



# Superannuation and other Trust Funds (Validation) Act 1927

1927 CHAPTER 41 17 and 18 Geo 5

**E+W+S**

An Act to amend the law relating to perpetuities and accumulations, as respects certain benefit funds and as respects trust funds for the reduction of the National Debt. [22nd December 1927]

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

C1 Act amended (temp.) by [Social Security Act 1973 \(c. 38\)](#), s. 69(8)(b)

#### Commencement Information

II Act wholly in force at Royal Assent.

### *Provisions as to Benefit Funds*

#### [<sup>F1</sup>1 Rule against perpetuities not to apply to registered funds. **E+W+S**

The rule of law relating to perpetuities shall not apply and shall be deemed never to have applied to the trusts of any fund registered under this Act (in this Act referred to as a “registered fund”).]

#### Textual Amendments

F1 [S. 1](#) repealed (prosp.) by [Social Security Act 1973 \(c. 38\)](#), s. 101(2), [Sch. 28 Pt. I](#)

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

C2 [S. 1](#): power to continue conferred (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\)](#), ss. 5, 7(2), [Sch. 3 Pt. II para. 15](#)

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## [<sup>F2</sup>2] **Qualifications for registration of funds.** **E+W+S**

Subject to the provisions of this Act, any fund established under trusts subject to the laws of Great Britain, in connection with an undertaking or combination of undertakings carried on wholly or partly in Great Britain, being a fund of which the main purpose is either—

- (a) the provision of superannuation allowances on retirement to persons employed in the undertaking or combination of undertakings in connection with which the fund is established; or
- (b) the provision of pensions during widowhood to the widows of persons who are or have been so employed and of periodical allowances to or in respect of children of such persons; or
- (c) the assurance of capital sums on the death of persons who have been so employed,

shall be qualified for registration under this Act if the rules of the fund comply with the requirements set out in the Schedule to this Act.]

### Textual Amendments

**F2** S. 2 repealed (prosp.) by [Social Security Act 1973 \(c. 38\)](#), s. 101(2), [Sch. 28 Pt. I](#)

### Modifications etc. (not altering text)

**C3** S. 2: power to continue conferred (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\)](#), ss. 5, 7(2), [Sch. 3 Pt. II para.15](#)

## 3 **Registration.** **E+W+S**

- (1) Application for the registration under this Act of any fund may be made in writing addressed to the [<sup>F3</sup>Authority], signed by the trustees of the fund, and every such application shall specify the address at which communications concerning the fund will be received by the secretary (hereinafter referred to as “the address of the fund”) and shall be accompanied by two copies of the rules of the fund and a list of the names and addresses of the trustees of the fund.
- (2) Upon application being made in accordance with the provisions of this Act for the registration of any fund, the [<sup>F3</sup>Authority] shall, if [<sup>F3</sup>it] is satisfied that the fund is qualified for registration, register the fund and the rules thereof, and shall enter in the register the address of the fund and the names and addresses of the trustees.
- (3) In event of any amendment of the rules of a registered fund or of any change in the address of such a fund or in the names or addresses of the trustees thereof, the trustees shall, within twenty-one days after the making of the amendment or change, apply for the registration of the amendment or for the correction of the register in respect of the change, as the case may be, by sending an application in writing addressed to the [<sup>F3</sup>Authority], signed by the secretary of the fund, and accompanied, in the case of an amendment, by two copies thereof signed by one of the trustees of the fund, and in the case of any such change as aforesaid, by the necessary particulars for the correction of the register: no amendment in the rules of a registered fund shall be valid until it has been registered, but, upon application for the registration of any such amendment being made as aforesaid, the [<sup>F3</sup>Authority] shall register the amendment if [<sup>F3</sup>it] is satisfied that the rules as thereby amended would not have disqualified the fund for registration under this Act.

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- (4) Upon the registration under this Act of any fund or of an amendment of the rules of any registered fund, the [<sup>F3</sup>Authority] shall issue a certificate of registration, and any document purporting to be a certificate issued under this subsection and to be signed or sealed by the registrar shall be received in evidence and be deemed to be so issued, signed or sealed without further proof unless the contrary is shown, and shall be conclusive evidence of the fact certified.
- (5) The registration of a registered fund shall not be cancelled unless and until the fund has been wound up, but within fourteen days after the completion of the winding-up of any such fund the trustees shall send notice thereof in writing to the [<sup>F3</sup>Authority] and upon receiving notice that any registered fund has been wound up, the [<sup>F3</sup>Authority] shall, if [<sup>F3</sup>it] satisfied that the fund has been wound up and the assets thereof applied in accordance with the provisions of the rules of the fund, cancel the registration of the fund.

