

**Changes to legislation:** Building Societies Act 1986 is up to date with all changes known to be in force on or before 24 May 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

### <sup>F1</sup>SCHEDULE 1

#### Textual Amendments

- F1** Sch. 1 repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2) Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

### SCHEDULE 2

Sections 5, 93, 94 and 97.

#### ESTABLISHMENT, INCORPORATION AND CONSTITUTION OF BUILDING SOCIETIES

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

- C3** Sch. 2 modified (3.1.1995) by 1994 c. 40, ss. 17(3), 82(2)  
**C4** 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 I

#### GENERAL

##### *Requirements for establishment*

- 1 (1) Any ten or more persons may establish a society under this Act by taking the following steps—
- (a) agreeing upon the purpose or principal purpose of the society and upon the extent of its powers in a memorandum the provisions of which comply with the requirements of this Part of this Schedule;
  - (b) agreeing upon rules for the regulation of the society which comply with the requirements of this Part of this Schedule;
  - (c) sending to the <sup>F4</sup>FCA<sup>F5</sup> three copies of the memorandum and the rules, each copy signed by at least ten of those persons (or, if there are only ten, by all of them) and by the intended secretary.
- (2) Where copies of the memorandum and rules are sent to the <sup>F4</sup>FCA in accordance with sub-paragraph (1)(c) above, the <sup>F4</sup>FCA, if satisfied that—
- (a) the provisions of the memorandum are in conformity with this Act and any instruments under it,

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- (b) the rules are in conformity with this Act,
  - (c) the intended name of the society is not, in its opinion, undesirable,
- shall register the society and issue it with a certificate of incorporation.
- (3) On registering a building society under sub-paragraph (2) above, the [<sup>F4</sup>FCA] shall—
- (a) retain and register one copy of the memorandum and of the rules,
  - (b) return another copy to the secretary of the society, together with a certificate of registration, and
  - (c) keep another copy, together with a copy of the certificate of incorporation, and of the certificate of registration of the memorandum and the rules, in the public file of the society.
- <sup>F6</sup>[(4) In this Act “memorandum”, in relation to a building society, means the memorandum of the purpose and the extent of the powers of the society including the record of any alteration under paragraph 4 below.]

#### Textual Amendments

- F4** Words in *Sch. 2 para. 1* 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(2)* (with *Sch. 12*)
- F5** Words in *Sch. 2 para. 1(1)(c)* substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by *S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 200(b)* (with *S. 13(3), Sch. 5*); *S.I. 2001/3538, art. 2*
- F6** *Sch. 2 Pt. I para. 1(4)* 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. 56(2); S.I. 1997/2668, art. 2, Sch. Pt. II(w)(z)(xxxiii)*

#### *The memorandum*

- 2 [<sup>F7</sup>(1) The memorandum of a building society shall state the purpose or principal purpose of the society to be that of making loans which are secured on residential property and are funded substantially by its members.
- (2) The memorandum of a building society shall specify—
- (a) the name of the society and the address of its principal office;
  - (b) any purposes of the society other than that mentioned in sub-paragraph (1) above; and
  - (c) the powers of the society.]
- (4) The provisions of the memorandum of a building society, as read with the provisions of this Act as in force for the time being, are binding upon—
- (a) each of the members and officers of the society; and
  - (b) all persons claiming on account of a member or under the rules;
- and all such members, officers and persons so claiming and all persons dealing with the society shall be taken to have notice of those provisions.
- <sup>F8</sup>(5) Where any adoptable power conferred by virtue of an instrument under a provision of this Act ceases, by reason of the amendment or revocation of the instrument, to be available to building societies or building societies of any description, every society affected by the amendment or revocation shall annex to its memorandum a note of the fact that, as from the operative date of the instrument, it no longer has that power

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and shall send a copy of the note to the [<sup>F9</sup>Authority] which shall keep the copy in the public file of the society.]

#### Textual Amendments

- F7** Sch. 2 Pt. I para. 2(1)(2) substituted for Sch. 2 Pt. I para. 2(1)-(3) (1.12.1997 in specified cases and for specified purposes and otherwise ) by 1997 c. 32, ss. 43, 47(3), **Sch. 7 para. 56(3)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiii)**
- F8** Sch. 2 Pt. I para. 2(5) repealed (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, 46(3), 47(3), **Sch. 7 para. 56(4)**, **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxiii)(cc)(xviii)**
- F9** Words in Sch. 2 para. 2(5) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 13(1), **Sch. 3 Pt. II para. 200(a)**; S.I. 2001/3538, **art. 2(1)**

#### The rules

- 3 (1) The rules of a building society shall provide for the matters specified in the Table in sub-paragraph (4) below.
- (2) The rules of a building society are binding upon each of the members and officers of the society and on all persons claiming on account of a member or under the rules; and all such members, officers and persons (but no others) shall be taken to have notice of the rules.
- (3) Nothing in this paragraph shall be taken to authorise any provision to be made which is inconsistent with this Act or an instrument made under it by <sup>F10</sup> . . . the Treasury or to affect the operation of any provision of this Act making rules void to any specified extent.
- (4) The Table referred to in sub-paragraph (1) above is as follows:—

#### TABLE OF MATTERS TO BE COVERED BY THE RULES

1. The name of the society and the address of its principal Office.
2. The manner in which the [<sup>F11</sup> funds of the society are] to be raised.
3. The manner in which the terms are to be determined on which shares are to be issued and the manner in which shareholders are to be informed of changes in the terms on which their shares are held.
4. Whether any preferential or deferred shares are to be issued and, if so, within what limits.
5. The manner in which [<sup>F12</sup> loans] are to be made and repaid, and the conditions on which a borrower may redeem the amount due from him before the end of the period for which the [loan] was made.
6. The manner in which losses are to be ascertained and provided for.
7. The manner in which membership is to cease.
8. The manner of remunerating the auditors.
9. As respects directors—
  - (a) the manner of electing them and whether they may be co-opted;
  - (b) any conditions which must be satisfied with respect to the holding of shares in the society if a person is to become, or is to remain, a director;

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- (c) the manner of remunerating and, where it is not to be fixed by resolution at the annual general meeting, the maximum amount of the remuneration to be paid to, directors; and
  - (d) the circumstances in which pensions may be awarded to persons by virtue of their office as director and the method of determining the terms of such pensions.
10. The powers and duties of the board of directors.
11. The custody of the mortgage deeds and other securities belonging to the society.
12. The form, custody and use of the society's common seal.
13. The calling and holding of meetings and, in particular—
- (a) the right of members to requisition meetings;
  - (b) the right of members to move resolutions at meetings;
  - (c) the manner in which notice of any resolutions to be moved at meetings is to be given to members;
  - (d) the procedure to be observed at meetings;
  - (e) the form of notice for the convening of a meeting and the manner of its service;
  - (f) the voting rights of members, the right to demand a poll and the manner in which a poll is to be taken.
14. The entitlement of members to participate in the distribution of any surplus assets after payments to creditors [<sup>F13</sup>on the dissolution by consent] of the society.
- [<sup>F14</sup>15. The entitlement of members, on the winding up of the society, to participate in the distribution of any surplus assets after payments are made in satisfaction of the society's liabilities to creditors and shareholding members under the companies winding up legislation as modified by Parts 1 to 3 of Schedule 15 to this Act.]
- [<sup>F15</sup>(5) Nothing in the rules of a society shall prevent the service of a notice or other document by the society—
- (a) by sending it electronically to an electronic address notified for the purpose in accordance with express provision made by this Act; or
  - (b) by its publication on a web site in accordance with any such provision.]

#### Textual Amendments

- F10** Words in Sch. 2 para. 3(3) repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(2), [Sch. 4](#) (with [S. 13\(3\)](#), [Sch. 5](#)); [S.I. 2001/3538](#), [art. 2](#)
- F11** Words in Sch. 2 Pt. I para. 3(4) 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. 56\(5\)\(a\)](#); [S.I. 1997/2668](#), art. 2, [Sch. Pt. II\(w\)\(z\)\(xxxiii\)](#)
- F12** Words in Sch. 2 Pt. I para. 3(4) 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. 56\(5\)\(b\)](#); [S.I. 1997/2668](#), art. 2, [Sch. Pt. II\(w\)\(z\)\(xxxiii\)](#)
- F13** Words in [Sch. 2 para. 3\(4\)](#) substituted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), [35\(2\)](#) (with art. 3)
- F14** Words in [Sch. 2 para. 3\(4\)](#) added (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), [35\(3\)](#) (with arts. 3, 36)

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**F15** Sch. 2 para. 3(5) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **10**

*Requirements for alteration of purpose, powers and rules*

- 4 <sup>F16</sup>(1) A building society may by special resolution alter its purposes, alter its powers or alter its rules.]
- (2) Where a building society alters its purpose or powers or its rules under this paragraph, it shall send to the <sup>F17</sup>FCA —
- (a) three copies of a record of the alteration signed by the secretary; and
- (b) a statutory declaration by the secretary that the alteration was effected by a resolution passed as a special resolution and that the record is a true record of the resolution.
- (3) On altering its purpose or powers or its rules under this paragraph the building society shall determine the date on which it intends the alteration to take effect; and the record of the alteration shall specify that date (in this paragraph referred to as “the specified date”).
- (4) Where copies of a record of an alteration of a building society’s purpose, powers or rules are sent to the <sup>F18</sup>FCA under sub-paragraph (2) above and the <sup>F18</sup>FCA is satisfied that the alteration is in conformity with this Act and (where applicable) any instruments under it, the <sup>F18</sup>FCA shall, <sup>F19</sup>subject to paragraph 19] below—
- (a) retain and register one of the copies,
- (b) return another to the secretary of the society together with a certificate of registration of the alteration, and
- (c) keep another copy, together with a copy of the certificate of registration of the alteration, in the public file of the society.
- (5) An alteration of the purpose or powers or of the rules of a building society under this paragraph shall take effect on the specified date or, if registration of the alteration is not effected under sub-paragraph (4) above until a later date, that later date.
- (6) Any provision in the rules of a building society that the memorandum or rules may be altered without passing a special resolution shall be void.
- (7) If a building society arranges for the publication in consolidated form of its rules or memorandum as altered for the time being, it shall send a copy to the <sup>F20</sup>FCA and the <sup>F20</sup>FCA —
- (a) shall keep the copy in the public file of the society, but
- (b) shall not register the copy.
- (8) If a building society fails to comply with sub-paragraph (2) above, 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.

**Textual Amendments**

**F16** Sch. 2 Pt. I para. 4(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. 56\(6\)](#); S.I. 1997/2668, art. 2, [Sch. Pt. II\(w\)\(z\)\(xxxiii\)](#)

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- F17** Word in Sch. 2 para. 4(2) 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(3)** (with Sch. 12)
- F18** Word in Sch. 2 para. 4(4) 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(3)** (with Sch. 12)
- F19** Words in Sch. 2 Pt. I para. 4(4) repealed (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, 46(3), 47(3), Sch. 7 para. 56(7), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxiii)(cc)(xviii)**
- F20** Word in Sch. 2 para. 4(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(3)** (with Sch. 12)

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

- C5** Sch. 2 para. 4(1)(3) modified (3.1.1995) by 1994 c. 40, **ss. 17(2)**, 82(2)

*Membership*

- 5 [F21(1) The rules of a building society shall provide that no person shall be a member of the society unless he is a shareholding member or a borrowing member or both.
- (2) In this Act, in relation to a building society—
- “borrowing member” means, subject to sub-paragraphs (2A) and (2B) and paragraph 29(2) below, an individual who is indebted to the society—
- (a) in respect of a loan which is fully secured on land; or
- (b) if the rules of the society so provide, in respect of a loan which is (within the meaning of the rules) substantially secured on land;
- “shareholding member” means a person who holds a share in the society.
- (2A) If the rules of a building society so provide, an individual shall cease to be a borrowing member at any time if at that time the society—
- (a) takes possession of, or exercises its power of sale in relation to, the whole or any part of the land on which the loan is secured; or
- (b) obtains an order for foreclosure absolute or, in Scotland, foreclosure in respect of the whole or any part of that land.
- (2B) Unless the rules of a building society so provide, an individual shall not be a borrowing member at any time if at that time the loan is owed to the society in equity rather than at law.]
- (3) A person who is a minor—
- (a) may, if the rules do not otherwise provide, be admitted as a member of a building society and give all necessary receipts; but
- (b) may not [F22 propose a resolution,] vote or hold any office in the society; and
- (c) may not [F23 join in requisitioning a special meeting or] nominate, or join in nominating, a person for election as a director of the society.

**Textual Amendments**

- F21** Sch. 2 Pt. I para. 5(1)-(2B) substituted for Sch. 2 para. 5(1)(2) (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. 2(1)**, 47(3) (with s. 46(1), Sch. 8 paras. 4, 5); S.I. 1997/2668, art. 2, **Sch. Pt. II(b)(aa)(i)(ii)**

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- F22** Words in Sch. 2 Pt. I para. 5(3)(b) 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. 2(2)(a), 47(3) (with s. 46(1), Sch. 8 paras. 4, 5); S.I. 1997/2668, art. 2, **Sch. Pt. II(b)(aa)(i)(ii)**
- F23** Words in Sch. 2 Pt. I para. 5(3)(c) 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. 2(2)(b), 47(3) (with s. 46(1), Sch. 8 paras. 4, 5); S.I. 1997/2668, art. 2, **Sch. Pt. II(b)(aa)(i)(ii)**

### *Liability of members*

- [<sup>F24</sup>6 (1) The liability at any time of a shareholding member of a building society shall be limited to the amount which, at that time, has been actually paid, or is in arrear, on his shares in the society.
- (2) The liability at any time of a borrowing member of a building society shall be limited to the amount which, at that time, is payable under the mortgage or other security by which his indebtedness to the society in respect of the loan is secured.]

