STATUTORY INSTRUMENTS

1999 No. 736

FRIENDLY SOCIETIES

The Friendly Societies (General Charge and Fees) Regulations 1999

Made - - - -	*9th March 1999*
Laid before Parliament	*10th March 1999*
Coming into force	*1st April 1999*

The Treasury, in exercise of the powers conferred on them by sections 2(2) and (4) and 114(2) of the Friendly Societies Act 1992**(a)** and section 104(1) of the Friendly Societies Act 1974**(b)**, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Friendly Societies (General Charge and Fees) Regulations 1999 and shall come into force on 1st April 1999.

Interpretation

2. In these Regulations:
"the 1974 Act" means the Friendly Societies Act 1974;
"the 1992 Act" means the Friendly Societies Act 1992;
"Accounting year" means the period of 12 months ending with 31st March;
"amalgamation" means an amalgamation under section 85 of the 1992 Act or under section 82 of the 1974 Act;
"the central office" has the meaning given in section 119 of the 1992 Act;
"the Chief Registrar" means the Chief Registrar of Friendly Societies;
"the Commission" means the Friendly Societies Commission;
"conversion" means a conversion under section 91 of the 1992 Act or under section 84 of the 1974 Act;
"society" means a society registered under the 1974 Act or a society incorporated under the 1992 Act; and
"transfer of engagements" means a transfer of engagements under section 86 of the 1992 Act or under section 82 of the 1974 Act.

General charge in respect of the accounting year beginning 1st April 1999

3.—(1) A friendly society which on 1st April 1999 is a registered or incorporated society shall pay to the Commission, with respect to the accounting year beginning on that date, a sum determined in accordance with Schedule 1 to these Regulations using the value of the friendly society's specified income for the year ended 31st December 1998 as determined in accordance with that Schedule.

(2) Where, after 31st December 1998 and before 1st April 1999, a friendly society has transferred its engagements to another friendly society, the transferee friendly society shall, in addition to any other sum payable by it under this regulation, pay, with respect to the accounting

(a) 1992 c. 40.
(b) 1974 c. 46.

year beginning 1st April 1999, any sum which would have been payable by the transferor friendly society had it been subject to paragraph (1) above.

Payment of the general charge

4. Any sums payable under regulation 3 above by a friendly society shall be paid on or before 1st November 1999.

Fees in respect of particular functions of central office, Chief Registrar and Commission

5.—(1) Upon making an application of a nature specified in Schedule 2 to these Regulations, the person who makes that application shall pay the relevant fee specified in that Schedule in respect of the examination of the application by the central office, the Chief Registrar or the Commission (as the case may be).

(2) Any sums payable under paragraph (1) above shall be paid, in respect of functions performed by the Chief Registrar or the central office, to the Chief Registrar and in respect of functions performed by the Commission, to the Commission.

(3) The fees specified at paragraphs 20 and 22 in Schedule 2 to these Regulations may be reduced by the Commission to the fees specified at paragraphs 21 and 23 of Schedule 2 in any case where application is made to the Commission by any of the societies concerned in a proposed amalgamation or transfer of engagements, as the case may be, which is a society to which section 37(2) or (3) of the 1992 Act does not apply, to the effect that such society would otherwise be deterred from proceeding with such amalgamation or transfer of engagements, if the fee specified at paragraph 20 or 22, as the case may be, were to apply.

(4) Where it is proposed to transfer the engagements of one friendly society to another, and the proposed transferee:

(i) applies to the Commission:

(a) for an extension of its authorisation under section 32 of the 1992 Act in order that, if the Commission confirms the transfer, it will be authorised to fulfil the engagements proposed to be transferred to it; and

(b) for a reduction of the fee specified at paragraph 3 of Schedule 2 to these Regulations;

and

(ii) certifies to the Commission that it does not intend to effect any insurance contracts or contracts for non-insurance benefits (as the case may be) pursuant to the extension of its authorisation;

the fee may be reduced by the Commission to that specified in paragraph 4 of Schedule 2.

Inspection and copying fees

6. Any person wishing to inspect or to be furnished with a copy of any document in the custody of the central office shall, upon making such request to inspect or to be furnished with a copy, as the case may be, pay to the Chief Registrar the relevant fee specified in Schedule 3 to these Regulations.

