



## Memorandum of Understanding

Between

The Regulator of Community Interest Companies

And

Social Enterprise Mark CIC



### **MEMORANDUM OF UNDERSTANDING**

The purpose of the memorandum of understanding is to set out the agreement reached between the Regulator of Community Interest Companies and Social Enterprise Mark CIC, and the framework for co-operation and collaboration.

## **1. INTRODUCTION**

- 1.1 The memorandum of understanding has been drawn up by the Regulator of Community Interest Companies and Social Enterprise Mark CIC.
- 1.2 The purpose of the memorandum is to set out the agreement reached between the Regulator of Community Interest Companies and Social Enterprise Mark CIC and the framework for co-operation and collaboration.
- 1.3 The memorandum sets out the mutual principles and benefits of strategic co-operation and support between the Regulator of Community Interest Companies and Social Enterprise Mark CIC.
- 1.4 The memorandum also provides a transparent statement of commitments on both sides.

## **2. LEGISLATIVE BACKGROUND AND STATUS**

- 2.1 The Government established the community interest company form for use by social enterprises who wish to operate as limited companies.
- 2.2 The Companies (Audit, Investigations and Community Enterprise) Act 2004 (The Act) and the Community Interest Company Regulations 2005 (The Regulations) provide the legislative framework for the community interest company form.
- 2.3 The Act established the Office of the Regulator for Community Interest Companies and sets out the Regulator's responsibilities for ensuring that community interest companies comply with the requirements of the Act and the Regulations.

- 2.4 Social Enterprise Mark CIC was incorporated as a community interest company on 22 January 2010.
- 2.5 Social Enterprise Mark CIC, adopted the private company limited by shares schedule 3 model, which allow the payments of capped dividends to non-asset locked bodies.
- 2.6 Social Enterprise Mark CIC offers certification for social enterprises which adhere to strict standards ensuring that the business has society and the environment at its heart, ploughing back at least 51% of its profits to benefit society.
- 2.7 Social Enterprise Mark CIC contributes to the development of social enterprises as a recognised and growing business sector through campaigning and other activities

### **3. OBJECTIVE OF THE MEMORANDUM**

- 3.1 The primary objective of the memorandum is to establish arrangements between the Regulator of Community Interest Companies and Social Enterprise Mark CIC and to:
- (i) ensure appropriate collaboration and liaison between the Regulator of Community Interest Companies and Social Enterprise Mark CIC;
  - (ii) set out the circumstances in which the Regulator of Community Interest Companies and Social Enterprise Mark CIC will support one another, share information and collaborate.

## **4. THE FRAMEWORK FOR JOINT WORKING**

4.1 The Regulator of Community Interest Companies undertakes to:

- (i) promote and publicise this MOU with an agreed form of wording
- (ii) support the principles of Social Enterprise Mark CIC in its development;
- (iii) consult with Social Enterprise Mark CIC on issues affecting both parties;
- (iv) exchange information and provide feedback to Social Enterprise Mark CIC on relevant issues relating to community interest company SEM holders;
- (v) support of the work of Social Enterprise Mark CIC as it develops ideas, services and products e.g. mention the Social Enterprise Mark on its website

4.2 Social Enterprise Mark CIC undertakes to:

- (i) promote and publicise this MOU with an agreed form of wording
- (ii) support the Community Interest Company as the preferred legal structure for new and pre-start social enterprises and provide a link as a partner on its website

- (iii) work with the Regulator of Community Interest Companies on matters relating to community interest company SEM holders;
- (iv) exchange information and provide feedback to the Regulator of Community Interest Companies on relevant issues relating to community interest company SEM holders;
- (v) seek views and opinions from community interest company SEM holders and other stakeholders and share relevant information with the Regulator of Community Interest Companies;
- (vi) be proactive in working with the Regulator of Community Interest Companies in addressing issues faced by community interest company SEM holders;

## **5. GENERAL**

5.1 Whilst it is intended that the arrangements in the memorandum should apply generally, nothing in the memorandum prevents the making of arrangements to meet special exceptional needs.

5.2 Any disagreement arising from the interpretation of the memorandum will be referred to the Regulator of Community Interest Companies and the directors of Social Enterprise Mark CIC, who will endeavour to resolve it within the spirit implicit in the co-operation arrangements. The memorandum will be

amended if necessary to reflect the agreed outcome of the referral.

## **6. STATEMENT OF MUTUAL PRINCIPLES AND BENEFITS**

6.1 The memorandum shall operate upon signature by the Regulator of Community Interest Companies and Social Enterprise Mark CIC and shall remain in effect for a minimum of 3 years from 1 August 2017.

6.2 There will be a further review in three years time to ensure that the memorandum is achieving its objective.

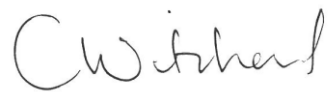
6.3 In addition to the 3 year review, the Regulator of Community Interest Companies and Social Enterprise Mark CIC agree to attend regular bi-lateral meetings at the request of either party.

## **7. DESIGNATED POINTS OF CONTACT**

7.1 In order to ensure that matters are handled at the appropriate levels, and that developing policy considerations are taken fully into account, contact between the Regulator of Community Interest Companies and Social Enterprise Mark CIC should be established between designated points of contact (see Annex 1). Where they consider it appropriate, designated points of contact may delegate ongoing liaison to members of their staff.

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Signed by the Regulator of Community Interest Companies



**CERI WITCHARD  
REGULATOR**

**Dated: 1 August 2017**

Signed on behalf of Social Enterprise Mark CIC



**LUCY FINDLAY  
MANAGING DIRECTOR**

**Dated: 1<sup>st</sup> August 2017**

Area of responsibility	Lead Officers and Key Contacts	
	Social Enterprise Mark	The Regulator of Community Interest Companies
Lead Officer Memorandum	<p>Lucy Findlay            Director – Social Enterprise Mark            Unit 40a, HQ Business Centre, 237            Union Street, Stonehouse, Plymouth,            England, PL1 3HQ</p> <p>0345 504 6536  <a href="mailto:Lucyf@socialenterprisemark.org.uk">Lucyf@socialenterprisemark.org.uk</a></p>	<p>Emma Hares            2<sup>nd</sup> Floor            Companies House            Cardiff            CF14 3UZ</p> <p>02920385643  <a href="mailto:ehares@companieshouse.gov.uk">ehares@companieshouse.gov.uk</a></p>
Operational Designated point of contact	<p>Sophie Butland            Unit 40a, HQ Business Centre, 237            Union Street, Stonehouse, Plymouth,            England, PL1 3HQ</p> <p>0345 504 6536  <a href="mailto:sophieb@socialenterprisemark.org.uk">sophieb@socialenterprisemark.org.uk</a></p>	<p>Marilyn Liddon            Room 3.68            Companies House            Cardiff            CF14 3UZ</p> <p>02920346268  <a href="mailto:mliddon@companieshouse.gov.uk">mliddon@companieshouse.gov.uk</a></p>