### **Textual Amendments**

- F24** Sch. 2 Pt. I para. 6 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. 2(3), 47(3) (with s. 46(1), Sch. 8 paras. 4, 5); S.I. 1997/2668, art. 2, **Sch. Pt. II(b)(aa)(i)(ii)**

### *Joint shareholders*

- 7 (1) Two or more persons may jointly hold shares in a building society and the following provisions of this paragraph shall apply to any shares so held.
- (2) In this paragraph, in relation to any shares jointly held, “representative joint holder” means that one of the joint holders who is named first in the records of the society.
- (3) Except where the rules of the society otherwise provide, any notice or other document may be given or sent by the society to the joint holders by being given or sent to the representative joint holder; but this sub-paragraph shall not prevent any of the joint holders from exercising the rights under this Act of a member of a building society to obtain from the society on demand a copy of <sup>F25</sup>... the annual accounts and the annual business statement.
- (4) For the purpose of determining—
- who is entitled to vote in an election of directors of the society;
  - who is qualified to vote on a resolution of the society, and
  - where it is relevant, the number of votes a person may then give,
- the shares shall be treated as held by the representative joint holder alone; and accordingly a person who is a member of the society by reason only of being a joint holder of those shares (other than the representative joint holder) shall not be entitled to vote in any such election or qualified to vote on any such resolution.
- (5) For the purposes of sections 87 and 93 to 102 the shares shall be treated as held by the representative joint holder alone; and accordingly a person who is a member of the society by reason only of being a joint holder of those shares (other than the representative joint holder) shall not be regarded as a member of the society for the purposes of those sections.

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- [<sup>F26</sup>(5A) In its application to section 100, sub-paragraph (5) above shall have effect subject to the provisions of section 102A.]
- (6) The representative joint holder (but none of the other joint holders) shall have the right to join in making an application under section 56 and any reference in that section to the total membership of a building society shall be construed accordingly.
- (7) In the register to be maintained under paragraph 13 below the entry of that one of the joint holders who is the representative joint holder shall indicate that fact.
- (8) The joint holders shall be entitled to choose the order in which they are named in the records of the society.

#### Textual Amendments

- F25** Words in Sch. 2 para. 7(3) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), [Sch. 9 para. 7\(b\)](#)
- F26** Sch. 2 para. 7(5A) inserted (1.5.1995 with application as mentioned in [s. 2\(2\)](#) of the amending Act) by [1995 c. 5, s. 1\(2\)](#)

#### *Joint borrowers*

- 8 (1) Where [<sup>F27</sup>a loan] secured on land is made by a building society to two or more persons jointly the following provisions of this paragraph shall apply to their rights as borrowing members of the society.
- (2) In this paragraph, in relation to any rights of theirs as borrowing members, “representative joint borrowers” means that one of the joint borrowers who is named first in the records of the society.
- (3) Except where the rules of the society otherwise provide, any notice or other document may be given or sent by the society to the joint borrowers by being given or sent to the representative joint borrowers; but this sub-paragraph shall not prevent any of the joint borrowers from exercising the rights under this Act of a borrowing member of a building society to obtain from the society on demand a copy of <sup>F28</sup>... the annual accounts and the annual business statement.
- (4) For the purpose of determining—
- (a) who is entitled to vote in any election of directors of the society, and
  - (b) who is qualified to vote on a resolution of the society,
- the rights of the joint borrowers as borrowing members of the society shall be treated as the rights of the representative joint borrower alone; and accordingly a person who is a member of the society by reason only of being a joint borrower (other than the representative joint borrower) shall not be entitled to vote in any such election or qualified to vote on any such resolution.
- (5) For the purposes of sections 87 and 93 to 102 the rights of the joint borrowers as borrowing members of the society shall be treated as the rights of the representative joint borrower alone; and accordingly a person who is a member of the society by reason only of being a joint borrower (other than the representative joint borrower) shall not be regarded as a borrowing member of the society for the purposes of those sections.



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- (6) The representative joint borrower (but none of the other joint borrowers) shall have the right to join in making an application under section 56 and any reference in that section to the total membership of a building society shall be construed accordingly.
- (7) In the register to be maintained under paragraph 13 below the entry of that one of the joint borrowers who is the representative joint borrower shall indicate that fact.
- (8) The joint borrowers shall be entitled to choose the order in which they are named in the records of the society.

#### Textual Amendments

- F27** Words in Sch. 2 para. 8(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. 56(8)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiii)**
- F28** Words in Sch. 2 para. 8(3) omitted (18.2.2014) by virtue of **Financial Services (Banking Reform) Act 2013 (c. 33)**, s. 148(2), **Sch. 9 para. 7(b)**

#### *Use and change of name*

- 9 (1) The common seal of a building society shall bear the registered name of the society.
- <sup>F29</sup>(2) Every building society shall paint or affix, and keep painted or affixed, its registered name on the outside of every office or place in which its business is carried on, in a conspicuous position and in letters easily legible.
- (2A) Every building society shall state its registered name in legible characters in all of the following documents, [<sup>F30</sup>in every electronic communication containing any of the following documents and on every web site on which any of the following documents is published,] namely—
  - (a) its business letters;
  - (b) its account statements, including those relating to deposit, share, loan or mortgage accounts;
  - (c) its passbooks;
  - (d) its notices and publications, including all documents sent to members;
  - (e) its invoices and receipts;
  - (f) its letters of credit and any instruments creating or acknowledging its indebtedness;
  - (g) its contracts, agreements, mortgages and deeds; and
  - (h) its bills of exchange, promissory notes, endorsements, cheques and orders for money or goods.]
- (3) A building society may change its name by special resolution.
- (4) Where a society changes its name in accordance with this paragraph notice of the change of name shall be sent to the [<sup>F31</sup>FCA] and, unless the [<sup>F31</sup>FCA] is of the opinion that the changed name is undesirable, the [<sup>F31</sup>FCA] shall register the notice of the change of name and give the society a certificate of registration.
- (5) A change of name shall take effect on the date on which the certificate of registration under sub-paragraph (4) above is issued or on such later date as may be specified in the certificate.

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- (6) The [F31FCA] shall keep a copy of the certificate of registration issued under sub-paragraph (4) above in the public file of the society.
- (7) A change of name shall not affect the rights and obligations of the society or of any of its members or of any other person concerned.
- [F32(8) For the purposes of this paragraph and paragraphs 10 to 10C below “registered name”, in relation to a building society, means the name of the society which is for the time being registered with the [F31FCA] .]

#### Textual Amendments

- F29** Sch. 2 Pt. I para. 9(2)(2A) substituted for Sch. 2 para. 9(2) (1.12.1997) by 1997 c. 32, s. 36(1); S.I. 1997/2668, art. 2, **Sch. Pt. I(h)**
- F30** Words in Sch. 2 para. 9(2A) inserted (20.3.2003) by The Building Societies Act 1986 (Electronic Communications) Order 2003 (S.I. 2003/404), arts. 1(1), **11**
- F31** Word in Sch. 2 para. 9 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(4)** (with Sch. 12)
- F32** Sch. 2 Pt. I para. 9(8) inserted (1.12.1997) by 1997 c. 32, s. 36(2); S.I. 1997/2668, art. 2, **Sch. Pt. I(h)**

#### *Offences relating to society's name*

- [F33]10 (1) If a building society does not—
- (a) paint or affix its registered name; or
  - (b) keep its registered name painted or affixed,
- as required by paragraph 9(2) above, the society shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (2) A building society which, without reasonable excuse, does not comply with paragraph 9(2A) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (3) If an officer of a building society or a person on its behalf issues or authorises the issue of any document mentioned in paragraph 9(2A)(a) to (g) above, in which the society's registered name is not stated as required by that paragraph, he shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (4) If an officer of a building society or a person on its behalf signs or authorises to be signed on behalf of the building society any document mentioned in paragraph 9(2A)(h) above in which the society's registered name is not stated as required by that paragraph—
- (a) he shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale; and
  - (b) he shall be further personally liable to the holder of the bill of exchange, promissory note, cheque or order for money or goods for the amount of it (unless it is duly paid by the building society).
- (5) If a building society fails to send to the [F34FCA] a notice which it is required to send to it under paragraph 9(4) above, the society shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale and so shall any officer who is also guilty of the offence.]

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#### Textual Amendments

- F33** Sch. 2 Pt. I para. 10 substituted (1.12.1997) by 1997 c. 32, s. 36(3); S.I. 1997/2668, art. 2, Sch. Pt. I(h)  
**F34** Word in Sch. 2 para. 10(5) 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(5) (with Sch. 12)

#### <sup>F35</sup>[Restrictions on business names]

#### Textual Amendments

- F35** Cross-heading inserted (1.12.1997) by 1997 c. 32, s. 36(4); S.I. 1997/2668, art. 2, Sch. Pt. I(h)

<sup>F36</sup>10A(1) This paragraph and paragraph 10B below apply where a building society carries on business under a name other than the following, namely—

- (a) its registered name;
  - (b) its registered name with the omission of the words “Building Society”; and
  - (c) its registered name with an addition which merely indicates that the business is carried on in succession to a former building society with which it has merged.
- (2) The society shall not, without the written approval of the <sup>F37</sup>FCA, carry on business under a name which—
- (a) would be likely to give the impression that the business is connected with Her Majesty’s Government or with any local authority, or
  - (b) includes any word or expression for the time being specified in regulations made under sub-paragraph (3) below.
- (3) The <sup>F38</sup>Treasury may], by regulations—
- (a) specify words or expressions for the use of which as or as part of a business name the approval of the <sup>F39</sup>FCA is required by sub-paragraph (2) above, and
  - (b) in relation to any such word or expression, specify a Government department or other body for the purposes of sub-paragraph (4) below.
- (4) Where the society proposes to carry on business under a name which is or includes any such word or expression, and a government department or other body is specified under sub-paragraph (3)(b) above in relation to that word or expression, the society shall—
- (a) request (in writing) the relevant body to indicate whether (and if so why) it has any objections to the proposal, and
  - (b) submit to the <sup>F40</sup>FCA a statement that such a request has been made and a copy of any response received from the relevant body.
- (5) For the purposes of this paragraph “local authority” means—
- (a) any local authority within the meaning of the <sup>M4</sup>Local Government Act 1972, the Common Council of the City of London or the Council of the Isles of Scilly;
  - (b) any local authority within the meaning of the <sup>M5</sup>Local Government etc. (Scotland) Act 1994;

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- (c) any district council within the meaning of the <sup>M6</sup>Local Government Act (Northern Ireland) 1972.]

#### Textual Amendments

- F36** Sch. 2 Pt. I paras. 10A-10C inserted (1.12.1997) by 1997 c. 32, s. 36(4); S.I. 1997/2668, art. 2, Sch. Pt. I(h)
- F37** Word in Sch. 2 para. 10A(2) 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(6) (with Sch. 12)
- F38** Words in Sch. 2 para. 10A(3) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 200(e) (with S. 13(3), Sch. 5); S.I. 2001/3538, art. 2
- F39** Word in Sch. 2 para. 10A(3) 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(6) (with Sch. 12)
- F40** Word in Sch. 2 para. 10A(4) 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(6) (with Sch. 12)

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

- C6** Sch. 2 para. 10A(3); Functions of Building Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), Sch. 1 Pt. III; 2001/3538 art. 2(1)

#### Marginal Citations

- M4** 1972 c.70.  
**M5** 1994 c.39.  
**M6** 1972 c.9 (N.I.).

<sup>F41</sup>*[Use of business names: required disclosure]*

#### Textual Amendments

- F41** Cross-heading inserted (1.12.1997) by 1997 c. 32, s. 36(4); S.I. 1997/2668, art. 2, Sch. Pt. I(h)

<sup>F42</sup>10B(1) Paragraph 9(2A) above shall have effect as if after the words “in legible characters” there were inserted the words “ which are reasonably prominent ”.

- (2) The society shall in all documents mentioned in paragraph 9(2A) above state in legible characters an address in the United Kingdom at which service of any document relating in any way to the business will be effective.
- (3) The society shall also in any premises where the business is carried on and to which the members of the society, the customers of the business or suppliers of any goods or services to the business have access, display in a prominent position so that it may easily be read by such persons a notice containing the society’s registered name and the address mentioned in sub-paragraph (2) above.
- (4) The society shall secure that the registered name and the address mentioned in sub-paragraph (2) above is immediately given, by written notice, to any person with whom anything is done or discussed in the course of the business and who asks for the registered name or the address.
- (5) The <sup>F43</sup>Treasury may], by regulations require a notice under sub-paragraph (3) or (4) above to be displayed or given in a specified form.]