Revocation of regulations relating to preceding accounting year

7. The Friendly Societies (General Charge and Fees) Regulations 1998**(a)** are revoked.

David Jamieson
Jim Dowd

Date 9th March 1999 — Two of the Lords Commissioners of Her Majesty's Treasury

(a) S.I. 1998/673.

SCHEDULE 1

Regulation 3

GENERAL CHARGE PAYABLE BY SOCIETIES

1. The sum specified in this Schedule is the sum determined by the formula–

$$A \times B$$

where A = 0.435/100, and
B = the specified income for the year ended 31st December 1998 as determined in accordance with paragrpahs 2 to 4 below provided that–

(a) where the resultant sum exceeds £36,000, the sum is £36,000; and

(b) where the resultant sum is less than £300, the sum is £300.

Specified income

2. In respect of a society to which section 37(2) or (3) of the 1992 Act applies, which is an incorporated friendly society or which carries on reinsurance business and which, for the year ended 31st December 1998, was required under section 69 of the 1992 Act to prepare annual accounts in the form specified in section 70 of the 1992 Act and in the Friendly Societies (Accounts and Related Provisions) Regulations 1994**(a)** ("the Accounts Regulations"), the value of the specified income for that year is the sum of the amounts entered as income items I.1, I.2a.(b), II.1, II.2.(b) and III.3(b) in the income and expenditure account prepared by the society in accordance with Part I of Schedule 1 to the Accounts Regulations and the specified income for the year ended 31st December 1998 of every registered branch of the society as determined in accordance with paragraph 4 below.

3. In respect of a society to which section 37(2) or (3) of the 1992 Act does not apply, which is a registered society and which does not carry on reinsurance business and which, for the year ended 31st December 1998, was required under section 69 of the 1992 Act to prepare annual accounts in the form specified in section 70 of the 1992 Act and in the Accounts Regulations, the value of the specified income for that year is the sum of the amounts entered as income items 1.(a), 1.(b)(i) and 1.(c) in the income and expenditure account prepared by the society in accordance with Part 1 of Schedule 7 to the Accounts Regulations and the specified income for the year ended 31st December 1998 of every registered branch of the society as determined in accordance with paragraph 4 below.

4. In respect of a registered branch which, for the year ended 31st December 1998, was required under section 69 of the 1992 Act to prepare annual accounts in the form specified in section 70 of the 1992 Act and in the Accounts Regulations, the value of the specified income for that year is the sum of the amounts entered as income items 1.(a), 1.(b)(i), and 1.(c) in the income and expenditure account prepared by the branch in accordance with Part 1 of Schedule 7 to the Accounts Regulations or which would be so entered were the branch required to prepare its income and expenditure account in accordance with that part of that Schedule but leaving out of account the amount of any income received from the central body having control of the branch or from another registered branch of the society.

SCHEDULE 2

Regulation 5

FEE PAYABLE FOR CENTRAL OFFICE, CHIEF REGISTRAR OR COMMISSION FUNCTIONS

Nature of application/function	*fee payable* £
1. For the incorporation of a friendly society and the registration of the friendly society's rules–	
(a) where it relates to a new friendly society	900
(b) where it relates to an existing society	750

(a) S.I. 1994/1983.

