



COVID-19 General Guidance for Mutual Societies

The Financial Conduct Authority (FCA) have issued the following general guidance in their role as registering authority for mutual societies to all sponsoring bodies and regular submitters of applications, in light of the current Government guidance relating to Covid-19.

Paper applications

Applications submitted either through the [Mutuals Society Portal](#), or by email to mutual.societies@fca.org.uk (or to mutualsannrtns@fca.org.uk for annual returns) will be processed significantly quicker than applications submitted by post.

The FCA strongly advise against submitting applications by post at this time.

Signatures

The FCA will accept electronic signatures on all applications – including accounts submissions.

Statutory declarations

A number of FCA application forms (such as rule amendments) require the completion of a statutory declaration. For the time being they will no longer require statutory declaration forms to be fully completed.

They will not require the form to be signed by a solicitor/commissioner for oaths/notary public or justice of the peace but will still ask that an officer/secretary of the society completes the first half of the form.

The FCA will accept an electronic signature on these forms.

Recording of charges

The FCA currently ask that charge instruments are certified as a true copy. At this time the FCA will accept electronic certification.

Annual returns and accounts

The FCA are aware that some societies may experience difficulties submitting their annual returns and accounts. Societies have raised the fact that Companies House have announced a 3 month extension to the filing deadline for companies, and we will ask whether the FCA will do the same.



Requirements to submit annual returns and accounts are contained in mutuals legislation.

FCA acceptance of electronic signatures on accounts may help in some circumstances. However, they recognise that some societies will still experience difficulties in submitting any required returns on time.

Whilst societies are asked to take steps to submit their returns as soon as reasonably practicable, the FCA have decided that they will not take any action where returns due up until 30 June 2020 are delayed by up to 3 months.

This position will be reviewed again in June 2020.

The FCA are aware HM Treasury and BEIS are also considering whether further action can be taken to address the difficulties faced by societies in meeting these and other legal obligations.

General meetings

The FCA are aware that some societies are considering a number of options, including postponing scheduled member meetings, such as Annual General Meetings (AGMs). Societies are concerned that this could lead to them breaching their own rules or legislative requirements.

It is for societies to reach their own decision as to whether to go ahead with any planned meeting, taking into account any relevant Government guidance, their own individual circumstances and, where appropriate, legal advice.

Societies should take reasonable steps to ensure they meet any obligations they are under as soon as reasonably practicable. Societies will want to consider alternative arrangements such as making use of video conferencing where permitted.

The rules of an individual society govern the relationship between a society and its members. It is important members are afforded the ability to exercise their rights under the rules of a society.

Societies may want to take their own advice to consider any risks arising from action taken by members as a result of a breach of their own rules. The FCA has no role to play in determining disputes over society rules.

Where, following Government guidance, the postponement of a general meeting results in a breach of a legislative requirement, it may fall to the FCA to make a decision as registering authority as to what if any action is taken. The FCA does not consider it to be in the public interest to take action in this context where they can see that a society is taking steps to ensure they meet the legislative obligation as soon as reasonably practicable.



Members of societies will, of course, retain the ability to take action in accordance with their rights under the rules of a society.

For those societies that have listed securities, they should continue to consider and comply with their obligations under MAR and the relevant FCA listing rules.

The FSA has produced detailed guidance on holding general meetings during this COVID-19 lockdown for registered societies operating under the Model Rules for a Supporters Community Mutual (2016) Version (for Supporters Trusts) and supporter owned clubs operating under the Sports Club Community Mutual (2015) Version (for Community Owned Clubs).