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#### Textual Amendments

- F42** Sch. 2 Pt. I paras. 10A-10C inserted (1.12.1997) by 1997 c. 32, s. 36(4); S.I. 1997/2668, art. 2, **Sch. Pt. I(h)**
- F43** Words in Sch. 2 para. 10B(5) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(e)** (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

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

- C7** Sch. 2 para. 10B(5); Functions of Building Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. III**; S.I. 2001/3538, **art. 2**

<sup>F44</sup>*[Use of business names: supplementary]*

#### Textual Amendments

- F44** Cross-heading inserted (1.12.1997) by 1997 c. 32, s. 36(4); S.I. 1997/2668, art. 2, **Sch. Pt. I(h)**

- <sup>F45</sup>10(1) A building society which contravenes paragraph 10A(2) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (2) A building society which, without reasonable excuse, does not comply with paragraph 9(2A) or 10B(2), (3) or (4) above, or any regulations made under paragraph 10B(5) above, shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (3) Where paragraph 10A above applies any legal proceedings brought by the society to enforce a right arising out of a contract made in the course of the business in respect of which the society was, at the time the contract was made, in breach of paragraph 9(2A) or 10B(2), (3) or (4) above shall be dismissed if the defendant (or, in Scotland, the defender) to the proceedings shows—
- (a) that he has a claim against the plaintiff (pursuer) arising out of that contract which he has been unable to pursue by reason of the plaintiff's (pursuer's) breach of paragraph 9(2A) or 10B(2), (3) or (4) above, or
- (b) that he has suffered some financial loss in connection with the contract by reason of the latter's breach of paragraph 9(2A) or 10B(2), (3) or (4) above, unless the court before which the proceedings are brought is satisfied that it is just and equitable to let the proceedings continue.
- (4) Sub-paragraph (3) above is without prejudice to the right of any person to enforce such rights as he may have against another person in any proceedings brought by that person.
- (5) Regulations made under paragraph 10A(3) or 10B(5) above shall be made by statutory instrument subject to annulment by resolution of either House of Parliament.
- (6) Such regulations may contain such transitional provisions and savings as the <sup>F46</sup>Treasury think] fit, and may make different provision for different cases or classes of case.]

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#### Textual Amendments

- F45** Sch. 2 Pt. I paras. 10A-10C inserted (1.12.1997) by 1997 c. 32, s. 36(4); S.I. 1997/2668, art. 2, **Sch. Pt. I(h)**
- F46** Words in Sch. 2 para. 10C(6) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(f)** (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

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

- C8** Sch. 2 para. 10C(6): Functions of Building Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. III**; S.I. 2001/3538, **art. 2(1)**

#### *Change of principal office*

- 11 (1) A building society may change its principal office—
- (a) in such manner as its rules direct, or
  - (b) if there is no such direction in the rules, [<sup>F47</sup>by an ordinary resolution].
- (2) Notice of any such change and of the date of it shall, within seven days after the change, be sent to the [<sup>F48</sup>FCA] and the [<sup>F48</sup>FCA] shall keep the notice in the public file of the society.
- (3) It is not necessary to alter the memorandum or rules of a building society by reason only that its principal office is changed.
- (4) If a building society fails to send to the [<sup>F48</sup>FCA] a notice which it is required to send to it under sub-paragraph (2) above, 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.

#### Textual Amendments

- F47** Words in Sch. 2 Pt. I para. 11(1)(b) substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 56(9)**; S.I. 1997/1427, **art. 2(k)(n)(xv)**
- F48** Word in Sch. 2 para. 11 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(7)** (with Sch. 12)

#### *Societies to supply copies of rules etc.*

- 12 (1) A building society shall, on demand, give a copy of its statutory documents—
- (a) free of charge, to any member of the society to whom a copy of those documents has not previously been given, and
  - (b) to any other person, upon payment of such fee as the society may require, not exceeding the prescribed amount.
- (2) The reference in sub-paragraph (1) above to a copy of a building society's statutory documents is a reference to—
- (a) a printed copy of the society's rules for the time being, with a copy of the certificate of incorporation of the society annexed to it, and
  - (b) a printed copy of the memorandum of the society for the time being.

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(3) If a building society fails to comply with the requirements of sub-paragraph (1) above, 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.

(4) In sub-paragraph (1) above the “prescribed amount” means £1 or such other amount as the <sup>F49</sup>Treasury prescribe] by order made by statutory instrument.

#### Textual Amendments

**F49** Words in Sch. 2 para. 12(4) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(g)** (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

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

**C9** Sch. 2 para. 12(4): Functions of Building Societies Commission transferred (1.12.2001) to Treasury by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. III**; 2001/3538 art. 2(1)

### Register of members

13 <sup>F50</sup>(1) Every building society shall maintain a register of members showing—

- (a) the name and <sup>F51</sup>postal] address of each member; and
- (b) whether each member is a shareholding member or a borrowing member or both.]

<sup>F52</sup>(1A) Where a member has notified to the building society an electronic address for the purpose of receiving notices or documents required to be sent by the society under this Act, the register shall show—

- (a) the electronic address in addition to the postal address of the member; and
- (b) the purposes for which the electronic address has been notified.]

(2) The register shall be kept at the principal office or at such other place or places as the directors think fit.

(3) If a building society contravenes sub-paragraph (1) above, 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.

(4) For the purposes of this Act “registered address” in relation to a member of a building society, means—

- (a) the <sup>F53</sup>postal] address shown in the register maintained under this paragraph, except in a case where paragraph (b) below applies;
- (b) where the member has requested that communications from the society be sent to some other <sup>F54</sup>postal] address, that other address.

#### Textual Amendments

**F50** Sch. 2 Pt. I para. 13(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. 56(10)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiii)**

**F51** Word in Sch. 2 para. 13(1)(a) inserted (20.3.2003) by The Building Societies Act 1986 (Electronic Communications) Order 2003 (S.I. 2003/404), arts. 1(1), **12(2)**

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- F52** Sch. 2 para. 13(1A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **12(3)**
- F53** Word in Sch. 2 para. 13(4)(a) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **12(4)(a)**
- F54** Word in Sch. 2 para. 13(4)(b) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **12(4)(b)**

*Exception to duties to send documents*

- 14 (1) A building society is not obliged by any provision of this Act or its rules to send a notice or other document to a member in whose case the society has reason to believe that communications sent to him at his registered address are unlikely to be received by him.
- (2) Where the requirement relates to notice of a meeting or postal ballot of the society, the society must, instead, comply with the advertising requirements of paragraph 35 below.

*Right of members to obtain particulars from the register*

- 15 <sup>F55</sup>(1) At any time when a building society—
- (a) has had its <sup>F56</sup>permission under <sup>F57</sup>[Part 4A] of the Financial Services and Markets Act 2000 to accept deposits cancelled]; and
  - (b) has not <sup>F58</sup>subsequently been given such permission],
- a member of the society shall, subject to sub-paragraph (1A) below, have the right to obtain, from the register kept under paragraph 13 above, the names and addresses of members of the society, for the purpose of communicating with them on a subject relating to the affairs of the society.
- (1A) Sub-paragraph (1) above shall not apply unless the member in question—
- (a) is qualified under the rules of the society to join in a members' requisition for a special meeting, or to join in nominating a person for election as a director; or
  - (b) would be so qualified if any requirements as to length of time a person must have been a shareholding or borrowing member were omitted.
- (2) If, at any time not falling within sub-paragraph (1) above, a member of a building society who is qualified under the rules of the society to join in a members' requisition for a special meeting, or to join in nominating a person for election as a director, makes a written application to the <sup>F59</sup>[FCA] for the right to obtain names and addresses from the register, the <sup>F59</sup>[FCA] —
- (a) if satisfied that the applicant—
    - (i) requires that right for the purpose of communicating with members of the society on a subject relating to its affairs; and
    - (ii) has not, since making the application, voluntarily ceased to be a member of the society; and
  - (b) having regard to the interests of the members as a whole and to all the other circumstances; <sup>F60</sup>...
  - <sup>F60</sup>(c) .....]



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[<sup>F61</sup>(2A) The [<sup>F59</sup>FCA] may charge a reasonable fee for considering an application under sub-paragraph (2) above.]

(3) Any direction under sub-paragraph (2) above may be given subject to such limitations or conditions as the [<sup>F59</sup>FCA] may think fit.

[<sup>F62</sup>(3A) The FCA must consult the PRA before giving a direction under sub-paragraph (2).]

(4) Before giving a direction under sub-paragraph (2) above, the [<sup>F59</sup>FCA] shall give particulars of the application to the building society and shall afford the society an opportunity of making representations with respect to the application; and the [<sup>F59</sup>FCA] shall, if the applicant or the society so requests, afford to the applicant and to the society an opportunity of being heard by it.

(5) A member entitled under this paragraph to obtain the names of members of a building society may apply in writing to the society, describing in the application the subject on which he proposes to communicate with other members of the society; and the society shall give him all necessary information as to the place or places where the register, or part of it, is kept, and reasonable facilities for inspecting the register and taking a copy of any names and addresses in the register.

(6) A building society shall not be obliged to disclose to a member making an application under this paragraph any particulars contained in the register other than the names of the members and their addresses, and may construct the register in such a way that it is possible to disclose the names and addresses to inspection without disclosing any such other particulars.

[<sup>F63</sup>(7) No information obtained under sub-paragraph (1) or (2) above or this sub-paragraph and relating to a member of the society may be disclosed except—

- (a) with the consent of that member; or
- (b) in the case of information obtained under sub-paragraph (1) or (2) above, for purposes connected with the purpose mentioned in that paragraph.

(8) Any person who discloses information in contravention of sub-paragraph (7) above shall be liable—

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or both; and
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

<sup>F64</sup>(9) .....

<sup>F64</sup>(10) .....

<sup>F64</sup>(11) .....]

**Textual Amendments**

**F55** Sch. 2 Pt. I para. 15(1)(1A)(2) substituted for Sch. 2 para. 15(1)(2) (9.6.1997) by 1997 c. 32, s. 37(1); S.I. 1997/1427, art. 2(i)

**F56** Words in Sch. 2 para. 15(1)(a) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 200(h)(i) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2

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- F57** Words in Sch. 2 para. 15(1) 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(8)(b)** (with Sch. 12)
- F58** Words in Sch. 2 para. 15(1)(b) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(h)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F59** Word in Sch. 2 para. 15 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(8)(a)** (with Sch. 12)
- F60** Sch. 2 para. 15(c) and the word “and” immediately preceding repealed (1.12.2001) by S.I. 2001/2617, **arts. 2(b), 13(2)**, Sch. 4 (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F61** Sch. 2 para. 15(2A) inserted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(h)(v)** (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F62** Sch. 2 para. 15(3A) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 53(8)(c)** (with Sch. 12)
- F63** Sch. 2 Pt. I para. 15(7)-(11) inserted (9.6.1997) by 1997 c. 32, s. 37(2); S.I. 1997/1427, **art. 2(i)**
- F64** Sch. 2 para 15(9)-(11) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

## F65 [PART II

### CAPACITY OF SOCIETY AND POWER OF DIRECTORS TO BIND IT]

#### Textual Amendments

- F65** Sch. 2 Pt. II 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. 3(2), 47(3), **Sch. 1**; S.I. 1997/2668, **art. 2, Sch. Pt. II(c)**

#### [F66 *Capacity of society not limited by its memorandum*]

#### Textual Amendments

- F66** Sch. 2 Pt. II 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. 3(2), 47(3), **Sch. 1**; S.I. 1997/2668, **art. 2, Sch. Pt. II(c)**

- [F67] 16 (1) The validity of an act done by a building society shall not be called into question on the ground of lack of capacity by reason of anything included in the society’s memorandum.
- (2) A member of a building society may bring proceedings to restrain the doing of an act which but for sub-paragraph (1) above would be beyond the society’s capacity; but no such proceedings shall lie in respect of an act to be done in fulfilment of a legal obligation arising from a previous act of the society.
- (3) It remains the duty of the directors of a building society to observe any limitations on their powers flowing from the society’s memorandum; and action by the directors which but for sub-paragraph (1) above would be beyond the society’s capacity may only be ratified by the society by special resolution.

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- (4) A resolution ratifying such action shall not affect any liability incurred by the directors or any other person; relief from any such liability must be agreed to separately by special resolution.]

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**Textual Amendments**

**F67** Sch. 2 Pt. II 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. 3(2), 47(3), **Sch. 1**; S.I. 1997/2668, art. 2, **Sch. Pt. II(c)**

*[<sup>F68</sup> Power of directors to bind society]*

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**Textual Amendments**

**F68** Sch. 2 Pt. II 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. 3(2), 47(3), **Sch. 1**; S.I. 1997/2668, art. 2, **Sch. Pt. II(c)**

- <sup>F69</sup>17 (1) In favour of a person dealing with a building society in good faith, the power of the board of directors to bind the society, or authorise others to do so, shall not be limited by reason of anything included in the society's constitution, that is to say, its memorandum and rules.
- (2) For this purpose—
- (a) a person deals with a building society if he is a party to any transaction or other act to which the society is a party;
  - (b) a person shall not be regarded as acting in bad faith by reason only of his knowing that an act is beyond the powers of the directors under the society's constitution; and
  - (c) a person shall be presumed to have acted in good faith unless the contrary is proved.
- (3) The references above to limitations on the directors' powers under the society's constitution include limitations deriving from a resolution of the society passed at a general meeting or special meeting or on a postal [<sup>F70</sup>or electronic] ballot, or from any agreement between the members of the society.
- (4) Notwithstanding anything in paragraph 3(2) above, sub-paragraph (1) above applies in relation to members of the society, and to persons claiming on account of members or under the rules of the society, as it applies in relation to other persons.
- (5) Sub-paragraph (1) above does not affect any right of a member of the society to bring proceedings to restrain the doing of an act which is beyond the powers of the directors; but no such proceedings shall lie in respect of an act to be done in fulfilment of a legal obligation arising from a previous act of the society.
- (6) Nor does that sub-paragraph affect any liability incurred by the directors, or any other person, by reason of the directors' exceeding their powers.]