<sup>F4</sup>(6) .....

**Textual Amendments**

- F3** Words in s. 3(1)-(5) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 178(2)(a)  
**F4** S. 3(6) repealed (1.12.2001) by S.I. 2001/3649, arts. 1, 178(3)

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

- C4** S. 3 modified (temp.) by Social Security Act 1973 (c. 38), s. 69(8)(a)  
**C5** S. 3: power to continue conferred (1.7.1992) by Social Security (Consequential Provisions) Act 1992 (c. 6), ss. 5, 7(2), Sch. 3 Pt. II para. 15

**4 Power on registration of funds to delete provisions for avoiding the rule against perpetuities. E+W+S**

- (1) If upon an application for the registration under this Act of any fund whereof the rules were made before the commencement of this Act, the [<sup>F5</sup>Authority] is satisfied that the rules of the fund contain provisions which were inserted only for the purpose of avoiding the application to the trusts of the fund of the rule of law relating to perpetuities, [<sup>F5</sup>it] may, at the request of the trustees making the application, amend the rules by deleting those provisions therefrom and may, upon the like request, make any further amendments that are, in [<sup>F5</sup>its] opinion, proper in consequence of their deletion.
- (2) Where the rules of any fund are amended by the [<sup>F5</sup>Authority] under this section, the rules shall, when registered, have effect subject to the amendments so made.

**Textual Amendments**

- F5** Words in s. 4 substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 178(2)(b)

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

- C6** s. 4: power to continue conferred (1.7.1992) by Social Security (Consequential Provisions) Act 1992 (c. 6), ss. 5, 7(2), Sch. 3 Pt. II para. 15

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## 5 Accounts and reports of registered funds. **E+W+S**

- (1) The trustees of every registered fund shall, once in every year, cause to be prepared a statement of accounts and balance sheet of the fund which shall be audited by an auditor, and shall, at least once in every five years, cause an investigation and report to be made by an actuary as to the financial condition of the fund.
- (2) A copy of every statement of accounts, balance sheet and report prepared under this section signed by the auditor or actuary, as the case maybe, and by the secretary of the fund, shall be sent to the [<sup>F6</sup>Authority] within twelve months after the close of the period to which it relates.

### Textual Amendments

**F6** Words in s. 5(2) substituted (1.12.2001) by S.I. 2001/349, arts. 1, 178(2)(c)

### Modifications etc. (not altering text)

**C7** S. 5: power to continue conferred (1.7.1992) by Social Security (Consequential Provisions) Act 1992 (c. 6), ss. 5, 7(2), Sch. 3 Pt. II para. 15

## 6 Supplementary provisions as to powers of [<sup>F7</sup>Authority] . **E+W+S**

- (1) The [<sup>F7</sup>Authority] may require any person being a trustee, or officer of any fund for the registration of which under this Act application has been made, or of any registered fund, to furnish, either by statutory declaration or otherwise, any information or explanation which may be necessary for the proper exercise and performance of the powers and duties of the [<sup>F7</sup>Authority] under this Act.
- (2) In the event of any breach of trust being committed by the trustees of a registered fund by reason of their making any unauthorised investment or by reason of their committing a breach of any rule of the fund being a rule required by this Act as a qualification for registration of the fund thereunder, the [<sup>F8</sup>Authority], shall have the like remedies in all respects for the breach of trust as if [<sup>F8</sup>it] were a person beneficially interested in the fund.

