

Chapter 3

Society registration

3.5 Conversion from a friendly society

- 3.5.1** **G** Societies registered under the Friendly Societies Act 1974 as working men's clubs, benevolent societies and specially authorised societies can convert to become co-operative societies or community benefit societies. Societies registered under the Friendly Societies Act 1974 as friendly societies cannot convert.
[Note: s84A Friendly Societies Act 1974]
- 3.5.2** **G** The effect of conversion is that the society becomes either a co-operative society or a community benefit society under the Act and so an incorporated legal entity. Its registration under the Friendly Societies Act 1974 is cancelled.
- 3.5.3** **G** When a society is registered under the Act, all the property held immediately before that registration by any person in trust for the society or its branches becomes the property of the new society.
- 3.5.4** **G** The new society continues to be entitled to all rights, and is subject to all liabilities, of the society previously registered under the Friendly Societies Act 1974.
- 3.5.5** **G** Within 90 days of the society being registered, the trustees must deliver the society's property and documents relating to the affairs of the society to the society's registered office.
- 3.5.6** **G** **Conversion application process**
The proposal to register under the Act must be voted on by members of the society in the same manner and by the same procedure as would be applied for rule changes.
- 3.5.7** **G** A new registration form must be completed to convert a society under the Act. The applicant should choose the 'converting from a friendly society' option.
[Note: <http://www.fca.org.uk/your-fca/documents/forms/registering-a-new-industrial-and-provident-society-forms>]
- 3.5.8** **G** The secretary and three members must sign two copies of the rules for the new society, and include them with the application.

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The society must decide whether to apply to be a co-operative society or a community benefit society. ■ RFCCBS 4 and 5 of this document will help the society decide whether to apply to be a co-operative society or a community benefit society. As general guidance:

- (1) **Working men's clubs** which benefit members, require membership to make use of facilities, or which would distribute money to members on dissolution, could register as co-operative societies.
- (2) **Benevolent societies** that do not require people to be members in order to get benefits, and which do not distribute money to members on dissolution, may be able to register as community benefit societies. However, benevolent societies which only provide benefits to members are more likely to meet the criteria for registering as a co-operative society.
- (3) **Specially authorised societies** are generally more likely to already meet the criteria for registering a co-operative society.

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There is no fee for converting to a society because the society is already paying a periodic fee to us (see ■ RFCCBS 3.3.6 for more information).