2.	For the registration of a branch	200
3.	For the grant of authorisation under section 32 of the 1992 Act in respect of each class of insurance business and each description of non-insurance business authorised	1,090
4.	For the grant of authorisation under section 33 of the 1992 Act	180
5.	For the registration of an annual return or a set of annual accounts (except where the society or branch concerned has by written notice sent to the central office irrevocably elected to pay the fees specified in paragraph 6 of this Schedule)–	
	(a) in the case of an annual return or a set of annual accounts for a year of account ended on or before 31st December 1998	
	(i) where it relates to a society	125
	(ii) where it relates to a branch	55
	(b) in the case of an annual return or a set of annual accounts for any subsequent year of account–	
	(i) where it relates to a society	140
	(ii) where it relates to a branch	65
6.	The fees specified in this paragraph shall be payable where the society or branch concerned has by notice made an election under paragraph 5 of this Schedule:	
	(a) for the acknowledgement of registration of an amendment of rules (including approval of name in the case of an amendment effecting a change of name of a society or branch)–	
	(i) if the amendment substitutes an entire set of rules for the existing set of rules (except as provided in paragraph 19 of this Schedule)–	
	(A) where made by a society	500
	(B) where made by a branch	160
	(ii) if the amendment does not substitute an entire set of rules for the existing set of rules	
	(A) where made by a society	250
	(B) where made by a branch	65
	(b) for the acknowledgement of registration of a notice of change in the situation of a registered office–	
	(A) of a society	40
	(B) of a branch	40
	(c) for the acknowledgement issued in respect of a notice of appointment of a trustee or trustees–	
	(A) of a society	40
	(B) of a branch	40
	(d) for the acknowledgement of registration of a change of name of an incorporated friendly society	175
	(e) for the acknowledgement of registration of an alteration of the memorandum of an incorporated friendly society.	275
7.	For the registration of a special resolution–	
	(a) where the special resolution relates to an amalgamation or a transfer of engagements	385
	(b) where the special resolution relates to a conversion	650
8.	For the appointment of an inspector or calling of a special meeting by the Chief Registrar	250
9.	For the calling of a special meeting by the Commission	550
10.	For the appointment of an inspector by the Commission	220
11.	For the registration of an instrument of dissolution or alteration therein–	
	(A) of a society	440
	(B) of a branch	320
12.	For an award of dissolution where the matter is settled without a hearing or upon one hearing without an adjournment	55
13.	For an award of dissolution where more than one hearing is required or where the hearing is adjourned– The same fee as where the matter is settled upon one hearing without adjournment and in addition for every hearing after the first and for every adjournment	55
14.	For a direction for division or appropriation of the assets of a society–	
	(a) where the value of the assets is £1,000 or less	20% of that value
	(b) where the value of the assets exceeds £1,000	£200 with an additional £10 for every £100 or part thereof in excess of £1,000

15.	For an investigation into the affairs of a society or branch with a view to an award of dissolution thereof	900
16.	For a document required to be signed by a Registrar, or to bear the seal of the central office, not chargeable with any other fee, provided that such fee shall not be paid by a society or branch which has not by notice elected as in paragraph 6 of this Schedule	45
17.	For the approval of a form of model rules relating to a society registered as a working men's club submitted by a sponsoring association or body	880
18.	For the approval of a form of model rules relating to a society registered as a working men's club submitted by a sponsoring association or body where such form of model rules amends an already approved form of model rules and contains a maximum of six amendments	275
19.	For the registration of an amendment of rules of a society registered as a working men's club, being a substitution of an entire set of rules for the existing set of rules, where the entire set of rules is in the form of model rules and where the application for registration is made through and endorsed by the association or body which has sponsored the rules contained in the said model	90
20.	For the confirmation of an amalgamation or transfer of engagements	2,180
21.	For the confirmation of an amalgamation or transfer of engagements where a society which is not a society to which section 37(2) or (3) of the 1992 Act applies has made an application which is accepted by the Commission for a reduction in the fee otherwise payable	220
22.	For the approval by the Commission of a statement relating to an amalgamation or a transfer of engagements required to be sent by a society to its members under paragraph 1 of Schedule 15 to the 1992 Act or of a statement relating to a conversion required to be sent by a society to its members under paragraph 3 of that Schedule	2,180
23.	For the approval by the Commission of a statement required to be sent by a society to its members as described in paragraph 22 of this Schedule where a society which is not a society to which section 37(2) or (3) of the 1992 Act applies has made an application which is accepted by the Commission for a reduction in the fee otherwise payable	330
24.	For the registration of a copy of an instrument of transfer of engagements	180
25.	For the registration of a scheme under section 6(5) of the 1992 Act	120
26.	For a request to cancel the registration of the society	50
27.	For the confirmation of a conversion	2,180
28.	For the consent of the Commission that an instrument of dissolution or alteration shall be of effect for the purpose of effecting or facilitating a transfer of engagements to any other friendly society or to a company	2,180
29.	For the consent of the Commission for a society to form or acquire control of a body corporate jointly with a person other than another incorporated friendly society	2,180
30.	For the consent of the Commission for a society to undertake to fulfil the engagements of another society by a special resolution of the committee of management	330
31.	For the grant of a dispensation by the Commission of the requirements of section 47(1) to (6) of the 1992 Act.	52
32.	For a direction to a society by notice extending the period (by not more than 3 months) within which the society shall send three copies of the abstract of the actuary's report which it is required to send to the Commission under section 46(3) of the 1992 Act.	52
33.	For a direction to a society by notice extending the period (by not more than 6 months) within which the society shall cause to be made and sent to the Commission the abstract of the actuary's report which under section 47(2) of the 1992 Act should be made and sent to the Commission.	52
34.	For the extension by the Commission of the period within which, under regulation 57(1) of the Friendly Societies (Insurance Business) Regulations 1994**(a)**, a society is required to deposit three copies of the statement or underwriting account prepared by the society under regulation 55(1), (3) or (5), or 56(1) or (2) of those Regulations.	52
35.	For the consent of the Commission for a society to value implicit items in accordance with the provisions of regulations 9 to 11, with respect to long term business, and regulation 11, with respect to general business, of the Friendly Societies (Insurance Business) Regulations 1994.	210