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#### Textual Amendments

- F69** Sch. 2 Pt. II 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. 3(2), 47(3), **Sch. 1**; S.I. 1997/2668, art. 2, **Sch. Pt. II(c)**
- F70** Words in Sch. 2 para. 17(3) inserted (20.3.2003) by **The Building Societies Act 1986 (Electronic Communications) Order 2003** (S.I. 2003/404), arts. 1(1), **30(6)(a)**

<sup>F71</sup> *[ No duty to enquire as to capacity of society etc.]*

#### Textual Amendments

- F71** Sch. 2 Pt. II 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. 3(2), 47(3), **Sch. 1**; S.I. 1997/2668, art. 2, **Sch. Pt. II(c)**

[<sup>F72</sup>18 (1) A party to a transaction with a building society is not bound to enquire as to whether it is permitted by the society's constitution or as to any limitation on the powers of the board of directors to bind the society or authorise others to do so.

(2) Notwithstanding anything in paragraph 3(2) above, sub-paragraph (1) above applies in relation to members of the society as it applies in relation to other persons.]

#### Textual Amendments

- F72** Sch. 2 Pt. II 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. 3(2), 47(3), **Sch. 1**; S.I. 1997/2668, art. 2, **Sch. Pt. II(c)**

*Powers of central office*

## PART III

### MEETINGS, RESOLUTIONS AND POSTAL BALLOTS

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

- C10** Sch. 2 Pt. III (paras. 20–36) excluded (*temp.*) by S.I. 1986/2168, **art. 3(1)(2)**
- C11** Sch. 2 Pt. III (paras. 20–36) modified by S.I. 1987/426, **art. 4**

*Annual general meeting*

20 (1) Subject to sub-paragraph (2) below, every building society shall hold a meeting in the first four months of each financial year as its annual general meeting (in addition to any other meetings in that year) and shall specify the meeting as such in the notices calling it.

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- (2) Sub-paragraph (1) above does not require a building society to hold an annual general meeting in the calendar year in which it is incorporated.
- (3) If default is made in holding a meeting in accordance with sub-paragraph (1) above, the [<sup>F73</sup>FCA] may—
- (a) call, or direct the calling of, an annual general meeting in that financial year, and
  - (b) give such ancillary or consequential directions as it thinks expedient, including directions modifying or supplementing the operation of the rules of the society in relation to the calling, holding and conducting of the meeting.
- (4) Notwithstanding anything in the rules of a building society, the business which may be dealt with at the annual general meeting shall include any resolution whether special or not.
- (5) In any case where default is made—
- (a) in holding an annual general meeting in accordance with sub-paragraph (1) above, or
  - (b) in complying with any directions of the [<sup>F73</sup>FCA] given under sub-paragraph (3) above,

the building 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.

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**Textual Amendments**

**F73** Word in Sch. 2 para. 20 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(9) (with Sch. 12)

<sup>F74</sup>*[Special meeting on members' requisition]*

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**Textual Amendments**

**F74** Sch. 2 Pt. III para. 20A and cross-heading 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. 25, 47(3); S.I. 1997/2668, art. 2, Sch. Pt. II(q)

- [<sup>F75</sup>20A(1) On a members' requisition, a building society shall—
- (a) duly call a special meeting, and specify the meeting as such in the notice calling it; and
  - (b) if so required by the requisition, send to each member entitled to receive notice of the meeting a copy of a statement of not more than 500 words with respect to the matters to be dealt with at the meeting;

and where a meeting is so called no business shall be conducted at the meeting other than that stated in the notice calling it or (where applicable) that mentioned in sub-paragraph (8)(b) below.

[ Where a copy of a statement is required to be sent to a member under sub-<sup>F76</sup>(1A) paragraph (1)(b)—

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- (a) it may be sent to him electronically only if it is sent to an electronic address notified by the member for the purpose; but
- (b) the requirement to send it shall also be treated as satisfied if the conditions set out in sub-paragraph (1B) are satisfied.

- (1B) The requirements of this sub-paragraph are satisfied in the case of a statement if—
- (a) the society and that member have agreed that information which is required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the statement in question;
  - (c) no later than one working day after the statement is first capable of being accessed on a web site that person is notified <sup>F77</sup> ... of—
    - (i) the publication of the statement on a web site,
    - (ii) the address of that web site,
    - (iii) the place on that web site where the statement may be accessed, and how it may be accessed; and
  - (d) a copy of the statement is published continuously on that web site throughout the period beginning (so far as practicable) at the same time as copies of the statement are sent to members in accordance with sub-paragraph (1)(b), and ending with the conclusion of the meeting.]
- (2) A members' requisition is a requisition of not less than the requisite number of members of the society; and that number is [<sup>F78</sup>500] or such lesser number as may be specified in the rules of the society.
- (3) The requisition—
- (a) must state the objects of the meeting, be signed by the requisitionists and be deposited at the society's principal office; and
  - (b) may consist of several documents in like form each signed by one or more requisitionists and each after the first deposited within three months of the date on which the first was deposited.
- (4) Where the requisition consists of several documents, the date of its deposit shall be taken to be the date on which the document signed by the requisitionist making up the requisite number is deposited at the society's principal office.
- (5) The rules of the society may require a requisitionist—
- (a) to state his full name and address;
  - (b) to fulfil one or other of the following conditions, namely—
    - (i) to have been a shareholding member for a specified period and to hold, or to have held at any time during that period, shares in the society to such value (not greater than the prescribed amount) as is specified in the rules; and
    - (ii) to have been a borrowing member for a specified period and to owe to the society, or to have owed to the society at any time during that period, a mortgage debt of such amount (not greater than the prescribed amount) as is so specified; and
  - (c) to identify a share or mortgage account with the society which will evidence the fact that he fulfils one or other of those conditions;
- and in this sub-paragraph "specified period" means such period (not more than two years) before the date of the requisition as is specified in the rules.

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- (6) No objection may be made by virtue of such rules to the requisition or, where the requisition consists of several documents, to any of those documents unless it is made within 14 days of the requisition or document being deposited at the society's principal office.
- (7) The rules of the society may also require a sum of money, not exceeding [<sup>F79</sup>£50] per requisitioner, to be deposited with the requisition; and, where any money is so deposited, it shall be forfeited to the society, or returned to the persons who deposited it, as provided by the rules.
- (8) The rules shall not provide for any deposited money to be forfeited to the society except—
- (a) where a quorum is not present within half an hour after the time appointed for the meeting; or
  - (b) where and to the extent that those eligible to vote at the meeting decide by ordinary resolution that the money should be applied to defray the whole or any part of the expenses of holding the meeting.
- (9) If the rules of a building society so provide, sub-paragraph (1) above does not require the society—
- (a) to call a special meeting if the only or main object of the meeting is to move a resolution in substantially the same terms as any resolution which has been defeated at a meeting or on a postal [<sup>F80</sup> or electronic] ballot during the period beginning with the third annual general meeting before the date on which the requisition is deposited at the society's principal office; or
  - (b) to call a special meeting to be held during the period of four months beginning one month after the end of its financial year.
- (10) Sub-paragraph (1)(b) above does not require the society to send copies of a statement to members entitled to receive notice of a meeting in any case where—
- (a) publicity for 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)(b) above are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes;
- and that provision shall not be taken to confer any rights on members, or to impose any duties on a building society, in respect of a statement which does not relate directly to the affairs of the society.
- (11) Where sub-paragraph (1)(b) above requires copies of a statement to be sent to members entitled to receive notice of a meeting, the proceedings at the meeting are not invalidated by—
- (a) the accidental omission to send a copy of the statement to a member entitled to receive one, or
  - (b) the non-receipt of such a copy by such a member.
- [ Where, in a case in which sub-paragraph (1A)(b) is relied on for compliance with a <sup>F81</sup>(11A) requirement of sub-paragraph (1)(b)—
- (a) a statement is published for a part, but not all, of the period mentioned in sub-paragraph (1B)(d), but

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- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,  
the failure shall not invalidate the proceedings at the meeting.]
- (12) The [<sup>F82</sup>appropriate authority] shall hear and determine any dispute arising under sub-paragraph (10)(a) above, whether on the application of the society or of any other person who claims to be aggrieved.
- (13) The [<sup>F83</sup>Treasury may], by order substitute—
- (a) for the number specified in sub-paragraph (2) above; or
- (b) for the sum specified in sub-paragraph (7) above,
- such other number or sum as appears to [<sup>F84</sup>them] to be appropriate; and an order under this subsection may make such supplementary, transitional and saving provision as appears to the [<sup>F85</sup>Treasury] to be necessary or expedient.
- (14) The power to make an order under sub-paragraph (13) above is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.]

#### Textual Amendments

- F75** Sch. 2 Pt. III para. 20A and cross-heading 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. 25, 47(3)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(q)**
- F76** Sch. 2 para. 20A(1A)(1B) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **13(2)**
- F77** Words in Sch. 2 para. 20A(1B)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 12(2)**
- F78** Figure in Sch. 2 para. 20A substituted (1.12.1999) by S.I. 1999/3031, **art. 2**
- F79** Word in Sch. 2 para. 20A(7) substituted (6.4.2007) by [The Building Societies Act 1986 \(Substitution of Specified Amounts and Modification of the Funding Limit Calculation\) Order 2007 \(S.I. 2007/860\)](#), arts. 1, **2(7)**
- F80** Words in Sch. 2 para. 20A(9)(a) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **30(6)(b)**
- F81** Sch. 2 para. 20A(11A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **13(3)**
- F82** Words in Sch. 2 para. 20A(12) 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(10)** (with Sch. 12)
- F83** Words in Sch. 2 para. 20A(13) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(k)(i)** (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F84** Word in Sch. 2 para. 20A(13) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(k)(ii)** (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F85** Word in Sch. 2 para. 20A(13) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(k)(iii)** (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

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

- C12** Sch. 2 para. 20A(13): Functions of Building Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617 arts. 2(b), 4(1), Sch. 1 Pt. III; S.I. 2001/3538, **art. 2**



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<sup>F86</sup> [Failure to comply with members' requisition]

**Textual Amendments**

**F86** Sch. 2 Pt. III para. 20B and cross-heading 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. 26, 47(3); S.I. 1997/2668, art. 2, Sch. Pt. II(r)

- <sup>F87</sup>[20B(1) This paragraph applies where a members' requisition is deposited at a building society's principal office and the society is not relieved of the obligation to call a special meeting by paragraph 20A(9)(a) above.
- (2) Subject to sub-paragraph (5) below, if the society does not within 28 days from the date of the deposit of the requisition duly call a meeting to be held within 63 days from that date—
- (a) the requisitionists, or any proportion of them exceeding one half, may themselves call a meeting to be held within five months from that date; and
  - (b) no business shall be conducted at a meeting so called other than that stated in the notice calling it or (where applicable) that mentioned in paragraph 20A(8)(b) above.
- (3) A meeting called under sub-paragraph (2) above by requisitionists shall be called in the same manner, as nearly as may be, as that in which meetings are to be called by the society.
- (4) If—
- (a) paragraph 20A(1)(b) above requires the society to send to each member entitled to receive notice of the meeting a copy of a statement of not more than 500 words with respect to the matters to be dealt with at the meeting; and
  - (b) subject to sub-paragraph (5) below, that requirement is not complied with within 28 days from the date of the deposit of the requisition,
- the requisitionists, or any proportion of them exceeding one half, may themselves send a copy of the statement to each such member.
- (5) If the rules of the society make such provision as is mentioned in paragraph 20A(9)(b) above, any days falling within the period there mentioned shall be disregarded in determining any period for the purposes of sub-paragraph (2) or (4)(b) above.
- (6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the society to call a meeting, or to comply with such a requirement as is mentioned in sub-paragraph (4) above, shall be repaid to the requisitionists by the society.
- (7) Any sum so repaid shall be recoverable by the society from such of the directors of the society as were responsible for the failure (whether by the retention of fees or other remuneration in respect of services or otherwise).]

**Textual Amendments**

**F87** Sch. 2 Pt. III para. 20B and cross-heading 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. 26, 47(3); S.I. 1997/2668, art. 2, Sch. Pt. II(r)

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*Length of notice for calling meetings*

- 21 (1) Any provision contained in the rules of a building society shall be void to the extent that it provides for the calling of a meeting of the society (other than an adjourned meeting) by less than 21 days' notice expiring with the date of the meeting or, if earlier, the date specified by the society, under its rules, as the final date for the receipt of [<sup>F88</sup>appointments of] proxies to vote at the meeting.
- (2) A meeting of a building society may be called by 21 days' notice, unless the rules provide for longer notice of the meeting to be given.
- (3) Where notice of a meeting is given in accordance with sub-paragraph (2) above, the notice shall be taken for the purposes of this Act or any other enactment to have been duly given according to the rules of the building society.

**Textual Amendments**

**F88** Words in Sch. 2 para. 21(1) substituted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **29(3)(a)**

*Persons entitled to notice of meetings*

- 22 (1) Subject to the provisions of this Part of this Schedule, notice of a meeting of a building society shall be given to every member of the society who would be eligible to vote at the meeting if the meeting were held on the date of the notice.
- <sup>F89</sup>(2) Notice of the meeting shall, subject to those provisions, be given also to every person—
- (a) who becomes a shareholding or borrowing member of the society after the date of the notice under sub-paragraph (1) above and before the specified date; or
  - (b) who, being such a member at the date of that notice, attains the age of 18 after that date and on or before the date of the meeting,
- and who would (in either case) be eligible to vote at the meeting if he remained such a member until the date of the meeting.
- (2A) In sub-paragraph (2) above “the specified date” means the date specified by the society as the final date for the receipt of [<sup>F90</sup>appointments of] proxies to vote at the meeting.]
- (3) Accidental omission to give notice of a meeting to, or non-receipt of notice of a meeting by, any person entitled to receive notice of the meeting does not invalidate the proceedings at that meeting.

