth of that level for every day during which the offence continues.
- (10) Except with the consent of the [^{F2}appropriate authority], no instrument of dissolution or alteration to such an instrument shall be of any effect if the purpose of the proposed dissolution or alteration is to effect or facilitate the transfer of the society's engagements to any other friendly society or to a company.
- (11) Any provision in a resolution or document that members of an incorporated friendly society proposed to be dissolved shall accept membership of some other body in or towards satisfaction of their rights in the dissolution shall be conclusive evidence of such purpose as is mentioned in subsection (10) above.
- (12) The [^{F3}FCA] shall keep in the public file of the society any notice or other document received by it under subsection (6) or (8) above and shall record in that file the date on which the notice or document is placed in it.

Textual Amendments

- F1** Words in s. 20(6)(8) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 8\(2\)](#) (with Sch. 12)
- F2** Words in s. 20(10) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 8\(3\)](#) (with Sch. 12)
- F3** Word in s. 20(12) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 8\(4\)](#) (with Sch. 12)

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Changes and effects yet to be applied to :

- s. 20(6) words repealed by [2005 asp 4 Sch. 4 para. 12\(6\)\(h\)\(iii\)](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket Amendment words substituted by [2005 c. 4 Sch. 11 para. 5](#)
- Blanket amendment words substituted by [S.I. 2011/1043 art. 36](#)