### Textual Amendments

**F7** Words in s. 6(1) and the sidenote substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 178(2)(d)

**F8** Words in s. 6(2) substituted (1.12.2001) by S.I. 2001/3649, arts. 1, 178(4)

### Modifications etc. (not altering text)

**C8** S. 6: power to continue conferred (1.7.1992) by Social Security (Consequential Provisions) Act 1992 (c. 6), ss. 5, 7(2), Sch. 3 Pt. II para. 15

## 7 Penalties for defaults. **E+W+S**

- (1) If, in respect of any registered fund, default is made in complying with any of the requirements of this Act relating to accounts and reports, in making application in accordance with the requirements of this Act for the registration of any amendment of the rules or for correction of the register in respect of any change in the address of the fund or in the names and addresses of the trustees, or in sending to the [<sup>F9</sup>Authority]

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notice of the winding up of the fund, every trustee and the secretary of the fund shall be guilty of an offence under this Act:

Provided that it shall be a good defence to any proceedings against any person in respect of an offence under this subsection to prove that the default occurred without his consent or connivance and was not facilitated by any neglect on his part.

- (2) If any person lawfully required under this Act by the [<sup>F9</sup>Authority] to furnish any information or explanation which could with reasonable diligence be furnished by him, makes default in complying with any such requirement within fourteen days after written notice thereof has been delivered to him, he shall be guilty of an offence under this Act.
- (3) Any person guilty of an offence under this Act shall be liable on summary conviction to a fine not exceeding [<sup>F10</sup>level 1 on the standard scale], and, in the case of an offence consisting of a continuing default, to a fine not exceeding [<sup>F11</sup>£10] for every week in which the default has been continued.

#### Subordinate Legislation Made

- P1** S. 7: power to continue conferred (1.7.1992) by [Social Security \(consequential Provisions\) Act 1992 \(c. 6\), ss. 5, 7\(2\), Sch. 3 Pt. II para. 15](#)

#### Textual Amendments

- F9** Words in s. 7 substituted (1.12.2001) by [S.I. 2001/3649, arts. 1, 178\(5\)](#)
- F10** Words substituted by virtue of (E.W.) [Criminal Justice Act 1982 \(c.48, SIF 39:1\), s. 46](#) and (S.) [Criminal Procedure \(Scotland\) Act 1975 \(c.21, SIF 39:1\), s. 289G](#)
- F11** Words substituted by [Criminal Justice Act 1967 \(c. 80\), s. 92, Sch. 3 Pt. I](#)

## 8 Interpretation. **E+W+S**

In this Act, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say:—

[<sup>F12</sup>[<sup>F13</sup>“Actuary” means a person who satisfies the requirements which are specified by the Authority for the purposes of section 340(6) of the Financial Services and Markets Act 2000 in so far as that subsection relates to actuaries;]

“Auditor” means a person who is a qualified auditor for the purposes of the <sup>M1</sup>Friendly and Industrial and Provident Societies Act 1968;]

[<sup>F14</sup>“Authority” means the [<sup>F15</sup>Financial Conduct Authority] ;]

<sup>F16</sup>  
...

“Rules” means in relation to any fund, the instrument creating and regulating the trusts of the fund, and includes every such instrument:

“Trust” for the purpose of any application made or intended to be made for the registration under this Act of any fund or proposed fund, includes any trust which before such registration may be void by reason of the rule of law relating to perpetuities, and for that purpose the expression “trustee” shall be construed accordingly.]

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#### Textual Amendments

- F12** Definitions of “Actuary” and “Auditor” repealed and new definitions inserted by [Friendly and Industrial and Provident Societies Act 1968 \(c. 55\)](#), **Sch. 1 para. 9**
- F13** Definition of “actuary” in s. 8 substituted (1.12.2001) by [S.I. 2001/3649](#), **arts. 1**, 178(6)(a)
- F14** Definition of “Authority” in s. 8 inserted (1.12.2001) by [S.I. 2001/3649](#), **arts. 1**, 178(6)(c)
- F15** Words in s. 8 substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/636\)](#), **art. 1(2)**, **Sch. para. 1**
- F16** Definition of “Chief Registrar” and “Registrar” in s. 8 repealed (1.12.2001) by [S.I. 2001/3649](#), **arts. 1**, 178(6)(b)

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

- C9** S. 8: power to continue conferred (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\)](#), **ss. 5**, 7(2), **Sch. 3 Pt. II para. 15**
- S. 8: functions transferred to the Treasury (*prosp.*) by [S.I. 2001/2617](#), **arts. 2(b)** 4(1)(a), Sch. 1 Pt. I

#### Marginal Citations

- M1** 1968 c. 55.

