

SCHEDULE 2

PROVISIONS PRESCRIBED FOR THE MEMORANDUM OR ARTICLES OF A COMMUNITY INTEREST COMPANY LIMITED BY SHARES, OR LIMITED BY GUARANTEE WITH A SHARE CAPITAL

- 1.—(1) The company shall not transfer any of its assets other than for full consideration.
- (2) Provided the conditions in sub-paragraph (3) are satisfied, sub-paragraph (1) shall not apply to—
 - (a) the transfer of assets to any specified asset-locked body, or (with the consent of the Regulator) to any other asset-locked body; and
 - (b) the transfer of assets made for the benefit of the community other than by way of a transfer of assets to an asset-locked body.
- (3) The conditions are that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the memorandum or articles of the company.
- (4) In this paragraph—
 - (a) “asset-locked body” means—
 - (i) a community interest company, charity or Scottish charity; or
 - (ii) a body established outside Great Britain that is equivalent to any of those persons;
 - (b) “community” is to be construed in accordance with section 35(5) of the Companies (Audit, Investigations and Community Enterprise) Act 2004;
 - (c) “charity” (except in the phrase “Scottish charity”) has the meaning given by section 96 of the Charities Act 1993;
 - (d) “the Regulator” means the Regulator of Community Interest Companies;
 - (e) “Scottish charity” has the meaning given by section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990;
 - (f) “specified” means specified in the memorandum or articles of association of the company for the purposes of this paragraph; and
 - (g) “transfer” includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or a right over, any property.