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**An Bille um Chomharchumainn Oibrithe agus Ceart Ceannaigh, 2021**  
**Worker Co-Operatives and Right To Buy Bill 2021**

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*Mar a tionscnaíodh*

*As initiated*

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**AN BILLE UM CHOMHARCHUMAINN OIBRITHE AGUS CEART CEANNAIGH,  
2021  
WORKER CO-OPERATIVES AND RIGHT TO BUY BILL 2021**

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ACTS REFERRED TO

Companies Act 2014 (No. 38)

Electronic Commerce Act 2000 (No. 27)

Industrial and Provident Societies Act 1893 (56 & 57 Vict.) c. 39

Industrial and Provident Societies Acts 1893 to 2018

Taxes Consolidation Act 1997 (No. 39)



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AN BILLE UM CHOMHARCHUMAINN OIBRITHE AGUS CEART CEANNAIGH,  
2021  
WORKER CO-OPERATIVES AND RIGHT TO BUY BILL 2021

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# Bill

*entitled*

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An Act to amend the law relating to industrial and provident societies and for that purpose to amend the Industrial and Provident Societies Act 1893 and to provide for connected matters.

**Be it enacted by the Oireachtas as follows:**

## **Definition**

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1. In this Act, “Principal Act” means the Industrial and Provident Societies Act 1893.

## **Amendment of section 5 (Conditions of registration) of Principal Act**

2. Section 5 of the Principal Act is amended by the substitution of the following subsections for subsections (1) and (2):

“(1) the term ‘worker co-operative’ or society registered under this Act, 15  
now referred to as a ‘worker co-operative’ means an entity that—

- (a) has at least three members,
- (b) only persons who are employed by, or by a subsidiary of, the body may be members of it, that (subject to any provision about qualifications for membership which is from time to time made by 20  
the members of the body by reference to age, length of service or other factors of any description which do not discriminate between persons) all such persons may be members of the body and that members have equal voting rights at meetings of the body,
- (c) the body is controlled by a majority of the people working for the 25  
body and of the people working for the subsidiaries, if any, of the body,
- (d) the assets of the body are applied only for the purposes of objects of the body which do not include the making over of assets to any member of the body except for value and except in pursuance of 30  
arrangements for sharing the profits of the body among its members,

- (e) if on the winding up or dissolution of the body any of its assets remain to be disposed of after its liabilities are satisfied, the assets are not distributed among its members but are transferred to such a worker co-operative enterprise or such a central fund maintained for the benefit of worker co-operative enterprises as may be determined by the members at or before the time of the winding up or dissolution or, in so far as the assets are not so transferred, are held for charitable purposes. 5
- (2) Worker co-operatives formed under this Act shall use the term worker co-operative or Co-op in their registered name. 10
- (2A) Conditions as specified in this section will not affect any society formed prior to this amendment.
- (2B) For the purpose of registry, an application to register the worker co-operative, signed by three members and the secretary, and two printed copies of the rules, shall be sent to the registrar.”. 15

**Amendment of section 9 (Cancelling and suspension of registry) of Principal Act**

- 3. Section 9 of the Principal Act is amended in subsection (1) by the substitution of the following for paragraph (a):

“(a) If at any time it is proved to the registrar’s satisfaction that the number of the members of the worker co-operative has been reduced to less than three, or that an acknowledgement of registry has been obtained by fraud or mistake, or that the society has ceased to exist;”.

**Amendment of section 14 (Annual returns) of Principal Act**

- 4. Section 14 of the Principal Act is amended in subsection (1) by the substitution of “Subject to section 14A, every registered society or worker co-operative shall once in every year” for “Every registered society shall once in every year”. 25

**Exemption from filing annual returns, etc., in certain cases**

- 5. The Principal Act is amended by inserting the follow section after section 14:

“14A.(1) The Minister for Business, Enterprise and Innovation shall within six months of the passing of the *Worker Co-operatives and Right To Buy Act 2021*, and may subsequently thereafter, make regulations exempting one or more than one specified class of registered societies or worker co-operative from the obligation to file— 30

