
STATUTORY INSTRUMENTS

1995 No. 710

FRIENDLY SOCIETIES

The Friendly Societies Act 1992 (Transitional and Consequential Provisions) Regulations 1995

<i>Made</i>	- - - -	<i>9th March 1995</i>
<i>Laid before Parliament</i>		<i>10th March 1995</i>
<i>Coming into force</i>	- -	<i>1st April 1995</i>

The Treasury, in exercise of the powers conferred on them by section 123 of the Friendly Societies Act 1992(1), and of all other powers enabling them in that behalf, hereby make the following Regulations—

Citation and commencement

1.—(1) These Regulations may be cited as the Friendly Societies Act 1992 (Transitional and Consequential Provisions) Regulations 1995.

(2) These Regulations shall come into force on 1st April 1995.

Interpretation

2. In these Regulations, “the 1992 Act” means the Friendly Societies Act 1992, and “friendly society”, “registered friendly society” and “registered branch” have the same meanings as in section 116 of the 1992 Act.

Transitional provisions

3. Notwithstanding that sections 41 (valuations), 42 (regulations and directions of Chief Registrar relating to valuations) and 43 (annual return) of the Friendly Societies Act 1974 have ceased to have effect in relation to registered friendly societies(2) and regulations 11 (annual actuarial investigations), 21 to 24 (valuation of solvency margins) and 60 (valuations, returns and fees) of the Friendly Societies (Long Term Insurance Business) Regulations 1987(3) have been revoked, those provisions shall continue to have effect in relation to the valuations, annual returns, or annual actuarial investigations of a registered friendly society for the year ending 31st December 1993 and

(1) 1992 c. 40.

(2) 1974 c. 46. Paragraph 12 of Schedule 16 to the Friendly Societies Act 1992 disapplying these provisions was commenced by S.I.1993/2213 (C.43).

(3) S. I. 1987/2132. The Friendly Societies (Long Term Insurance Business) Regulations 1987 were revoked by S.I. 1993/2520.

in particular the Chief Registrar may consent to a friendly society, for the purpose of its annual valuation return for the year ending 31st December 1993, valuing an implicit item in accordance with regulations 22 to 24 of those Regulations.

4.—(1) Notwithstanding the commencement of section 70 of the 1992 Act(4), instead of being required to give a true and fair view of the state of affairs of a friendly society or registered branch at the end of the financial year, the balance sheet of:

- (a) a friendly society or registered branch, in respect of the financial year ending 31st December 1994;
- (b) a friendly society to which section 47 of the 1992 Act applies, in respect of the financial year ending 31st December 1995 and any subsequent financial year prior to the year ending 31st December 1998 in which it is not required under section 47 to cause an investigation to be made by the appropriate actuary into the financial condition of the friendly society in respect of its insurance business; or
- (c) a registered branch, in respect of a financial year prior to the year ending 31st December 1998,

may give a true and fair view of the assets and current liabilities of the friendly society or registered branch and the resulting balances of its funds as at the end of the financial year to which the balance sheet relates.

(2) Where the balance sheet of a friendly society or registered branch is prepared in accordance with paragraph (1) above, the auditor's report required under section 73 of the 1992 Act(5), notwithstanding paragraph (b) of subsection (5) of that section, shall state whether in the auditor's opinion the balance sheet gives a true and fair view of the assets and current liabilities of the friendly society or registered branch and the resulting balances of its funds as at the end of the financial year.

Consequential provisions

5. Whereas section 2(1) of the Industrial Assurance Act 1923(6) and Article 4(1) of the Industrial Assurance (Northern Ireland) Order 1979(7) are repealed by Part I and Part II respectively of Schedule 22 to the 1992 Act(8), any reference to the Industrial Assurance Commissioner or the Industrial Assurance Commissioner for Northern Ireland or Deputy Industrial Assurance Commissioner for Northern Ireland in an enactment shall be construed as a reference to the Friendly Societies Commission.

6. In section 115 of the 1992 Act (provision as to information supplied for purposes of social security) after subsection (2) there shall be inserted the following subsection—

“(3) In this section, references to the Secretary of State shall be construed as including references to the Department of Health and Social Services for Northern Ireland.”

(4) Section 70 came into force in relation to incorporated friendly societies on 13th January 1993 under S.I. 1993/16 (C.1) and for all other purposes on 1st January 1994 under S.I. 1993/2213 (C.43).

(5) Section 73 came into force in relation to incorporated friendly societies on 13th January 1993 under S.I. 1993/16 (C.1) and for all other purposes on 1st January 1994 under S.I. 1993/2213 (C.43).

(6) 13 & 14 Geo. c.8.

(7) S.I. 1979/1574 (N.I. 13).

(8) These repeals came into force on 1st November 1994 under S.I. 1994/2543 (C.51).

9th March 1995

A. Mitchell
T. Wood
Two of the Lords Commissioners of Her
Majesty's Treasury

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the regulations)

These Regulations contain transitional and consequential provisions resulting from the coming into force of provisions of the Friendly Societies Act 1992 (the “1992 Act”).

Regulation 3 provides that certain provisions of the Friendly Societies Act 1974 and the Friendly Societies (Long Term Insurance Business) Regulations 1987 continue to have effect until returns and valuations under them have been completed for the year ending 31st December 1993.

Regulation 4 allows, for specified periods, a friendly society or registered branch to prepare its balance sheet as formerly permitted to registered societies and registered branches under section 30 of the Friendly Societies Act 1974 (viz true and fair view of the assets and current liabilities). The requirement imposed by section 70 of the 1992 Act (viz true and fair view of the state of affairs) reflects the requirements of the EC Insurance Accounts Directive (91/674), with which friendly societies which fall within the Directive must fully comply for the financial year ending 31st December 1995. Other friendly societies and registered branches are given three years within which to meet the new requirement, after which time friendly societies not falling within the Directive will have completed a triennial valuation of its assets and liabilities. The requirement for the auditor’s report is amended accordingly.

As a consequence of the offices of the Industrial Assurance Commissioner and the Industrial Assurance Commissioner for Northern Ireland being abolished and the 1992 Act transferring most of the functions of those offices to the Friendly Societies Commission, Regulation 5 provides that references in enactments to those offices are to be construed as references to the Friendly Societies Commission.

Regulation 6 ensures that information supplied for the purposes of social security in Northern Ireland can be continued to be supplied to friendly societies by including a reference to the Department of Health and Social Services which performs for Northern Ireland this function performed by the Secretary of State in Great Britain.