



# Co-operative and Community Benefit Societies Act 2014

## 2014 CHAPTER 14

### PART 2

#### NAME, RULES, POWERS ETC

##### *Rules: general*

#### **14** Content of a society's rules

A registered society's rules must contain provision about the following matters—

- 1. Name* The society's name (which must comply with section 10).
- 2. Objects* The objects of the society.
- 3. Registered office* The place of the society's registered office, to which all communications and notices to the society may be addressed.
- 4. Membership* The terms of admission of the members, including any society or company investing funds in the society under the provisions of this Act.
- 5. Meetings, voting, changes to rules* The method of holding meetings, the scale and right of voting, and the method of making, altering or rescinding rules.
- 6. Committees and officers* The appointment and removal of a committee (by whatever name) and of managers or other officers and their respective powers and remuneration.
- 7. Maximum shareholding* Determination in accordance with section 24 of the maximum amount of the interest in the shares of the society which may be held by any member otherwise than by virtue of section 24(2).
- 8. Borrowing powers etc* Determination whether the society may contract loans or receive moneys on deposit subject to the provisions of this Act from members or others, and if so under what conditions, under what security, and to what limits of amount.
- 9. Shares* Determination whether any or all shares are transferable, and provision for the form of transfer and registration of shares, and for the consent of the

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*Changes to legislation:* There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Cross Heading: Rules: general. (See end of Document for details)

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committee to transfer or registration. Determination whether any or all shares are withdrawable, and provision for the method of withdrawal and for payment of the balance due on them on withdrawing from the society.

*10. Audit* Provision for the audit of accounts in accordance with Part 7.

*11. Withdrawal etc* Determination whether members may withdraw from the society and if so how, and provision for the claims of the representatives of deceased members and of the trustees of the property of bankrupt members (or, in Scotland, members whose estates have been sequestrated), and for the payment of nominees.

*12. Application of profits* The way in which the society's profits are to be applied.

*13. Seal* If the society is to have a common seal, provision for its custody and use.

*14. Investment of society's funds* Determination whether any part of the society's funds may be invested, and if so by what authority and in what way.

#### **Modifications etc. (not altering text)**

**C1** [S. 14](#) excluded by 1979 c. 34, s. 2(1) (as substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 3\(2\)](#) (with [Sch. 5](#)))

## **15 Rules to bind members**

- (1) A registered society's registered rules bind the society and all its members and all persons claiming through them to the same extent as if—
  - (a) each member had subscribed the member's name and affixed the member's seal to the rules, and
  - (b) there were contained in the rules a covenant on the part of each member and any person claiming through the member to observe the rules (subject to the provisions of this Act).
- (2) But a member of a registered society is not bound by an amendment of the society's rules registered after the person became a member if and so far as the amendment—
  - (a) requires the member to take or subscribe for more shares than the number held by the member at the date of registration of the amendment,
  - (b) requires the member to pay upon the shares held by the member at that date any sum exceeding the amount unpaid upon them at that date, or
  - (c) in any other way increases the liability of that member to contribute to the share or loan capital of the society,
 unless the member consents in writing to the amendment.
- (3) In its application to Scotland, subsection (1) has effect as if the words “and affixed the member's seal” were omitted.

## **16 Amendment of rules**

- (1) Any amendment of a registered society's rules is not valid until the amendment is registered under this Act.
- (2) A registered society must give the FCA 2 copies of any amendment to its rules, signed by the society's secretary and—
  - (a) where both or all of its members are registered societies, by the secretaries of 2 of those registered societies;

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- (b) otherwise, by 3 of its members.
- (3) Subsections (1) and (2) do not apply to a change in a society's registered office or name, but—
  - (a) the FCA must be given notice of any change of registered office, and
  - (b) where such notice is given, or where a registered society's name is changed (see section 13), the FCA must register the change of registered office or name as an amendment of the society's rules.
- (4) If the FCA is satisfied that an amendment of a society's rules is not contrary to the provisions of this Act, it must—
  - (a) register the amendment, and
  - (b) give the society an acknowledgment of registration bearing the FCA's seal.

**Modifications etc. (not altering text)**

**C2** S. 16(4) modified by 1979 c. 34, s. 4(3) (as substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 5\(2\)](#) (with [Sch. 5](#)))

**17 Appeal against refusal to register amendment of rules**

- (1) A society may appeal to the appropriate court from a decision of the FCA refusing registration of an amendment of the society's rules.
- (2) “The appropriate court” means—
  - (a) if the society's registered office is in Scotland, the Court of Session;
  - (b) otherwise, the High Court.
- (3) If the decision is overruled on appeal, the FCA must register the amendment and give the society an acknowledgment of registration under section 16.

**18 Duty to provide copy of rules on demand**

- (1) A registered society must give a copy its registered rules to any person who asks for them and (subject to subsection (2)) pays such fee as the society may require.
- (2) No fee is payable where the request is made by a member of the society who has not previously been given a copy of those rules.
- (3) The fee may not exceed £5 or such other amount as the Treasury may by order specify.

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