**Textual Amendments**

**F89** Sch. 2 Pt. III para. 22(2)(2A) substituted for Sch. 2 Pt. III para. 22(2) (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\(2\)](#); [S.I. 1997/2668](#), art. 2, [Sch. Pt. II\(w\)\(z\)\(xxxiv\)](#)

**F90** Words in Sch. 2 para. 22(2A) substituted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **29(3)(b)**

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

C13 Sch. 2 Pt. III paras. 22, 34 excluded by S.I. 1987/426, art. 3

*[<sup>F91</sup>Transmission of notice of meeting to an electronic address*

**Textual Amendments**

F91 Sch. 2 paras. 22A, 22B and cross-headings inserted (20.3.2003) by The Building Societies Act 1986 (Electronic Communications) Order 2003 (S.I. 2003/404), arts. 1(1), 14

- 22A (1) Where a notice of a meeting of a society is required to be sent to a person under any provision of this Act, the notice may be sent to him electronically only if it is sent to an electronic address notified by him to the society for the purpose.
- (2) In a case in which this paragraph is relied on for compliance with a requirement to send a notice, a notice given in accordance with this paragraph is to be treated as given to a person on the day that the notice is transmitted.

*Publication of notice of meeting on a web site*

- 22B (1) A requirement under any provision of this Act to send a notice of a meeting of the society to a person shall also be treated as satisfied if the conditions set out in sub-paragraph (2) are satisfied.
- (2) The conditions of this sub-paragraph are satisfied in the case of a notice of a meeting of a society if—
- (a) the society and the person have agreed that notices which are required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the notice in question
  - (c) that person is notified <sup>F92</sup>... of—
    - (i) the publication of the notice on a web site,
    - (ii) the address of that web site, and
    - (iii) the place on that web site where the notice may be accessed, and how it may be accessed; and
  - (d) the notice is published continuously on that web site throughout the period beginning with the giving of that notification and ending with the conclusion of the meeting.
- (3) A notification given for the purposes of sub-paragraph (2)(c) must—
- (a) state that it concerns a notice of a meeting of the society served in accordance with this Act;
  - (b) specify the place, date and time of the meeting; and
  - (c) state whether the meeting is to be an annual or special general meeting.
- (4) In a case in which this paragraph is relied on for compliance with a requirement to send a notice, a notice given in accordance with this paragraph is to be treated as given to a person on the day that person is notified in compliance with sub-paragraphs (2)(c) and (3).
- (5) Where, in a case in which this paragraph is relied on for compliance with a requirement to send a notice of a meeting—

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- (a) a notice is published for a part, but not all, of the period mentioned in sub-paragraph (2)(d), but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,
- the failure shall not invalidate the proceedings of the meeting.]

#### Textual Amendments

**F92** Words in Sch. 2 para. 22B(2)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), [Sch. 9 para. 12\(3\)](#)

#### *Members' entitlement to vote on resolutions*

- 23 <sup>F93</sup>(1) A member of a building society is entitled to vote—
- (a) on an ordinary resolution or a special resolution if he was, at the end of the last financial year before the voting date, and is, on that date, a shareholding or borrowing member of the society;
  - (b) on a shareholding members' resolution, if he was, at the end of that year, and is, on that date, a shareholding member of the society; and
  - (c) on a borrowing members' resolution if he was, at the end of that year, and is, on that date, a borrowing member of the society,
- but subject, in either case, to paragraphs 5(3), 7(4) and 8(4) above <sup>F94</sup>and sub-paragraph (5A) below] and, in the case of paragraphs (a) and (b), to sub-paragraph (3) below.]
- (2) Subject to the following provisions of this paragraph, any provision in the rules of a building society is void to the extent that it would have the effect of restricting the rights conferred on members by sub-paragraph (1) above.
- <sup>F95</sup>(3) If the rules of the society so provide, a shareholding member is not entitled to vote on an ordinary resolution or a special resolution as such a member, or to vote on a shareholding members' resolution—
- (a) if he did not have a qualifying shareholding at the qualifying shareholding date; or
  - (b) if he ceased to hold shares at some time between that date and the voting date.
- (4) Where a building society's rules make such provision as is mentioned in sub-paragraph (3)(a) above, a shareholding member shall be taken to have had a qualifying shareholding at the qualifying shareholding date if he had such a holding—
- (a) at the end of the last financial year before the voting date, except where paragraph (b) below applies; or
  - (b) in a case where the voting date falls during that part of a financial year which follows the conclusion of the annual general meeting commenced in that year, at the beginning of the period of 56 days immediately preceding the voting date for members voting in person at a meeting or, as the case may be, on a postal <sup>F96</sup>or electronic] ballot.]

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(5) For the purposes of this paragraph a member of a building society has a “qualifying shareholding” at any time if at that time he holds shares in the society to a value not less than the prescribed amount or such lesser amount as may be specified in the rules.

[<sup>F97</sup>(5A) If the rules of the society so provide, a member who is also an employee of the building society shall not be entitled to exercise, directly or indirectly, any voting rights that the member may have with respect to a relevant resolution.

[<sup>F98</sup>(5B) For the purposes of sub-paragraph (5A), a relevant resolution is a resolution to approve an increase in the maximum ratio between the fixed and variable components of remuneration as permitted by—

- (a) rule 15.10 of the Remuneration Part of the Rulebook made by the Prudential Regulation Authority under the Financial Services and Markets Act 2000, or
- (b) rule 19D.3.49 of the Senior Management Arrangements, Systems and Controls sourcebook made by the Financial Conduct Authority under that Act,

where the member referred to would be directly affected by the increase.]

[ For the purposes of sub-paragraph (5B), references to rules made by the Prudential  
<sup>F99</sup>(5BA) Regulation Authority or the Financial Conduct Authority are to those rules as they have effect on IP completion day.]

<sup>F100</sup>(5C) . . . . .]

(6) In this paragraph “voting date”, with reference to any resolution, means—

- (a) the date of the meeting at which the resolution is intended to be moved, except where paragraph (b) or (c) below applies;
- (b) where voting on the resolution is to be conducted by postal ballot [<sup>F101</sup>or by electronic ballot in the case of which not all the voting is electronic (within the meaning of paragraph 33A of Schedule 2)], the date which the society specifies as the final date for the receipt of completed ballot papers;
- [<sup>F102</sup>(bb) in the case of an election conducted by electronic ballot in which all the voting is electronic voting (within the meaning of that paragraph), the date which the society [<sup>F103</sup>specifies] as the final date for registering votes;]
- (c) in the case of a member appointing a proxy to vote instead of him at a meeting, the date which the society specifies as the final date for the receipt of [<sup>F104</sup>appointments of] proxies to vote on that resolution.

#### Textual Amendments

- F93** Sch. 2 Pt. III para. 23(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(3)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F94** Words in Sch. 2 para. 23(1) inserted (1.1.2014) by **The Capital Requirements Regulations 2013** (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 35(a)**
- F95** Sch. 2 Pt. III para. 23(3)(4) 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(4)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F96** Words in Sch. 2 para. 23(4)(b) inserted (20.3.2003) by **The Building Societies Act 1986 (Electronic Communications) Order 2003** (S.I. 2003/404), arts. 1(1), **30(7)(a)**
- F97** Sch. 2 para. 23(5A)-(5C) inserted (1.1.2014) by **The Capital Requirements Regulations 2013** (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 35(b)**

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- F98** Sch. 2 para. 23(5B) substituted (31.12.2020) by [The Building Societies Legislation \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1187\)](#), regs. 1, **6(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F99** Sch. 2 para. 23(5BA) inserted (31.12.2020) by [The Building Societies Legislation \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1187\)](#), regs. 1, **6(b)** (as amended by S.I. 2020/1301, regs. 1, 3, [Sch. para. 4\(b\)](#)); 2020 c. 1, Sch. 5 para. 1(1)
- F100** Sch. 2 para. 23(5C) omitted (31.12.2020) by virtue of [The Building Societies Legislation \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1187\)](#), regs. 1, **6(c)**; 2020 c. 1, Sch. 5 para. 1(1)
- F101** Words in Sch. 2 para. 23(6)(b) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **30(7)(b)**
- F102** Sch. 2 para. 23(6)(bb) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **30(7)(c)**
- F103** Words in Sch. 2 para. 23(6)(bb) substituted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **3(2)(a)**
- F104** Words in Sch. 2 para. 23(6)(c) substituted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **29(3)(c)**

### *Proxies*

- 24 (1) A member of a building society who is entitled to attend and vote at a meeting of the society—
- (a) may appoint another person (whether a member of the society or not) as his proxy, to attend and, subject to sub-paragraph (3) below, to vote at the meeting instead of him, and
  - (b) may direct the proxy how to vote at the meeting.
- <sup>F105</sup>(1A) A form for the appointment of a proxy—
- (a) may be sent electronically to a member if it is sent to an electronic address notified by that member to the society for the purpose;
  - (b) is to be treated as having been sent electronically to a member, where the conditions in sub-paragraph (1B) below are satisfied.
- (1B) The conditions are that—
- (a) the society and the member have agreed that a form may instead be accessed by the member on a website;
  - (b) <sup>F106</sup>... the member is notified of—
    - (i) the publication of the form on a website;
    - (ii) the address of that website; and
    - (iii) the place on that website where the form may be accessed, and how it may be accessed; and
  - (c) the form is published on the website throughout the period beginning with the day on which the member is notified in accordance with paragraph (b) above and ending with the last day specified for the return of appointments of proxies.
- (1C) If the form is absent from the website for part of the period referred to in sub-paragraph (1B)(c), the absence is to be disregarded if it is wholly attributable to circumstances that it would not be reasonable to have expected the society to prevent or avoid.
- (1D) Where a form for the appointment of a proxy is made available by a society on a website in accordance with subsection (1A)(b), the society may also make available

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on the website a facility for completing the form and returning the appointment in an electronic communication (but see paragraph 34).]

- (2) Where the society, under its rules, specifies a final date for the receipt of [F107]appointments of] proxies to vote at a meeting, a person appointed a proxy by a member who at that date is entitled to attend and vote at the meeting may act as his proxy at the meeting whether or not the member ceases to be so entitled after that date.
- (3) A proxy is entitled to vote on a poll but, subject to any provision in the rules of the building society, not otherwise.
- (4) In every notice calling a meeting of a building society there shall appear with reasonable prominence a statement—
  - (a) that a member entitled to attend and vote may appoint a proxy (or, where it is allowed, one or more proxies) to attend and vote at the meeting instead of him;
  - (b) that the proxy need not be a member of the society; and
  - (c) that the member may direct the proxy how to vote at the meeting.

[F108(4A) Every form for the appointment of a proxy sent by a building society to persons entitled to notice of a meeting of the society must contain provision enabling that person to direct the proxy how to vote at the meeting.]

- (5) If default is made in complying with sub-paragraph (4) above in respect of a meeting of a building society, [F109]or in complying with sub-paragraph (4A) above in respect of a form of appointment of a proxy,] 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.
- (6) Any provision contained in the rules of a building society shall be void in so far as it would have the effect of requiring [F110]the appointment of a proxy, or any] document necessary to show the validity of, or otherwise relating to, the appointment of a proxy, to be received by the society or any other person more than seven days before a meeting or adjourned meeting in order that the appointment may be effective at the meeting or adjourned meeting.

#### Textual Amendments

- F105** Sch. 2 para. 24(1A)-(1D) substituted for Sch. 2 para. 24(1A)(1B) (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **2(1)**
- F106** Words in Sch. 2 para. 24(1B)(b) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 12(4)**
- F107** Words in Sch. 2 para. 24(2) substituted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **29(3)(d)**
- F108** Sch. 2 Pt. III para. 24(4A) 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(5)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F109** Words in Sch. 2 Pt. III para. 24(5) 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(6)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F110** Words in Sch. 2 para. 24(6) substituted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **29(4)**

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*Right to demand a poll*

- 25 (1) Any provision contained in the rules of a building society shall be void in so far as it would have the effect either—
- (a) of excluding the right to demand a poll at a meeting of the society on any question other than the election of a chairman of the meeting or the adjournment of the meeting, or
  - (b) of making ineffective a demand for a poll on any such question which is made by not less than ten members having the right to vote at the meeting.
- (2) <sup>F111</sup>Any appointment of] a proxy to vote at a meeting of a building society shall be taken also to confer authority to demand or join in demanding a poll; and for the purposes of sub-paragraph (1) above a demand by a person as proxy of a member shall be the same as the demand by the member.

**Textual Amendments**

**F111** Words in Sch. 2 para. 25(2) substituted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **29(5)**

*Special resolutions*

- 26 No resolution of a building society shall be passed as a special resolution<sup>F112</sup>, or as a shareholding members' resolution,] unless it is required to be so passed by or under any provision of this Act or by the rules of the society.

**Textual Amendments**

**F112** Words in Sch. 2 Pt. III para. 26 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\(7\)](#); [S.I. 1997/2668](#), art. 2, [Sch. Pt. II\(w\)\(z\)\(xxxiv\)](#)

- 27 (1) A resolution of a building society shall be a special resolution when it has been passed by not less than three-quarters of the number of the members of the society qualified to vote on a special resolution and voting either—
- (a) in person or by proxy on a poll on the resolution at a meeting of the society of which notice specifying the intention to move the resolution as a special resolution has been duly given; or
  - (b) in a postal <sup>F113</sup>or electronic] ballot on the resolution of which notice specifying that the resolution will not be effective unless it is passed as a special resolution has been duly given.
- (2) In any rules made by a building society on or after 1st October 1960, whether before or after the commencement of this Act, “special resolution”, unless the context otherwise requires, means a special resolution as defined in this paragraph.

