



## News release – Embargoed until 15:00 hours on 26 September 2013

### **Consultation on co-operative and community benefit societies – a consolidation of the law**

The legislation governing co-operative and community benefit societies is complex, and some of it is out of date. The Law Commission for England and Wales and the Scottish Law Commission are opening a consultation, seeking views on a draft Bill to consolidate this area of law.

The legislation on co-operative and community benefit societies (formerly known as industrial and provident societies) originates in law dating back over 100 years. At its centre is the Industrial and Provident Societies Act 1965, itself a consolidation of earlier legislation. The Act has since been amended and supplemented by other Acts and secondary legislation.

The purpose of a consolidation is to bring together all legislation on a subject into a single Act while preserving the effect of the current law. The draft Co-operative and Community Benefit Societies Bill consolidates the 1965 Act and subsequent legislation. The Bill modernises and simplifies the language of earlier legislation and repeals provisions that no longer have any practical effect.

The purpose of the Commissions' consultation is to seek views on the following questions:

- Does the draft Bill accurately reproduce the effect of the existing legislation?
- Are the changes proposed in the draft Law Commission recommendations published with the Bill correct?

Sir David Lloyd Jones, Chairman of the Law Commission for England and Wales, said:

“Co-operative and community benefit societies have an important role to play in our communities. The existing legislative framework that governs these bodies is fragmented and out of date. It poses difficulties for existing societies and may well be a deterrent to new co-operatives and public benefit societies being formed.

The Commissions are working together with the Treasury to help modernise and simplify the law in this area, to make it clearer, more logical and intelligible, and easier for people to use.”

Lady Clark of Calton, Chairman of the Scottish Law Commission, said:

“The legislation relating to co-operative and community benefit societies originates in the 19th Century. It has been much amended over the years, in part to keep pace with company law, the regulation of financial services and European Union law.

All this legislation is important but the framework it has left us with is overly complex. Our consolidation will bring together all the primary legislation into one Bill, preserving the effect of the existing law while making it better able to meet the demands of modern society.”

The consultation is open until 15 November 2013.

[ends]

### **Notes for editors**

1. The Law Commission and the Scottish Law Commission are non-political independent bodies, set up by Parliament in 1965 to keep all the law of England and Wales and of Scotland under review, and to recommend reform where it is needed. Their functions include the consolidation of statute law.
2. For more details on this project, visit [www.lawcom.gov.uk](http://www.lawcom.gov.uk)
3. For all press queries please contact:  
Phil Hodgson, Head of External Relations: 020 3334 0230  
Jackie Samuel: 020 3334 0216  
Email: [communications@lawcommission.gsi.gov.uk](mailto:communications@lawcommission.gsi.gov.uk)