

Chapter 3

Society registration

3.6 Conversion from a company

- 3.6.1** **G** A company can convert to become a society. Converting from a community interest company is dealt with separately below.
- 3.6.2** **G** The company must pass a special resolution. The resolution should:
- (1) be accompanied by a copy of the rules the society will have;
 - (2) appoint three members of the company to sign the rules;
 - (3) decide if those signatories are authorised to accept any proposals from us to alter the rules or if only a general meeting of the company can accept them;
 - (4) deal with the position of members who hold shares in the company of a nominal value that exceeds that statutory limit on shareholding in a society. Where the nominal value of the company shares held by any member is in excess of the statutory maximum shareholding in a society, the resolution can provide for the conversions of the excess shares into transferable loan stock in the society. The interest rate and repayment terms should be set by the resolution.
- 3.6.3** **G** If we are satisfied with the resolution and rules, we will issue an acknowledgement of registration and a certificate confirming the rules have been registered.
- 3.6.4** **G** We will send a copy of the resolution and our registration certificate to Companies House. When Companies House has registered this resolution and certificate, the conversion will formally take effect.
- 3.6.5** **G** At this point, the company's registration as a company becomes void and Companies House will cancel it.