**Textual Amendments**

**F113** Words in Sch. 2 para. 27(1)(b) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **30(8)**



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- [<sup>F114</sup>27A A resolution of a building society shall be a shareholding members' resolution when it has been passed by not less than three-quarters of the number of the shareholding members of the society—
- (a) qualified to vote on a shareholding members' resolution; and
  - (b) voting in person or by proxy on a poll on the resolution at a meeting of the society of which notice specifying the intention to move the resolution as a shareholding members' resolution has been duly given.]

#### Textual Amendments

**F114** Sch. 2 Pt. III para. 27A 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(8)**; S.I. 1997/2668, art. 2, **Sch. Pt. II((w)(z)(xxxiv)**

#### *Borrowing members' resolutions*

- 28 No resolution of a building society shall be passed as a borrowing members' resolution unless it is required to be so passed by or under any provision of this Act or by the rules of the society.
- 29 [<sup>F115</sup>(1) A resolution of a building society shall be a borrowing members' resolution when it has been passed by a majority of the borrowing members of the society voting in person or by proxy on a poll on the resolution at a meeting of the society of which notice specifying the intention to move the resolution as a borrowing members' resolution has been duly given.]
- <sup>F116</sup>[(2) For the purposes of this Part of this Schedule, an individual who is indebted to a building society in respect of a loan fully secured on land is not a borrowing member of the society at any time if at that time the amount of his mortgage debt is less than the prescribed amount.]
- (3) Where a borrowing member's resolution approving a transfer of engagements by a building society is moved, only those borrowing members whose mortgages are to be transferred shall be entitled to vote on the resolution.
  - (4) In any rules made by a building society after the commencement of this paragraph, "borrowing members' resolution", unless the context otherwise requires, means a borrowing members' resolution as defined in this paragraph.

#### Textual Amendments

**F115** Sch. 2 Pt. III para. 29(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(9)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**

**F116** Sch. 2 Pt. III para. 29(2) 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. **2(4)**, 47(3) (with s. 46(1), Sch. 8 paras. 4, 5); S.I. 1997/2668, art. 2, **Sch. Pt. II(b)**

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*Transfer resolutions*

- 30 (1) The transfer resolutions required for the purposes of section 97 for the approval by members of a building society of a transfer of its business are two resolutions, of which—
- (a) one is passed as a borrowing members’ resolution, and
  - (b) the other (“the requisite shareholders’ resolution”) is passed in accordance with sub-paragraphs (2) to (5) below.
- (2) In a case where the successor is to be a specially formed company, the requisite shareholders’ resolution—
- (a) must be passed as a [F117shareholding members’ resolution], and
  - (b) must be passed on a poll on which not less than [F11850] per cent. of the members of the society qualified to vote on a [F117shareholding members’ resolution] voted;
- and the notice of the resolution required by [F119paragraph 27A above] must specify that the resolution will not be effective unless both of the requirements specified in this sub-paragraph are fulfilled.
- (3) Subject to any direction under sub-paragraph (5) below, in a case where the successor is to be an existing company, the requisite shareholders’ resolution must be passed as a [F120shareholding members’ resolution] and either—
- (a) must be passed by not less than 50 per cent. of the members qualified to vote on a [F120shareholding members’ resolution], or
  - (b) must be passed by the holders, being members qualified to vote on a [F120shareholding members’ resolution], of shares in the society to a value, on the voting date, representing not less than 90 per cent. of the total value of the shares held on that date by the members so qualified to vote;
- and, in either case, the resolution must be a resolution in relation to which the notice required by [F121paragraph 27A] above includes a statement specifying that the resolution will not be effective unless either of the above requirements is fulfilled [F122has been duly given].
- (4) If the [F123appropriate authority] considers it expedient, in relation to a transfer of the business of a building society to an existing company, to do so for the purpose of protecting the investments of the shareholders of or depositors with the society, the [F124it] may give a direction under sub-paragraph (5) below.
- [F125(4A) If the appropriate authority is the PRA, it must consult the FCA before giving a direction under sub-paragraph (5).]
- (5) A direction under this sub-paragraph is a direction that, for the purposes of the transfer of business specified in the direction, the requisite shareholders’ resolution is to be effective if it is passed as a [F126shareholding members’ resolution].
- (6) The Treasury <sup>F127</sup> . . . may by order amend sub-paragraph (2)(b), (3)(a) or (3)(b) above so as to substitute for the percentage for the time being specified in the subparagraph such other percentage as [F128they think] appropriate.

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- (7) The power to make orders under sub-paragraph (6) above is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (8) In this paragraph “voting date”, with reference to a requisite shareholders’ resolution, has the same meaning as in paragraph 23(6) above.

#### Textual Amendments

- F117** Words in Sch. 2 Pt. III para. 30(2) 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(10)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F118** Words in Sch. 2 para. 30(2)(b) substituted (5.12.1997) by S.I. 1997/2714, **art. 2**
- F119** Words in Sch. 2 Pt. III para. 30(2) 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(10)(b)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F120** Words in Sch. 2 Pt. III para. 30(3) 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(11)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F121** Words in Sch. 2 Pt. III para. 30(3) 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(11)(b)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F122** Words in Sch. 2 Pt. III para. 30(3) repealed (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, 46(3), 47(3), **Sch. 7 para. 57(11)(c)**, **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxiv)(cc)(xviii)**
- F123** Words in Sch. 2 para. 30(4) 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(11)** (with Sch. 12)
- F124** Words in Sch. 2 para. 30(4) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(1)(i)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F125** Sch. 2 para. 30(4A) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 53(12)** (with Sch. 12)
- F126** Words in Sch. 2 Pt. III para. 30(5) 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(12)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F127** Words in Sch. 2 para. 30(6) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F128** Words in Sch. 2 para. 30(6) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(m)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

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

- C14** Sch. 2 para. 30: power to modify conferred (16.1.2009) by Building Societies (Funding) and Mutual Societies (Transfers) Act 2007 (c. 26), ss. 3, 6(2); S.I. 2009/36, art. 2
- C15** Sch. 2 para. 30 applied (with modifications) (5.3.2009) by The Mutual Societies (Transfers) Order 2009 (S.I. 2009/509), arts. 1(2), **3-18**

#### *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 [F129 a shareholding members’ resolution or] a borrowing members’ resolution,

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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 [<sup>F130</sup>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”—
  - <sup>F131</sup>(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 [<sup>F132</sup>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—
    - (aa) the liquid assets of the society as shown in those accounts in pursuance of regulations [<sup>F133</sup>under section 72C or 72G or in accordance with [<sup>F134</sup>UK-adopted international accounting standards], as appropriate]; and
    - (bb) the fixed assets of the society as so shown, exceeds £100 million, is [<sup>F135</sup>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 [<sup>F136</sup>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,—

- <sup>F137</sup>(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

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- (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 <sup>[F138]</sup>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.
- (7) The <sup>[F139]</sup>PRA 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.
- <sup>[F140]</sup>(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

- F129** 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)**
- F130** 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)**
- F131** 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)
- F132** 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)**
- F133** 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)**
- F134** 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)
- F135** Words in Sch. 2 para. 31(2)(a)(i) substituted (1.12.1999) by S.I. 1999/3033, **art. 2**
- F136** Words in Sch. 2 para 31(2)(a)(ii) substituted (1.12.1999) by S.I. 1999/3033 art. 2

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- F137** 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](#))
- F138** 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\(9\)](#)
- F139** 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)
- F140** 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\(c\)](#)

*Members' resolutions: supplementary provisions*

- 32 (1) Notice of a resolution given under paragraph 31(1) above must be given to the building society not later than the last day of the financial year preceding the financial year in which is held the annual general meeting at which it is intended to move the resolution; and any statement to be sent to members under paragraph 31 (1)(b) above must also be notified to the society not later than that day.
- (2) The notices of a resolution and the copies of a statement required to be sent to members by paragraph 31(1)(a) or (b) above shall be sent to them in the same manner and (so far as practicable) at the same time as the notice of the annual general meeting at which the resolution is intended to be moved; and, where it is not practicable for them to be sent at the same time as the notice, they shall be sent as soon as practicable thereafter.
- <sup>F141</sup>(2A) Sub-paragraph (2B) applies where, in a case in which a society gives notice in accordance with paragraph 22A or 22B of this Schedule of the annual general meeting at which a resolution is intended to be moved, the notice of the resolution and the copy of a statement in respect of the resolution that are required to be sent to a member under paragraph 31 (1)(a) or (b) are not transmitted or published at the same time as the notice.
- (2B) The requirement of sub-paragraph (2) to send a member his notice of the resolution and his copy of a statement in the same manner as the notice of the annual general meeting is satisfied if—
- (a) a notice of the resolution and a copy of the statement are made available to the member in the same way as the notice; or
  - (b) such a notice and such a copy (without being made available to the member in that way) are sent to the member in a manner set out by the society for the purpose in the notice.
- (2C) Where a notice of a resolution and copy of a statement are sent to a member electronically under sub-paragraph (2B), they must be sent to an electronic address notified by the member for the purpose.
- (2D) The requirements of sub-paragraph (2) or (2B)(a) are satisfied by the publication of a notice of the resolution and a copy of the statement on a web site only if—
- (a) the notice of the annual general meeting at which the resolution is intended to be moved is a notice given to that member by being published on a web site;
  - (b) an agreement between the society and the member to his accessing information on a web site applies to the notice of a resolution and copy of a statement for the meeting in question;
  - (c) the member is notified <sup>F142</sup>... of—

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- (i) the publication of the notice of a resolution and copy of a statement on a web site,
  - (ii) the address of that web site,
  - (iii) the place on that web site where the notice and copy may be accessed, and how they may be accessed;
  - (d) the notification for the purposes of paragraph (c) is given no later than the day after the date on which the notice of a resolution and the copy of a statement are first capable of being accessed on the notified web site;
  - (e) that date was the same as the date on which the notice of the annual general meeting was first capable of being accessed on a web site or (in a case to which sub-paragraph (2B)(a) applies) was as soon as practicable after that date;
  - (f) the notice of a resolution and copy of a statement are continuously published on the notified web site for a period beginning (so far as practicable) at the same time as the notices and statements are sent to members in accordance with sub-paragraph (2), and ending with the conclusion of the annual general meeting at which the resolution is moved.]
- (3) Where notices of a resolution, or copies of a statement in respect of a resolution, intended to be moved at a meeting of a building society are required to be sent to any persons, the proceedings at the meeting are not invalidated by—
- (a) the accidental omission to send a notice or copy to a person entitled to receive one, or
  - (b) the non-receipt of a notice or copy by such a person.
- [<sup>F143</sup>(3A) Where, in a case in which sub-paragraph (2D) is relied on for compliance with a requirement of sub-paragraph (2) or (2B)(a)—
- (a) a notice or copy [<sup>F144</sup>is] published for a part, but not all, of the period mentioned in subparagraph (2D)(f), but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,
- the failure shall not invalidate the proceedings at the meeting.]
- (4) The [<sup>F145</sup>Treasury] may by order vary—
- (a) the definition of “requisite number” or “qualified member” in sub-paragraph (2) of paragraph 31 above, or
  - (b) the descriptions of provisions which are rendered void by sub-paragraph (3) of that paragraph.
- whether by the addition of any description or other provision or by the substitution or deletion of any definition, description or other provision for the time being specified or contained in that paragraph.
- (5) An order under sub-paragraph (4) above shall be made by statutory instrument subject to annulment in pursu" ance of a resolution of either House of Parliament.
- (6) An order under sub-paragraph (4) above may contain transitional, consequential or supplementary provision.

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### Textual Amendments

- F141** Sch. 2 para. 32(2A)-(2D) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **16(2)**
- F142** Words in Sch. 2 para. 32(2D)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 12(5)**
- F143** Sch. 2 para. 32(3A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **16(3)**
- F144** Word in Sch. 2 para. 32(3A) inserted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **3(2)(b)**
- F145** Words in Sch. 2 para. 32(4) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(o)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2**

### Modifications etc. (not altering text)

- C16** Sch. 2 paras. 32(4)(6): Functions of Building Societies Commission transferred (1.12.2001) to the Treasury by [S.I. 2001/2617](#), arts. 2(b), 4(1), **Sch. 1 Pt. III**; [S.I. 2001/3538](#), **art. 2**

### *Postal ballots*

- 33 (1) The rules of a building society may provide for the voting in an election of directors or on any resolution of the society [<sup>F146</sup>(other than a shareholding members' resolution or a borrowing members' resolution)] to be conducted in all, or in any particular, circumstances by postal ballot; <sup>F147</sup>...
- [<sup>F148</sup>(1A) Rules made pursuant to sub-paragraph (1) may also make provision in relation to the use of electronic communications in the conduct of a postal ballot.]
- (2) Where, under the rules of a society, a postal ballot is to take place, the following provisions of this paragraph have effect.
- (3) Notice of a postal ballot shall be given not less than 21 nor more than 56 days before the date which the society specifies as the final date for the receipt of completed ballot papers (referred to in this paragraph as "the voting day").
- (4) Subject to the provisions of this Part of this Schedule, notice of a postal ballot shall be given to every member of the society who would be entitled to vote in the election or on the resolution if the voting date for the election or the resolution fell on the date of the notice.
- [<sup>F149</sup>(5) Notice of the postal ballot shall, subject to those provisions, be given also to every person—
- (a) who becomes a shareholding or borrowing member of the society after the date of the notice under sub-paragraph (4) above and before the voting day; or
- (b) who, being such a member at the date of that notice, attains the age of 18 after that date and on or before the voting day,
- and who would (in either case) be eligible to vote in the election or on the resolution if he remained such a member until that day.
- [ Where a notice of a postal ballot is required to be given to a person by sub-<sup>F150</sup>(5A) paragraph (4) or (5), the notice may be sent to him electronically only if it is sent to an electronic address notified by the person to the society for the purpose.