### *Provisions as to Funds for the reduction of the National Debt*

## 9 Validation of trust funds for the reduction of National Debt. **U.K.**

- (1) Where by any instrument directions are given for any property being held upon trust and the income thereof being wholly accumulated (subject only to payment thereof of any costs, charges and expenses of the trustees and any remuneration to which they may be entitled) for any period to be determined under the provisions of the instrument, and for the property and accumulations being transferred at or before the expiration of that period to the National Debt Commissioners to be applied by them in reduction of the National Debt, then, unless the Treasury within three months after they receive notice of the taking effect of the instrument disclaim the interest of the National Debt Commissioners under the said directions, notwithstanding any Act or rule of law to the contrary, the directions shall be valid and effective and no person shall be entitled to require the transfer of any part of the property, income or accumulations otherwise than in accordance with the provisions of the instrument
- (2) It shall be the duty of the trustees of any such trust as aforesaid to render to the National Debt Commissioners such accounts and information relating to the trust as may reasonably be required by the Commissioners.

### *General*

**F17**<sup>10</sup> ..... **E+W+S**

#### Textual Amendments

- F17** S. 10 repealed (1.12.2001) by [S.I. 2001/3649](#), **arts. 1**, 178(7)

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**11 Short title and extent.** **E+W+S**

- (1) This Act may be cited as the Superannuation and other Trust Funds (Validation) Act 1927.
- (2) Section nine of this Act shall extend to Northern Ireland, [<sup>F18</sup>but save as aforesaid this Act shall not extend to Northern Ireland.]

**Textual Amendments**

**F18** Words repealed (prosp.) by [Social Security Act 1973 \(c. 38\)](#), s. 101(2), **Sch. 28 Pt. I**

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

**C10** [S. 11\(2\)](#): power to continue conferred (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\)](#), ss. 5, 7(2), **Sch. 3 Pt. II para. 15**

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## SCHEDULE **E+W+S**

Section 2.

### REQUIREMENTS AS TO RULES OF REGISTERED FUNDS

The rules of a fund qualified for registration under this Act must make provision for the following matters, that is to say:—

- (1) The whole of the objects for which the fund is established:
- (2) The appointment and removal of trustees and of a secretary:
- (3) The vesting in the trustees of all property belonging to the fund:
- (4) The investment in the names of the trustees of all capital moneys belonging to the fund and for authorising the investments, if any in addition to those authorised by law, in which the trustees may invest such moneys; so, however, that the rules of a fund may provide for the deposit of such moneys with a bank, and may also provide for their deposit with the employers of persons employed in the undertaking or combination of undertakings in connection with which the fund is established in the following cases, that is to say—
  - (a) where the rules so provided before the ninth day of November, nineteen hundred and twenty-seven;
  - (b) where the deposit of such moneys is authorised subject to the conditions that every employer with whom such moneys are deposited must be a body corporate having during each of the ten years last past before the date of any deposit paid a dividend or interest at a rate of not less than three per cent. on its ordinary shares, and that every such deposit must be secured by a charge on the whole or part of the assets of the undertaking carried on by such employer.
- (5) The making of contributions to the fund by the employers of persons employed in the undertaking or combination of undertakings in connection with which the fund is established:
- (6) The contributions payable to the fund, and the rates of benefit payable thereout or the method of calculating the benefits so payable:
- (7) The conditions on which persons may become and may cease to be respectively, contributors to and entitled to benefits from, the fund:
- (8) The circumstances in which the fund may be wound up and the manner in which the assets thereof are in that event to be applied:
- (9) The method by which the rules may be amended:
- (10) The preparation of all statements of accounts, balance sheets and reports required by this Act to be prepared:
- (11) The supply on demand to every person having any rights in the fund, being a person who is or has been employed in the undertaking or combination of undertakings in connection with which the fund is established, of a copy of the rules of the fund and of all amendments thereof, and of the latest statement of accounts, balance sheet and report prepared in accordance with the requirements of this Act.



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**Changes and effects yet to be applied to :**

- s. 1-8 repealed by 1973 c. 38 Sch. 28 Pt. 1
- s. 8 by S.I. 2001/2617 art. 4(1)2(b)Sch. 1 Pt. 1
- s. 11(2) words repealed by 1973 c. 38 Sch. 28 Pt. 1