

Changes to legislation: Building Societies Act 1986, Paragraph 31 is up to date with all changes known to be in force on or before 28 September 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) View outstanding changes

SCHEDULES

SCHEDULE 2

ESTABLISHMENT, INCORPORATION AND CONSTITUTION OF BUILDING SOCIETIES

Modifications etc. (not altering text)

- C1 Sch. 2 modified (3.1.1995) by 1994 c. 40, ss. 17(3), 82(2)
- C1 Sch. 2 applied (with modifications) (7.4.2010) by The Building Societies (Financial Assistance) Order 2010 (S.I. 2010/1188), arts. 1(2), 8

PART III

MEETINGS, RESOLUTIONS AND POSTAL BALLOTS

Modifications etc. (not altering text)

- C1 Sch. 2 Pt. III (paras. 20–36) excluded (*temp.*) by S.I. 1986/2168, art. 3(1)(2)
- C1 Sch. 2 Pt. III (paras. 20–36) modified by S.I. 1987/426, art. 4

Members' right to propose and circulate resolutions

- 31 (1) If at least the requisite number of qualified members of a building society give notice to the society of their intention to have moved on their behalf a resolution, other than [^{F1}a shareholding members' resolution or] a borrowing members' resolution, specified in the notice at an annual general meeting of the society, it shall be the duty of the society, subject to sub-paragraphs (4), (5) and (6) below—
- (a) to include in the notice of the annual general meeting a notice specifying the intention to have the resolution moved on their behalf at the meeting and, where applicable, the intention to move it as a special resolution;
 - (b) at the request of the members intending to have the resolution moved on their behalf, to send to each member entitled to receive notice of the meeting a copy of any statement of not more than [^{F2}500 words] with respect to the matter referred to in the resolution.
- (2) For the purposes of sub-paragraph (1) above—
- (a) “the requisite number”—
 - [^{F3}(i) in the case of a society in relation to which the difference between the total assets of the society as shown in the accounts last prepared by it under [^{F4}section 72A or 72E] immediately before the date on which the members gave notice to the society under sub-paragraph (1) above and the aggregate of—

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- (aa) the liquid assets of the society as shown in those accounts in pursuance of regulations [^{F5}under section 72C or 72G or in accordance with [^{F6}UK-adopted international accounting standards], as appropriate]; and
 - (bb) the fixed assets of the society as so shown, exceeds £100 million, is [^{F7}five hundred] or such lesser number as is specified for the purpose in the rules of the society, and]
 - (ii) in the case of any other society is [^{F8}one hundred] or such lesser number as is specified for the purpose in the rules of the society;
 - (b) every member of a building society is a “qualified member” unless the rules make other provision for the purpose which is not rendered void under sub-paragraph (3) below.
- (3) Any provision contained in the rules of a building society shall be void to the extent that it would have the effect of requiring a qualified member, for the purposes of sub-paragraph (1) above,—
- ^{F9}{(a) to have been a member for more than two years ending with the qualifying date; or
- (b) if he claims eligibility as a shareholding member, to hold, or to have held at any time, shares in the society to a value greater than the prescribed amount in force on the qualifying date; or
 - (c) if he claims eligibility as a borrowing member, to owe to the society, or to have owed to the society at any time, a mortgage debt of an amount greater than the prescribed amount in force on the qualifying date;]
- and for the purposes of this sub-paragraph the qualifying date is the date on which the notice is given to the society under sub-paragraph (1) above.
- (4) Sub-paragraph (1) above does not require a building society to send notices of a resolution or copies of a statement to members of the society in any case where—
- (a) publicity for the resolution or, as the case may be, the statement would be likely to diminish substantially the confidence in the society of investing members of the public; or
 - (b) the rights conferred by sub-paragraph (1) are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes;
- and that sub-paragraph shall not be taken to confer any rights on members, or to impose any duties on a building society, in respect of a resolution or statement which does not relate directly to the affairs of the society.
- (5) If the rules of a building society so provide, sub-paragraph (1) above does not require notice of a resolution to be given to members of the society if the resolution is in substantially the same terms as any resolution which has been defeated at a meeting or on a postal [^{F10}or electronic] ballot during the period beginning with the third annual general meeting before the date on which notice of the resolution is given to the society.
- (6) No copies of a statement with respect to a resolution shall be sent to members of a building society if, on any of the grounds in sub-paragraph (4) or (5) above, the society does not give the notice of the resolution to them required by sub-paragraph (1)(a) above.