- (a) annual returns, or 35
- (b) certain specified classes of documents that would otherwise be required to be included as part of an annual return, and for that purpose that Minister may—
  - (i) provide for alternative procedures to be complied with in relation to the preparation and dissemination of specified 40

information that would otherwise be required to be included in an annual return,

(ii) provide different procedures for different classes of registered societies or worker co-operatives, and

(iii) provide for matters to which subsection (2) relates. 5

(2) Having regard to any provisions relating to exemption from filing annual returns that apply to companies under the Companies Act 2014, the Minister for Business, Enterprise and Innovation may provide under subsection (1) for exemptions from filing the annual returns in respect of such class or classes of registered societies or worker co-operative as he or she considers appropriate, where such exemptions would, in his or her opinion, correspond to exemption provisions applying to companies or any class of companies.” 10

### Use of electronic communication

6. The Principal Act is amended by inserting the follow section after section 74: 15

“74A.(1)The Minister for Business, Enterprise and Innovation shall within six months of the passing of the *Worker Co-operatives and Right To Buy Act 2021*, and may subsequently thereafter, make regulations under section 74 for the purpose of enabling—

(a) the registration of worker co-operatives by electronic means, and 20

(b) specified forms or other documents, which are required to be lodged with or otherwise sent to the registrar by or under the Industrial and Provident Societies Acts 1893 to 2018, to be lodged or sent by electronic means, and for that purpose the said section 74 shall be read accordingly. 25

(2) This section is without prejudice to the registrar, as a public body for the purposes of the Electronic Commerce Act 2000, from accepting any document by electronic means where either or both sections 12 and 13 of that Act have been applied in the circumstances.

(3) In this section, ‘electronic means’— 30

(a) in the case of subsection (1), includes the use of electronic mail, and

(b) in the case of subsection (2), means those provided for under the Electronic Commerce Act 2000 and effected in compliance with any requirements of the registrar of the kind referred to in sections 12(2)(b) and 13(2)(a) of that Act.” 35

### Right to Buy

7. The Taxes Consolidation Act 1997 is amended by the insertion of the following section after section 597AA:

“597AB(1) If a business is purchased by a worker co-operative as defined in 40

this legislation, and formed of in whole or in part of employees of the business, the relevant Minister shall on application by the seller, defer, or apply relief on the liability of capital gains tax on the assets of the seller of the business sold to the worker co-operative buyers.

- (2) The quantum of relief shall be specified in regulations as drafted by the Minister.” 5

**Short title and collective citation**

8. This Act may be cited as the Worker Co-operatives and Right To Buy Act 2021.





An Bille um Chomharchumainn Oibrithe  
agus Ceart Ceannaigh, 2021

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# BILLE

*(mar a tionscnaíodh)*

*dá ngairtear*

Acht do leasú an dlí a bhaineann le cumainn  
tionscail agus soláthair agus, chun na críche sin,  
do leasú an Industrial and Provident Societies  
Act 1893 agus do dhéanamh socrú i dtaobh  
nithe comhghaolmhara.

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*An Seanadóir Pól Ó Gábháin a thug isteach,  
28 Meitheamh, 2021*

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Worker Co-Operatives and Right To Buy Bill  
2021

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# BILL

*(as initiated)*

*entitled*

An Act to amend the law relating to industrial and  
provident societies and for that purpose to  
amend the Industrial and Provident Societies  
Act 1893 and to provide for connected matters.

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*Introduced by Senator Paul Gavan,  
28th June, 2021*

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52 FAICHE STIABHNA, BAILE ÁTHA CLIATH 2.  
(Teil: 01 - 6476834 nó 1890 213434; Fax: 01 - 6476843)  
nó trí aon díoltóir leabhar.

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DUBLIN  
PUBLISHED BY THE STATIONERY OFFICE  
To be purchased from  
GOVERNMENT PUBLICATIONS,  
52 ST. STEPHEN'S GREEN, DUBLIN 2.  
(Tel: 01 - 6476834 or 1890 213434; Fax: 01 - 6476843)  
or through any bookseller.

€1.27

