
STATUTORY INSTRUMENTS

2006 No. 264

**The Community Benefit Societies (Restriction
on Use of Assets) Regulations 2006**

PART 2

Restriction on use of assets

Effect of restriction on use of assets

3. A prescribed community benefit society which has a restriction on use may not use or deal with its assets except in a case mentioned in section 1(2) of the 2003 Act.

Procedure for imposition of restriction on use

4.—(1) A restriction on use may be included in the rules of a prescribed community benefit society at the time when it is registered under the 1965 Act or may be adopted by the society in accordance with paragraph (2).

(2) A prescribed community benefit society may by special resolution amend its rules so as to adopt a restriction on use and, for this purpose, “special resolution” has the same meaning as in section 52 of the 1965 Act⁽¹⁾ (conversion into, amalgamation with, or transfer of engagements to company).

⁽¹⁾ Section 52(3), which defines “special resolution”, was substituted by section 1 of the Industrial and Provident Societies Act 2002 (c. 20).