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- (7) The [F11PRA] shall hear and determine any dispute arising under sub-paragraph (4) (a) above, whether on the application of the building society or of any other person who claims to be aggrieved.
- (8) If a building society fails to comply with the requirements of sub-paragraph (1) above where notice is duly given under that sub-paragraph, the society shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale and so shall any officer who is also guilty of the offence.
- [F12(9) For the purposes of this paragraph “liquid assets” and “fixed assets”, in the case of societies which produce IAS individual accounts or IAS group accounts, have the same meaning as given in section 6(16).]

Textual Amendments

- F1** Words in Sch. 2 Pt. III para. 31(1) inserted (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 43, 47(3), **Sch. 7 para. 57(13)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F2** Words in Sch. 2 Pt. III para. 31(1) substituted (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 43, 47(3), **Sch. 7 para. 57(13)(b)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F3** Sch. 2 Pt. III para. 31(2)(a)(i) substituted (1.1.1998) by S.I. 1997/2840, **art. 2(2)** (with transitional provisions in **art. 3**)
- F4** Words in Sch. 2 para. 31(2)(a)(i) substituted (22.12.2004) (with effect in accordance with art. 1(2) of the amending S.I.) by **The Building Societies Act 1986 (International Accounting Standards and Other Accounting Amendments) Order 2004** (S.I. 2004/3380), art. 1, **Sch. para. 8(a)**
- F5** Words in Sch. 2 para. 31(2)(a)(i) (aa) substituted (22.12.2004) (with effect in accordance with art. 1(2) of the amending S.I.) by **The Building Societies Act 1986 (International Accounting Standards and Other Accounting Amendments) Order 2004** (S.I. 2004/3380), art. 1, **Sch. para. 8(b)**
- F6** Words in Sch. 2 para. 31(2)(a) substituted (31.12.2020) by **The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019** (S.I. 2019/685), reg. 1(2), **Sch. 1 para. 36** (with reg. 1(3)(4), Sch. 1 para. 66) (as amended by S.I. 2020/523, regs. 1(2), 22, **25(d)**); 2020 c. 1, Sch. 5 para. 1(1)
- F7** Words in Sch. 2 para. 31(2)(a)(i) substituted (1.12.1999) by S.I. 1999/3033, **art. 2**
- F8** Words in Sch. 2 para 31(2)(a)(ii) substituted (1.12.1999) by S.I. 1999/3033 art. 2
- F9** Sch. 2 Pt. III para. 31(3)(a)-(c) substituted for Sch. 2 para. 31(3)(a)(b) (1.1.1998) by S.I. 1997/2840, **art. 2(3)** (with transitional provisions in **art. 3**)
- F10** Words in Sch. 2 para. 31(5) inserted (20.3.2003) by **The Building Societies Act 1986 (Electronic Communications) Order 2003** (S.I. 2003/404), arts. 1(1), **30(9)**
- F11** Word in Sch. 2 para. 31(7) substituted (1.4.2013) by **The Financial Services Act 2012 (Mutual Societies) Order 2013** (S.I. 2013/496), art. 1(1), **Sch. 8 para. 53(13)** (with Sch. 12)
- F12** Sch. 2 para. 31(9) inserted (22.12.2004) (with effect in accordance with art. 1(2) of the amending S.I.) by **The Building Societies Act 1986 (International Accounting Standards and Other Accounting Amendments) Order 2004** (S.I. 2004/3380), art. 1, **Sch. para. 8(c)**

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 5(11)-(14) inserted by [2007 c. 26 s. 1\(2\)](#)
- s. 5(13)(a) substituted by [S.I. 2013/496 Sch. 8 para. 4\(4\)](#)
- s. 7(6A)-(6C) inserted by [2007 c. 26 s. 1\(1\)\(a\)](#)
- s. 7(8A) inserted by [2007 c. 26 s. 1\(1\)\(c\)](#)
- s. 176ZB excluded by [S.I. 2017/400 reg. 14](#)
- s. 246ZA-246ZC excluded by [S.I. 2017/400 reg. 15](#)
- s. 246ZD excluded by [S.I. 2017/400 reg. 16](#)