

## **COVID-19 UPDATE FROM THE FCA**

### ***Application forms***

#### *Paper applications*

Applications submitted either through the [Mutuals Society Portal](#), or by email to [mutual.societies@fca.org.uk](mailto:mutual.societies@fca.org.uk) (or to [mutualsannrtns@fca.org.uk](mailto:mutualsannrtns@fca.org.uk) for annual returns) will be processed significantly quicker than applications submitted by post. We strongly advise against submitting by post at this time.

#### *Signatures*

We will accept electronic signatures on all applications – including on accounts.

#### *Statutory declarations*

A number of our application forms (such as rule amendments) require the completion of a statutory declaration. For the time being we no longer require statutory declaration forms to be fully completed. We do not require the form to be signed by a solicitor/commissioner for oaths/notary public or justice of the peace. But we still ask that an officer/secretary of the society completes the first half of the form. We will accept an electronic signature.

#### *Recording of charges*

We currently ask that charge instruments are certified as a true copy. We will accept electronic certification.

### ***Annual returns and accounts***

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

Requirements to submit annual returns and accounts are contained in mutuals legislation. Our acceptance of electronic signatures on accounts may help in some circumstances. However, we recognise that some societies will still experience difficulties in submitting any required returns to us on time. Whilst we ask societies to take steps to submit their returns to us as soon as reasonably practicable, we have decided that we will not take any action where returns due up until 30 June 2020 are delayed by up to 3 months. We will review this position again in June 2020.

We 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***

We 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 we take. We do not consider it to be in the public interest for us to take action in this context where we 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.