

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: Building Societies Act 1986, Part II is up to date with all changes known to be in force on or before 05 July 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 16

#### MERGERS: SUPPLEMENTARY PROVISIONS

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**Modifications etc. (not altering text)**

C1 Sch. 16 excluded by S.I. 1986/2168, art. 9(2)(b)(3)

#### PART II

#### NOTIFICATION OF PROPOSALS FOR MERGER

.....  
**Modifications etc. (not altering text)**

C1 Sch. 16 Pt. II (paras. 2–6) excluded by S.I. 1986/2169, art. 10

#### *Preliminary*

2 In this Part of this Schedule—

“merger” means an amalgamation of building societies under section 93 or a transfer of all the engagements of one building society to another under section 94; and “merger” has a corresponding meaning;

“merger proposal”, in relation to a building society, means a proposal in writing, by another building society desiring to merge with it, for the societies to merge, with or without terms for the merger; and “proposer” has a corresponding meaning;

“merger resolutions”, in relation to a building society, means the resolutions required for the approval of a merger of the society with another building society under section 93(2) or 94(2);

“merger statement” means a statement containing the requisite particulars of a merger proposal; and

“requisite particulars”, in relation to a merger proposal, means the particulars required by paragraph 3(2) below to be given in a merger statement.

.....  
**Modifications etc. (not altering text)**

C2 Definition applied (1.6.1999) by S.I. 1999/1215, reg. 3(6)

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### *Duty to notify members*

- 3 (1) Subject to sub-paragraph (3) below, it shall be the duty of a building society receiving a merger proposal to send, in accordance with this Part of this Schedule, a merger statement in respect of the proposal to every member entitled to notice of a meeting of the society.
- (2) A merger statement must contain the following particulars—
- (a) the fact that a merger proposal has been made, and
  - (b) the identity of the proposer,
- with or without other particulars regarding the proposal.
- (3) Sub-paragraph (1) above does not require a merger statement to be sent to members if the proposer has requested in writing that the requisite particulars are to be treated as confidential; and, where such a request is made and is at a later date withdrawn in writing, the society receiving the proposal shall, for the purposes of this Part of this Schedule, treat the proposal as having been received on that date instead of any earlier date.
- 4 (1) A building society shall include in or with every notice of its annual general meeting a merger statement with respect to any merger proposal, other than a proposal of which notice has already been given under this paragraph,—
- (a) received by it during the period of 12 months ending with the ninth month of the last financial year of the society before that meeting; or
  - (b) treated by paragraph 3(3) above as having been received by it during the last three months of that financial year;
- and the society may also include, under this sub-paragraph, a merger statement with respect to any proposal received, or treated as received, by it after the end of either period.
- (2) In any case where merger resolutions are to be moved at any meeting of a building society, every notice of the meeting shall have included in or with it a merger statement with respect to any merger proposal, other than a proposal of which notice has already been given under this paragraph, received by it more than 42 days before the date of the meeting.

### *Duty to notify central office*

- 5 (1) Where a building society sends a merger statement to its members under paragraph 4 above in connection with a meeting of the society, it shall send a copy of the statement to the central office at least 14 days before the date of the meeting.
- (2) The central office shall keep the copy of a merger statement received by it from a building society in the public file of that society.

### *Penalty*

- 6 If default is made by a building society in complying with paragraph 4(1), 4(2) or 5 above, the society shall be liable on summary conviction to a fine not exceeding

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level 4 on the standard scale; and so shall any officer who is also guilty of the offence.

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