(a) S.I. 1994/1981, as amended by S.I.s 1996/3008, 1997/966, 1997/2849 and 1998/3034.

SCHEDULE 3

Facility sought		*Fee payable* £
1.	The inspection on any particular day of documents relating to a single society or branch.	8.00
2.	For the provision of a copy of the whole of or an extract from any document–	
	(a) where the copy is not certified as a true copy of a document in the custody of the Registrar–	
	(i) where the copy does not exceed 5 pages, or for the first 5 pages of a copy which exceeds 5 pages	3.00
	(ii) for every page of a copy after the fifth page	0.60
	(b) where the copy is certified as provided in sub-paragraph (a) above (as an addition to whatever fee would be payable if the copy were not so certified)	8.00
3.	In addition to any fee payable under paragraph 2 above, for the provision of a copy, or copies, of the whole of, or an extract from, any document by post	5.00

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for a general charge to be paid by friendly societies towards the expenses of the Friendly Societies Commission. The charge is levied with respect to the Commission's accounting year beginning 1st April 1999 and is expected to raise £1.26 million (an increase of 26 per cent from that raised for the accounting year beginning 1st April 1998). In accordance with Schedule 1, each friendly society is required to pay 0.435% of its "specified income" for the year to 31st December 1998, subject to a minimum of £300 and a maximum of £36,000. (Under the Friendly Societies (Fees and Charges) Regulations 1998 ("the 1998 Regulations") the percentage was 0.35%, and the minimum and maximum £250 and £29,000 respectively. Where a society has a registered branch, the "specified income" includes that of the branch, save to the extent that the specified income of the branch comprises income received from the central body or from another registered branch of the society.

These Regulations also, by regulations 5 and 6 and Schedules 2 and 3, require and prescribe fees to be paid for matters transacted under the Friendly Societies Act 1974 or the Friendly Societies Act 1992. These have been increased by an average of 6.6 per cent. The increases are confined to certain items in Schedule 2, and the following table shows the relevant amounts payable under the 1998 Regulations and under these Regulations.

Paragraph in Schedule 2 to the 1999 Regulations	Fee under the 1998 Regulations £	Fee under the 1999 Regulations £
1. For the incorporation of a friendly society and the registration of the friendly society's rules–		
(a) where it relates to a new friendly society,	800	900
(b) where it relates to an existing society	675	750
2. For the registration of a branch	180	200
3. For the grant of authorisation under section 32 of the 1992 Act in respect of each class of insurance business and each description of non-insurance business authorised	1,060	1,090
4. For the grant of authorisation under section 33 of the 1992 Act.	175	180
5. For the registration of an annual return or a set of annual accounts (except where the society or branch concerned has by written notice sent to the central office irrevocably elected to pay the fees specified in paragraph 6 of this Schedule)–		
(a) in the case of an annual return or a set of annual accounts for a year of account ended on or before 31st December 1998		
(i) where it relates to a society	115	125
(ii) where it relates to a branch	50	55
(b) in the case of an annual return or a set of annual accounts for any subsequent year of account–		
(i) where it relates to a society	125	140
(ii) where it relates to a branch	55	65
6. The fees specified in this paragraph shall be payable where the society or branch concerned has by notice made an election under paragraph 5 of this Schedule:		
(a) for the acknowledgement of registration of an amendment of rules (including approval of name in the case of an amendment effecting a change of name of a society or branch)–		
(i) if the amendment substitutes an entire set of rules for the existing set of rules (except as provided in paragraph 19 of this Schedule)–		
(A) where made by a society	450	500
(B) where made by a branch	145	160
(ii) if the amendment does not substitute an entire set of rules for the existing set of rules		
(A) where made by a society	225	250
(B) where made by a branch	60	65

