

# BOVEY TRACEY PARADISO ARTS LIMITED

FCA registration number 7584

## SHARE WITHDRAWAL POLICY

### 1. INTRODUCTION

Bovey Tracey Paradiso Arts Limited is a charitable Community Benefit Society registered with, and regulated by, the Financial Conduct Authority (FCA) number 7584. The Society's *Rules*, approved by the FCA, are on the [website](#).

Shareholders are referred to section 26 of the *Rules* about withdrawal of shares but in outline:

- Three months' notice is required for the withdrawal of shares although the Board of Directors may waive that notice at their discretion
- The amount payable shall be the amount paid up or credited on the shares to be withdrawn except where a reduction in value applies in accordance with the *Rules*
- Interest may be payable but the Board of Directors may deduct a reasonable sum to cover administrative costs
- Withdrawal of all shares means that Membership of the Society ceases

This policy expands on section 26 of the *Rules* with reference to FCA and other national requirements, and to decisions of the Board of Directors.

### 2. NATIONAL REQUIREMENTS AND DIRECTORS' DECISIONS

The [FCA](#) imposes certain limitations on the withdrawal of shares if a Community Benefit Society is to maintain its registration with FCA. The FCA requires that:

- Trading surpluses should match or exceed the value of shares involved
- The Directors should believe the Society can continue to afford to meet its commitments and the Directors should have the power to suspend withdrawal of share capital if the Society's financial position is uncertain
- The Directors should have set an annual limit on how many shares can be withdrawn or a limit to the amount of profits which can be distributed

Shares have been eligible for Social Investment Tax Relief (SITR). One criteria for SITR is that shares must be held for a minimum of three years after their allocation.

The Directors of Bovey Tracey Paradiso Arts have therefore agreed:

- To endorse the limit set out in the *Rules*, and reflecting SITR criteria, that no shares can be withdrawn until three years after allocation (while retaining discretion to waive that requirement)
- To set a cap on withdrawal in any one year of 7.5% of the total of all shares issued by the Society
- To underline that the Society's shares cannot go up in value and may in exceptional circumstances go down. In the latter case, shareholders applying for withdrawal may be paid less than the original value of their shares
- That if multiple applications for withdrawal are made, to consider those applications in the order in which they are received (while retaining the discretion to give priority to Members facing exceptional circumstances and/or for the representatives dealing with the death of a Member)
  - If requests for withdrawals are not met in the current year, they will be carried forward until they are met

### **3. THE DEATH OF A MEMBER**

Section 20 of the *Rules* deals with the death of a Member.

On the death of a Member, shares can be inherited in accordance with the terms of a Member's will or, in the case of intestacy and subject to Board approval, shares may be transferred to a new Member who shall become the holder of the deceased Member's shares.

Other arrangements that can be made by a Member if they so wish before death include:

- To donate the value of their shares to the Society
- To nominate a person over 16 to whom the first £5,000 of their shares is to be transferred on their death (the relevant form is on the Bovey Tracey Paradiso [website](#))

Alternatively, the personal representatives of a deceased Member can apply for withdrawal of the shares.

The Directors reserve the right to verify claims or instructions for example through documents such as a copy of a will and/or death certificate.

Members and/or their representatives are strongly advised to seek appropriate professional advice on any tax implications in the above circumstances.

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