
STATUTORY INSTRUMENTS

2017 No. 1232

**The Charitable Incorporated Organisations
(Conversion) Regulations 2017**

PART 2

CONVERSION OF CIC INTO CIO

Application for conversion by CIC

4.—(1) Subject to paragraph (2), a CIC may apply to the Commission to be converted into a CIO, and for the CIO's registration as a charity, in accordance with this regulation.

(2) Such an application may not be made by a CIC—

- (a) having a share capital if any of the shares are not fully paid up; or
- (b) where the resulting charity would be an exempt charity.

(3) The CIC must supply the Commission with—

- (a) a copy of the conversion resolution;
- (b) a copy of the proposed constitution of the CIO;
- (c) if the proposed constitution of the CIO includes provision for entrenchment, a statement specifying that fact;
- (d) a copy of a resolution of the CIC adopting the proposed constitution of the CIO;
- (e) such other documents or information as the Commission may require for the purposes of the application.

(4) A conversion resolution must be—

- (a) a special resolution of the CIC; or
- (b) a unanimous written resolution signed by or on behalf of all the members of the CIC who would be entitled to vote on a special resolution.

(5) Chapter 3 of Part 3 of the 2006 Act (resolutions and agreements affecting a company's constitution) does not apply to a conversion resolution.

(6) In the case of an application for CIC conversion by a CIC which is a company limited by guarantee (whether or not it also has a share capital), the proposed constitution of the CIO must (unless paragraph (8) applies) provide—

- (a) for the CIO's members to be liable to contribute to its assets if it is wound up; and
- (b) for the amount up to which they are so liable.

(7) The amount referred to in paragraph (6)(a) must not be less than the amount up to which the CIC's members were liable to contribute to the assets of the CIC if it were wound up.

(8) Where the amount each member of the CIC is liable to contribute to its assets on its winding up is £10 or less—

- (a) the guarantee is extinguished on the conversion of the CIC into a CIO; and

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(b) the requirements of paragraphs (6) and (7) do not apply.