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- (5B) In a case in which notice of a postal ballot is sent electronically to an electronic address in accordance with sub-paragraph (5A), the notice is to be treated as given to a person on the day on which it is transmitted.
- (5C) A requirement of sub-paragraph (4) or (5) to send a notice of a postal ballot shall also be treated as satisfied if—
- (a) the society and the person have agreed that notices which are required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the notice in question
  - (c) that person is notified <sup>F151</sup>... of—
    - (i) the publication of the notice on a web site,
    - (ii) the address of that web site, and
    - (iii) the place on that web site where the notice may be accessed, and how it may be accessed; and
  - (d) the notice is published continuously on that web site throughout the period beginning with the giving of that notification and ending with the voting date (within the meaning of section 60(17)).
- (5D) In a case in which sub-paragraph (5B) is relied on for compliance with a requirement of sub-paragraph (4) or (5), a notice of a postal ballot is to be treated as sent to a person on the day when notification is given in accordance with sub-paragraph (5C) (d).
- (5E) Where, in a case in which sub-paragraph (5C) is relied on for compliance with a requirement of sub-paragraph (4) or (5)—
- (a) a notice of a postal ballot is published for a part, but not all, of the period mentioned in sub-paragraph (5C)(d), but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,
- the failure shall not invalidate the postal ballot.]
- (6) Notice of a postal ballot—
- (a) shall contain such other notices relating to the election or resolution [<sup>F152</sup>(“related notices”)], and
  - (b) shall be accompanied by such other documents [<sup>F153</sup>(“accompanying documents”)],

as would be required to be given or sent to a member in connection with notice of a meeting, had it been intended to hold the election or vote on the resolution at a meeting instead of by postal ballot with the exception, however, of any notice relating to voting by proxy at a meeting.

[ Where the notice of a postal ballot is required by sub-paragraph (6) to contain a <sup>F154</sup>(6A) related notice or to be accompanied by an accompanying document—

- (a) in a case where the notice of that ballot is given to a person electronically in accordance with sub-paragraph (5A), the related notice or accompanying document may be sent to him electronically only if it is sent to the same electronic address, and at the same time as the notice of the postal ballot;
- (b) in a case where notice of that ballot is given on a web site in accordance with sub-paragraph (5C), the requirement to send the related notice or

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accompanying document to that person shall also be treated as satisfied if the conditions set out in sub-paragraph (6B) are satisfied.

(6B) The conditions of this sub-paragraph are satisfied in the case of a related notice or accompanying document if—

- (a) the society and that member have agreed that information which is required to be sent to him may instead be accessed by him on a web site;
- (b) the agreement applies to the related notice or accompanying document in question;
- (c) at the same time and in the same manner as the society notifies that person of the publication of the notice of the postal ballot, it notifies him of—
  - (i) the publication of the related notice or accompanying document on a web site,
  - (ii) the address of that web site,
  - (iii) the place on that web site where that statement or notification may be accessed, and how it may be accessed; and
- (d) the related notice or accompanying document is published continuously on that web site throughout the period beginning with the giving of that notification in accordance with paragraph (c) and ending with the voting date (within the meaning of section 60(17)).

(6C) Where notice of a postal ballot and any related notice or accompanying document is sent to a person electronically, that person may return the completed voting paper to the society either—

- (a) by post; or
- (b) electronically by sending it to an electronic address notified by the society to that person for the purpose,

unless the rules of the society make provision to the contrary.]

(7) Accidental omission—

- (a) to give notice of a postal ballot, or
- (b) to send any document required by sub-paragraph (6) above to accompany such a notice,

to any person entitled to receive it, or non-receipt of such a notice or document by such a person, does not invalidate the postal ballot.

[ Where, in a case in which sub-paragraph (6A)(b) is relied on for compliance with a <sup>F155</sup>(7A) requirement of sub-paragraph (6)—

- (a) a related notice or accompanying document is published for a part, but not all, of the period mentioned in sub-paragraph (6B)(d), but
- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,

the failure shall not invalidate the postal ballot.]]

#### Textual Amendments

**F146** Words in Sch. 2 Pt. III para. 33(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(14)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**

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- F147** Words in Sch. 2 para. 33(1) omitted (20.3.2003) by virtue of [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. **1(1)**, 17(2), 30(10)
- F148** Sch. 2 para. 33(1A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **17(3)**
- F149** Sch. 2 Pt. III para. 33(5) 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(15)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**
- F150** Sch. 2 para. 33(5A)-(5E) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **17(4)**
- F151** Words in Sch. 2 para. 33(5C)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 12(3)**
- F152** Words in Sch. 2 para. 33(6)(a) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **17(5)(a)**
- F153** Words in Sch. 2 para. 33(6)(b) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **17(5)(b)**
- F154** Sch. 2 para. 33(6A)-(6C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **17(6)**
- F155** Sch. 2 para. 33(7A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **17(7)**

### *<sup>F156</sup>Electronic ballots*

#### **Textual Amendments**

- F156** Sch. 2 para 33A and cross-heading inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **18**

- 33A. (1) Where—
- (a) the rules of a building society provide for a postal ballot to be conducted in any circumstances in the case of an election or resolution, and
  - (b) those rules do not expressly prohibit the conduct of an electronic ballot in those circumstances,
- the ballot in the case of that election or resolution may, in those circumstances, be an electronic ballot instead of a postal ballot.
- (2) A ballot in the case of an election or resolution is an electronic ballot if it is conducted—
- (a) in accordance with the following provisions of this paragraph as to electronic voting; and
  - (b) in so far as it is not conducted with those provisions, as if it were a postal ballot.
- (3) But voting in the case of an election or resolution may not be conducted by an electronic ballot in which all the voting is electronic voting in accordance with subparagraphs (8) to (10) unless the rules of the society expressly permit it.
- (4) The rules of a building society may provide for voting in the case of—
- (a) an election of directors, or
  - (b) a resolution of the society other than a share holding members' resolution or a borrowing members' resolution,

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to be conducted by an electronic ballot in which all the voting is electronic voting in accordance with sub-paragraphs (8) to (10).

- (5) Where voting may be conducted by electronic ballot by virtue of sub-paragraph (1) the rules of the society may contain provision supplementing rules relating to postal ballots in so far as it is necessary to provide for the conduct of electronic voting in accordance with sub-paragraphs (8) to (10).
- (6) Where voting may be conducted by electronic ballot by virtue of sub-paragraph (1) or (3) the rules of the society may make provision as to the consequences of any irregularities occurring in the course of a ballot, including (but not restricted to) provision as to the validity of multiple votes cast by a member in the same election or on the same resolution.
- (7) In the case of an electronic ballot, the society is not required to send notice of the ballot to any person if—
  - (a) that person has agreed, in accordance with sub-paragraph (9)(a) below, that notices of electronic ballots and a voting facility may be accessed by him on a web site; and
  - (b) the society notifies that person in accordance with sub-paragraph (9)(c) below.
- (8) The voting of a person in an electronic ballot is electronic if—
  - (a) a person has access on a web site to the notice of the electronic ballot, any document which is required to accompany the notice and a facility for registering his vote;
  - (b) that person registers his vote by means of that facility; and
  - (c) the conditions set out in sub-paragraph (9) are satisfied.
- (9) The conditions of this sub-paragraph are satisfied if—
  - (a) the society and the person have agreed that notices of electronic ballots, any document which is required to accompany the notice, and a voting facility may be accessed by him on a web site;
  - (b) that agreement applies to the electronic ballot and accompanying documents in question;
  - (c) that person is notified <sup>F157</sup>... of—
    - (i) the publication of the notice and documents and the availability of the voting facility on a web site,
    - (ii) the address of that web site, and
    - (iii) the place on that web site where the notice, any such documents, and the facility may be accessed, and how they may be accessed; and
  - (d) the notice and each such document continues to be published and the facility continues to be available on that web site throughout the period beginning with the giving of that notification and ending with the date which the society specifies as the final date for the registration of votes.
- (10) A notice given for the purposes of sub-paragraph (9)(c) must—
  - (a) state that it concerns a notice of an electronic ballot given in accordance with this Act; and
  - (b) state whether the voting to be conducted by the electronic ballot is in an election or on a resolution or both.

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- (11) Nothing in sub-paragraph (9) shall invalidate an electronic ballot where—
- (a) any notice or document that is required to be published, and any facility which is required to be made available, for the period mentioned in sub-paragraph (6)(d) is published or made available for a part, but not all, of that period, but
  - (b) the failure to publish that notice or document, or make that facility available, throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid.
- (12) Sub-paragraphs (3) to (7) of paragraph 33 apply, with the modification specified in subparagraph (13) below, in relation to notices of an electronic ballot as they apply in relation to notices of a postal ballot.
- (13) Sub-paragraph (3) of paragraph 33 has effect as if the reference to the receipt of completed ballot papers included a reference to the registration of votes by means of a voting facility on a web site.
- (14) For the purposes of sub-paragraph (3) of paragraph 33 (as applied to electronic ballots by sub-paragraph (13) above), in a case in which a person is notified for the purposes of subparagraph (9)(c), a notice of an electronic ballot is treated as given to a person on the day when notification is given in accordance with that sub-paragraph.]

#### Textual Amendments

**F157** Words in Sch. 2 para. 33A(9)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), [Sch. 9 para. 12\(6\)](#)

#### *Declarations to be made in proxy and ballot forms*

- 34 (1) If a member of a building society who purports to exercise his right—
- (a) to appoint a proxy to vote instead of him at a meeting of the society, or
  - (b) to vote in a postal [<sup>F158</sup>or electronic] ballot, or
  - (c) to vote on a poll at a meeting of the society,
- fails to make a declaration in accordance with sub-paragraph (2) below in the <sup>F159</sup>... appointment or, as the case may be, on the voting paper, the appointment made or, as the case may be, the vote cast by him is invalid.
- [<sup>F160</sup>(2) A person making a declaration in pursuance of sub-paragraph (1) above shall—
- (a) declare that he has attained the age of 18 years or will have attained that age on or before the voting date or, where he is voting by proxy, on or before the date of the meeting;
  - (b) where the vote is to be cast on a shareholding members' resolution, declare—
    - (i) that on the voting date he is or, so far as he can reasonably foresee, will be a shareholder of the society; and
    - (ii) where the person is not entitled to vote unless he had a qualifying shareholding on the qualifying shareholding date, that he had or, so far as he can reasonably foresee, will have such a shareholding on that date;

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- (c) where the vote is to be cast on a borrowing members' resolution, declare that on the voting date he is or, so far as he can reasonably foresee, will be a borrowing member of the society; and
- (d) where the vote is to be cast on an ordinary or special resolution, declare either as mentioned in paragraph (b) above, or as mentioned in paragraph (c) above, or both.]

[<sup>F161</sup>(2A) Where an appointment of a proxy is [<sup>F162</sup>returned in an electronic communication in accordance with paragraph 24(1D)], the requirements of sub-paragraph (2) above are satisfied only if—

- (a) the appointment incorporates the terms of the declaration required by that subparagraph; and
- (b) the authenticity and integrity of the appointment is established (whether by an electronic signature or otherwise) in such manner as may have been agreed between the member and the society.

(2B) Where a member voting in a postal ballot returns a completed voting paper electronically as mentioned in sub-paragraph (6E)(b) of paragraph 33 above, the requirements of sub-paragraph (2) above are satisfied only if—

- (a) the voting paper incorporates the terms of the declaration required by that subparagraph; and
- (b) the authenticity and integrity of the completed paper is established (whether by electronic signature or otherwise) in such manner as may have been agreed between the member and the society.

(2C) Where a member registers a vote on a web site in accordance with sub-paragraph (8) (b) of paragraph 33A above, the requirements of sub-paragraph (2) above are satisfied only if—

- (a) at the place on the web site where the voting facility is accessed, the member has confirmed the terms of the declaration specified by that sub-paragraph; and
- (b) the authenticity and integrity of the member's vote is established (whether by electronic signature or otherwise) in such a manner as may have been agreed between the member and the society.]

(3) A building society shall secure that every document issued by it for use as a voting paper [<sup>F163</sup>and every] appointment of a proxy incorporates a form of declaration under this paragraph for completion by the member using it.

[<sup>F164</sup>(3A) A building society shall ensure that—

- (a) every voting paper sent by it to a member by means of an electronic communication incorporates a declaration in accordance with sub-paragraph (2) above, and
- (b) every voting facility provided by it on a web site is accompanied by such a declaration,

for completion or confirmation by the member purporting to exercise his right to vote.]

(4) If a building society fails to comply with the requirements of sub-paragraph (3) above, 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.

(5) In this paragraph—

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[<sup>F165</sup>“authenticity” and “integrity”, with reference to an electronic communication, must be construed in accordance with section 15(2) of the Electronic Communications Act 2000;

“electronic signature” has the same meaning as in section 7(2) of that Act;]

“qualifying shareholding” shall be construed in accordance with paragraph 23(5) above;

“qualifying shareholding date” has the same meaning as it has for the purposes of paragraph 23 above; and

“voting date” has the meaning given by paragraph 23(6) above.

