

Chapter 9

Our powers

9.8 Powers against community benefit societies with statutory asset locks

- 9.8.1** **G** Community benefit societies can have a statutory asset lock. This is designed to ensure that the value of any assets is used for the benefit of the community. Find more detail from ■ RFCCBS 3.4.12.
- 9.8.2** **G** We have additional powers under secondary legislation where an asset lock is in place:
- (1) **Warning and enforcement notifications:** If we consider that a community benefit society has breached its asset lock rules we can issue an enforcement notification. This will impose requirements on the society to take all necessary steps so that the society complies with its asset lock. These requirements may include an order to bring assets back into the society and not to breach the limits in future.
 - (2) **Order restitution by officers:** If we consider that a breach of the asset lock has caused financial loss on the society and one or more officers of the society was knowingly concerned in the breach, we can require the relevant officer(s) of the society to pay to the society what we think is a fair amount in respect of the loss suffered.
 - (3) **Removal of officers:** We can remove an officer if they were knowingly concerned with the breach.
- 9.8.3** **G** Our approach in deciding whether and how to exercise these powers is based on the principle that these powers should be exercised only to the extent necessary to maintain confidence in the community benefit society legal form.