	(e) for the acknowledgement of registration of an alteration of the memorandum of an incorporated friendly society	250	275
7.	For the registration of a special resolution–		
	(a) where the special resolution relates to an amalgamation or a transfer of engagements	350	385
	(b) where the special resolution relates to a conversion	575	650
8.	For the appointment of an inspector or calling of a special meeting by the Chief Registrar	225	250
9.	For the calling of a special meeting by the Commission	535	550
10.	For the appointment of an inspector by the Commission	215	220
11.	For the registration of an instrument of dissolution or alteration therein–		
	(A) of a society	400	440
	(B) of a branch	290	320
16.	For a document required to be signed by a Registrar, or to bear the seal of the central office, not chargeable with any other fee, provided that such fee shall not be paid by a society or branch which has not by notice elected as in paragraph 6 of this Schedule	40	45
17.	For the approval of a form of model rules relating to a society registered as a working men's club submitted by a sponsoring association or body	800	880
18.	For the approval of a form of model rules relating to a society registered as a working men's club submitted by a sponsoring association or body where such form of model rules amends an already approved form of model rule and contains a maximum of six amendments	250	275
20.	For the confirmation of an amalgamation or a transfer of engagements	2,120	2,180
21.	For the confirmation of an amalgamation or transfer of engagements where a society which is not a society to which section 37(2) or (3) of the 1992 Act applies has made an application which is accepted by the Commission for a reduction in the fee otherwise payable	215	220
22.	For the approval by the Commission of a statement relating to an amalgamation or a transfer of engagements required to be sent by a society to its members under paragraph 1 of Schedule 15 to the 1992 Act or of a statement relating to a conversion required to be sent by a society to its members under paragraph 3 of that Schedule	2,120	2,180
23.	For the approval by the Commission of a statement required to be sent by a society to its members as described in paragraph 22 of this Schedule where a society which is not a society to which section 37(2) or (3) of the 1992 Act applies has made an application which is accepted by the Commission for a reduction in the fee otherwise payable	320	330
25.	For the registration of a scheme under section 6(5) of the 1992 Act	110	120
26.	For a request to cancel the registration of the society	40	50
27.	For the confirmation of a conversion	2,120	2,180
28.	For the consent of the Commission that an instrument of dissolution or alteration shall be of effect for the purpose of effecting or facilitating a transfer of engagements to any other friendly society or to a company	2,120	2,180
29.	For the consent of the Commission for a society to form or acquire control of a body corporate jointly with a person other than another incorporated friendly society.	2,120	2,180
30.	For the consent of the Commission for a society to undertake to fulfil the engagements of another society by a special resolution of the committee of management	320	330
31.	For the grant of a dispensation by the Commission of the requirements of section 47(1) to (6) of the 1992 Act	50	52
32.	For a direction to a society by notice extending the period (by not more than 3 months) within which the society shall send three copies of the abstract of the actuary's report which it is required to send to the Commission under section 46(3) of the 1992 Act	50	52

33.	For a direction to a society by notice extending the period (by not more than 6 months) within which the society shall cause to be made and sent to the Commission the abstract of the actuary's report which under s.47(2) of the 1992 Act should be made and sent to the Commission	50	52
34.	For the extension by the Commission of the period within which, under regulation 57(1) of the Friendly Societies (Insurance Business) Regulations 1994, a society is required to deposit three copies of the statement or underwriting account prepared by the society under regulation 55(1), (3) or (5), or 56(1) or (2) of those Regulations	50	52
35.	For the consent of the Commission for a society to value implicit items in accordance with the provisions of regulations 9 to 11, with respect to long term business, and regulation 11, with respect to general business, of the Friendly Societies (Insurance Business) Regulations 1994	205	210

The Regulations also revoke the Friendly Societies (Fees and Charges) Regulations 1998.
A regulatory impact assessment of the effect that this instrument would have on the cost of business is available from the Secretariat, Friendly Societies Commission, 25 North Colonnade, Canary Wharf, London E14 5HS.

STATUTORY INSTRUMENTS

1999 No. 736

FRIENDLY SOCIETIES

The Friendly Societies (General Charge and Fees) Regulations 1999

£2.50

© Crown copyright 1999

Printed and published in the UK by The Stationery Office Limited
under the authority and superintendence of Carol Tullo,
Controller of Her Majesty's Stationery Office and Queen's Printer of
Acts of Parliament

WO 4398 3/99 ON (MFK)