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STATUTORY INSTRUMENTS

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**2006 No. 264**

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

**PART 3**

Prescribed societies, circumstances etc.

**Prescribed circumstances**

6. The following circumstances are prescribed pursuant to section 1(2)(b) of the 2003 Act—
- (a) use or dealing with a society's assets for the purposes of—
    - (i) paying a member the value of his withdrawable share capital or interest on such capital;
    - (ii) making any payment pursuant to section 24 (proceedings on death of nominator), 25 (provision for intestacy) or 26 (payments in respect of mentally incapable persons) of the 1965 Act;
    - (iii) making any payment in accordance with the rules of the society to trustees of the property of bankrupt members or, in Scotland, members whose estate has been sequestrated; or
    - (iv) where the society is to be dissolved in accordance with section 55 of the 1965 Act (dissolution of registered society) or wound up under the Insolvency Act 1986<sup>(1)</sup>, paying its creditors; and
  - (b) the transfer of a society's assets to—
    - (i) a prescribed community benefit society which has a restriction on use and which will apply that restriction to any assets so transferred;
    - (ii) a community interest company;
    - (iii) a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
    - (iv) a charity (including a community benefit society that is a charity); or
    - (v) a body, established in Northern Ireland or a State other than the United Kingdom, that is equivalent to any of those persons.