
STATUTORY INSTRUMENTS

1987 No. 925

FINANCIAL SERVICES

**The Financial Services (Transfer of Functions
Relating to Friendly Societies) Order 1987**

Approved by both Houses of Parliament

Made - - - - 18th May 1987

Coming into force - - 19th May 1987

Whereas it appears to the Chief Registrar of Friendly Societies that The Securities and Investments Board Limited (“the transferee body”) is able and willing to discharge the functions transferred by this Order and that the requirements mentioned in paragraph 28(1)(b) of Schedule 11 to the Financial Services Act 1986(1) (“the Act”) are satisfied in the case of the transferee body;

And whereas the Secretary of State and the Chief Registrar of Friendly Societies have been furnished by the transferee body with a copy of the rules and regulations it proposes to make in the exercise of the functions transferred by this Order;

And whereas the Chief Registrar of Friendly Societies has required the transferee body to furnish him and the Secretary of State with a copy of any guidance intended to have continuing effect which it proposes to issue in writing or other legible form;

And whereas the Secretary of State and the Chief Registrar of Friendly Societies are both satisfied that the rules and regulations which the transferee body proposes to make in exercise of the functions transferred by this Order will—

- (i) afford investors an adequate level of protection,
- (ii) in the case of rules and regulations corresponding to those mentioned in Schedule 8 to the Act, comply with the principles set out in that Schedule, and
- (iii) take proper account of the supervision of friendly societies by the Chief Registrar of Friendly Societies under the enactments relating to friendly societies;

And whereas the Secretary of State has sent to the Director General of Fair Trading a copy of the rules and regulations and of any guidance which the Secretary of State is required to consider in making the decision whether he is precluded by paragraph 36(1) of Schedule 11 to the Act from giving his consent to the making of this Order together with such other information as the Secretary of State considered would assist the Director General of Fair Trading in discharging his functions under section 122(2) of the Act as it has effect by virtue of paragraph 36(2) and (5) of Schedule 11 to the Act;

And whereas the Secretary of State has had regard to the report made to him by the Director General of Fair Trading under section 122(2) of the Act, as it has effect by virtue of paragraph 36(2) and (5)

of Schedule 11 to the Act, in deciding whether he is precluded by paragraph 36(1) of Schedule 11 to the Act from giving his consent to the making of this Order;

And whereas the Secretary of State is satisfied that the rules, regulations and guidance of which copies have been furnished to him under paragraphs 29(a) and 30(1) of Schedule 11 to the Act do not have, and are not intended or likely to have, to any significant extent the effect of restricting, distorting or preventing competition;

And whereas a draft of this Order has been laid before and approved by resolution of each House of Parliament in accordance with paragraph 28(9) of Schedule 11 to the Act;

Now, therefore, the Chief Registrar of Friendly Societies, in exercise of the powers conferred on him by paragraph 28 of Schedule 11 and paragraph 12 of Schedule 15 to the Act and of all other powers enabling him in that behalf and with the consent of the Secretary of State, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Financial Services (Transfer of Functions Relating to Friendly Societies) Order 1987 and shall come into force on the day after the day on which it is made.

Transfer of functions

2. Subject to the provisions of article 3, all the functions of the Chief Registrar of Friendly Societies which are transferable in accordance with paragraph 28 of Schedule 11 to the Act (transfer of functions) are transferred to the transferee body.

3. The following functions are not transferred to the transferee body—

- (a) the function under paragraph 17 of Schedule 11 to the Act (power to make rules concerning indemnity); and
- (b) the function of revoking a recognition order in respect of a self-regulating organisation for friendly societies on the ground that the requirement mentioned in paragraph 4(2) of Schedule 11 to the Act (requirement that rules of the organisation should take proper account of friendly societies legislation) is not satisfied.

18th May 1987

J. M. Bridgeman
Chief Registrar of Friendly Societies

I consent to this Order.

18th May 1987

Paul Channon
One of Her Majesty's Principal Secretaries of
State

EXPLANATORY NOTE

(This note is not part of the Order)

This Order transfers, with two exceptions, the functions of the Chief Registrar of Friendly Societies under the Financial Services Act 1986 which are capable of being transferred under paragraph 28 of Schedule 11 to that Act to The Securities and Investments Board Limited. These functions include that of making a recognition order in respect of a self-regulating organisation for friendly societies, and that of making rules governing the conduct of business by regulated friendly societies.

The two functions which are not transferred by this Order are—

- (a) the function of making rules concerning indemnity against any claim in respect of any description of civil liability incurred by a regulated friendly society (under paragraph 17 of Schedule 11 to the Act); and
- (b) the function of revoking a recognition order in respect of a self-regulating organisation for friendly societies on the ground that the organisation's rules do not take proper account of friendly societies legislation (the power to revoke a recognition order is under paragraph 5 of Schedule 11 to the Act).