#### Textual Amendments

**F158** Words in Sch. 2 para. 34(1)(b) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **30(11)**

**F159** Words in Sch. 2 para. 34(1) omitted (20.3.2003) by virtue of [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **29(6)(a)**

**F160** Sch. 2 Pt. III para. 34(2) 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(16)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxiv)**

**F161** Sch. 2 para. 34(2A)-(2C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **19(2)**

**F162** Words in Sch. 2 para. 34(2A) substituted (12.4.2011) by [The Mutual Societies \(Electronic Communications\) Order 2011 \(S.I. 2011/593\)](#), arts. 1(1), **2(2)**

**F163** Words in Sch. 2 para. 34(3) substituted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **29(6)(b)**

**F164** Sch. 2 para. 34(3A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **19(3)**

**F165** Words in Sch. 2 para. 34(5) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **19(4)**

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

**C17** Sch. 2 Pt. III paras. 22, 34 excluded by [S.I. 1987/426](#), **art. 3**

#### *Advertising requirements in lieu of notice of meetings, etc.*

- 35 (1) The advertising requirements referred to in paragraph 14 above, in relation to notices of meetings or postal [<sup>F166</sup>or electronic] ballots of building societies, are as follows.
- (2) Notice of the holding of the meeting or of the postal ballot must be given either—
- by displaying a notice in a prominent position in every branch office, or
  - by advertisement in one or more newspapers circulating in the areas in which the members of the society reside,
- according as the rules of the society provide.
- (3) The notice must be given not later than 21 days before the date of the proposed meeting or, as the case may be, the final date for the receipt of completed ballot papers [<sup>F167</sup>or for the registration of votes in an electronic ballot (as the case may be)].
- (4) The notice shall state where members may obtain copies of the resolutions and any statements with respect to the matter referred to in a resolution, forms relating to

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voting by proxy and, in the case of a postal ballot, the ballot papers<sup>[F168]</sup>, or, in the case of an electronic ballot, how members may access electronic voting facilities].

**Textual Amendments**

- F166** Words in Sch. 2 para. 35(1) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **30(12)(a)**
- F167** Words in Sch. 2 para. 35(3) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **30(12)(b)**
- F168** Words in Sch. 2 para. 35(4) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **30(12)(c)**

*The prescribed amount*

- 36 (1) For the purposes of this Part of this Schedule, the “prescribed amount” is £100 or such other amount as the <sup>[F169]</sup>Treasury by order specify] for the time being.
- (2) The power to make an order under sub-paragraph (1) above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- (3) An order under sub-paragraph (1) above may contain transitional, consequential or supplementary provision.

**Textual Amendments**

- F169** Words in Sch. 2 para. 36(1) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 200(p)** (with [S. 13\(3\)](#), [Sch. 5](#)); [S.I. 2001/3538](#), **art. 2**

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

- C18** Sch. 2 para. 36(1)(3): functions of Building Societies Commission transferred (1.12.2001) to the Treasury by [S.I. 2001/2617](#), arts. 2(b), 4(1), **Sch. 1 Pt. III**; [S.I. 2001/3538](#), **art. 2**

[<sup>F170</sup>SCHEDULE 2A

DISCHARGE OF MORTGAGES: SUPPLEMENTARY PROVISIONS

**Textual Amendments**

- F170** Sch. 2A inserted (1.12.1997) by [1997 c. 32, s. 7\(2\)](#), **Sch. 2**; [S.I. 1997/2668](#), **art. 2**, **Sch. Pt. I(a)**

*Main provisions*

- 1 (1) When all money intended to be secured by a mortgage given to a building society has been fully paid or discharged, the society may endorse on or annex to the mortgage one or other of the following—
- (a) a receipt in the prescribed form signed by any person acting under the authority of the board of directors;



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- (b) a reconveyance of the mortgaged property to the mortgagor;
  - (c) a reconveyance of the mortgaged property to such person of full age, and on such trusts (if any), as the mortgagor may direct.
- (2) Where in pursuance of sub-paragraph (1) above a receipt is endorsed on or annexed to a mortgage, not being a <sup>M7</sup>[<sup>F171</sup>registered charge (within the meaning of the Land Registration Act 2002)], the receipt shall operate in accordance with section 115(1), (3), (6) and (8) of the <sup>M8</sup>Law of Property Act 1925 (discharge of mortgages by receipt) in the like manner as a receipt which fulfils all the requirements of subsection (1) of that section.
- (3) Section 115(9) of the Law of Property Act 1925 shall not apply to a receipt in the prescribed form endorsed or annexed by a building society in pursuance of sub-paragraph (1) above; and in the application of that subsection to a receipt so endorsed or annexed which is not in that form, the receipt shall be taken to be executed in the manner required by the statute relating to the society if it is signed as mentioned in sub-paragraph (1)(a) above.
- (4) [<sup>F172</sup>The foregoing sub-paragraphs shall, in the case of a mortgage of registered land, have effect without prejudice to the operation of the Land Registration Act 1925 or any rules in force under it.]
- (5) In this paragraph—  
“mortgage” includes a further charge;  
“the mortgagor”, in relation to a mortgage, means the person for the time being entitled to the equity of redemption; [<sup>F173</sup>and  
“registered land” has the same meaning as in the Land Registration Act 1925.]
- (6) This paragraph does not extend to Scotland.

#### Textual Amendments

- F171** Words in Sch. 2A para. 1(2) substituted (E.W.) (13.10.2003) by [Land Registration Act 2002 \(c. 9\), s. 136\(2\), Sch. 11 para. 19\(2\)](#) (with s. 129); S.I. 2003/1725, art. 2(1)
- F172** Sch. 2A para. 1(4) repealed (E.W.) (13.10.2003) by [Land Registration Act 2002 \(c. 9\), s. 136\(2\), Sch. 11 para. 19\(3\), Sch. 13](#) (with s. 129, Sch. 12 para. 1); S.I. 2003/1725, art. 2(1)
- F173** Words in Sch. 2A para. 1(5) repealed (E.W.) (13.10.2003) by [Land Registration Act 2002 \(c. 9\), s. 136\(2\), Sch. 11 para. 19\(4\), Sch. 13](#) (with s. 129, Sch. 12 para. 1); S.I. 2003/1725, art. 2(1)

#### Marginal Citations

- M7** 1925 c.21.  
**M8** 1925 c.20.

#### *Application of paragraph 1 to Northern Ireland*

- 2 (1) In its application to Northern Ireland, paragraph 1 above shall have effect with the following modifications.
- (2) In sub-paragraph (1) after the words “on such trusts” there shall be inserted the words “or uses”.
- (3) In sub-paragraph (2)—

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- (a) for the words from “charge” to “Property Act 1925” there shall be substituted the words “ charge on registered land, the receipt shall operate in accordance with Article 3(1), (7) and (9) of the <sup>M9</sup>Property (Discharge of Mortgage by Receipt) (Northern Ireland) Order 1983 ”; and
  - (b) for the words “subsection (1) of that section” there shall be substituted the words “ paragraph (1) of that Article ”.
- (4) For sub-paragraphs (3) and (4) there shall be substituted the following sub-paragraphs—
- “(3) If the mortgage is registered in accordance with the <sup>M10</sup>Registration of Deeds Act (Northern Ireland) 1970, the registrar under that Act shall—
- (a) on production of the receipt mentioned in sub-paragraph (1) above make a note in the Abstract Book against the entry relating to the mortgage that the mortgage is satisfied; and
  - (b) grant a certificate, either on the mortgage or separately, that the mortgage is satisfied.
- (4) The certificate granted under sub-paragraph (3)(b) above shall—
- (a) be received in all courts and proceedings without further proof; and
  - (b) have the effect of clearing the register of the mortgage.”

(5) In sub-paragraph (5) for the definition of “registered land” there shall be substituted the following definition—

““registered land” means land the title to which is registered under Part III of the <sup>M11</sup>Land Registration Act (Northern Ireland) 1970.”

#### **Marginal Citations**

- M9** S.I. 1983/766 (N.I.9).  
**M10** 1970 c.25 (N.I.).  
**M11** 1970 c.18 (N.I.).

#### *Power to prescribe form of documents*

- 3 (1) The [<sup>F174</sup>Treasury] may make rules for prescribing anything authorised or required by paragraph 1 above to be prescribed; and in this Schedule “prescribed” means prescribed by rules made under this paragraph.
- (2) The power to make rules under this paragraph shall be exercisable by statutory instrument.]

#### **Textual Amendments**

- F174** Words in Sch. 2A para. 3(1) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 201** (with S. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

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

- C19** Sch. 2A para. 3(1): Functions of the Chief Registrar, Assistant Registrar for Scotland, Assistant Registrars and the Central Office transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. I**; S.I. 2001/3538, **art. 2**

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F175 SCHEDULE 3

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**Textual Amendments**

**F175** Sch. 3 repealed (1.12.2001) by 2000 c. 8, ss. 334, 336, 338, 432(3), Sch. 18 Pt. III para. 18, **Sch. 22**; S.I. 2001/3538, **art. 2(1)**

F176 SCHEDULE 4

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**Textual Amendments**

**F176** Sch. 4 repealed (1.12.1997) by 1997 c. 32, s. 12(1)(a); S.I. 1997/2668, art. 2, **Sch. Pt. I(b)(o)(i)**

F178 SCHEDULE 5

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**Textual Amendments**

**F178** Sch. 5 repealed (1.12.2001) by S.I. 2001/2617 arts. 2(b), 13(2), Sch. 4 (with art. 13(3) Sch. 5); S.I. 2001/3538, **art. 2**

F182 SCHEDULE 6

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**Textual Amendments**

**F182** Sch. 6 repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538 art. 2  
Sch. 6 continued (1.12.2001) by S.I. 2001/2967, **arts. 1(2), 9, 11, 24** Sch. 1 Pt. 1; S.I. 2001/3538, **art. 2**

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## SCHEDULE 7

Section 32.

### INVESTORS: SPECIAL PROVISIONS

#### *Members or depositors dying*

- 1 (1) The provisions of this paragraph have effect where a member of, or depositor with, a building society dies, testate or intestate, domiciled in any part of the United Kingdom leaving a sum of money in the funds of the society not exceeding £5000.
- (2) If a person claiming to be beneficially entitled to the sum of money under the will or the applicable law of intestacy furnishes to the society—
- (a) satisfactory evidence of the death, and
  - (b) a statutory declaration that the member or depositor has died and that the person claiming the amount is beneficially entitled under the will or the applicable law of intestacy to receive it,
- the society may, without probate of the will or the grant of letters of administration or confirmation, as the case may be, pay the sum of money to that person.
- (3) Where a building society has paid a sum of money to any person in reliance on evidence of death and a statutory declaration furnished as mentioned in sub-paragraph (2) above, the payment shall be valid and effectual with respect to any demand against the funds of the society from any other person claiming to be entitled to it but without prejudice to that other person's pursuing his remedy for the amount against the person who received it.
- (4) The Treasury may from time to time by order direct that this paragraph shall have effect as if for the reference in sub-paragraph (1) above to £5,000 there were substituted a reference to such higher amount as may be specified in the order.
- (5) An order under sub-paragraph (4) above shall apply in relation to deaths occurring after the expiration of a period of one month beginning with the date on which the order comes into force.
- (6) The power to make an order under sub-paragraph (4) above is exercisable by statutory instrument but no such order shall be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.

#### *Receipts by depositors under age*

- 2 Any receipt or acknowledgment given to a building society by a person who is a minor in respect of the payment to him of any sum due in respect of a deposit made by him with the society, shall not be invalid on the ground of his minority.

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### Textual Amendments

**F184** Sch. 7A repealed (1.12.2001) by [S.I. 2001/2617](#) arts. 2(b), 13(2), Sch. 4 (with art. 13(3), Sch. 5); [S.I. 2001/3538](#) art. 2

## SCHEDULE 8

Section 34.

### POWERS TO PROVIDE SERVICES

#### [<sup>F185</sup>PART I

#### THE SERVICES

### Textual Amendments

**F185** Parts of Sch. 8 varied by [S.I. 1988/1141](#), arts. 5, 6, [Sch. 5](#) so as to have effect as set out in that Sch. 5

- 1 Banking services.
- 2 Investment services.
- 3 Insurance services.
- 4 Trusteeship.
- 5 Executorship.
- 6 Land services.]

#### PART II

#### GENERAL RESTRICTIONS ON SERVICES

- 1 Subject to paragraphs 2, 3, 4 and 5 below, no power conferred on a building society to provide a service of a description specified in Part I of this Schedule of itself confers power—
  - (a) to perform the activities of—
    - (i) taking deposits in circumstances which require authorisation under the Banking Act 1987 (or would require authorisation were the taker not a building society),
    - (ii) making advances or loans of any description,
    - (iii) acquiring the right to be paid any sum owing to another person arising out of any arrangement under which money is borrowed or goods or services are provided on credit,
    - (iv) acquiring land,
    - (v) acquiring or holding any asset the power to acquire or hold which is derived from section 19 of this Act by virtue of an order made under, or partly under, that section,
    - (vi) acquiring or holding relevant investments, or

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- (vii) underwriting risks of any description, or
- <sup>F186</sup>[(b) (i) to maintain a place of business in any country or territory for the purpose of providing that service unless the society also conducts the principal business of a building society in that country or territory, save where that service is provided in any of the countries listed in paragraph (ii) below;
- (ii) any member State, Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland,]

but nothing in this paragraph prohibits performance of any activity performance of which is within the capacity of a building society by virtue of any power arising otherwise than under this Schedule.

#### Textual Amendments

**F186** Sch. 8 Pt. II para. 1(b) substituted (1. 6. 1992) by [S.I. 1992/509](#), [art.3](#)

- 2 Paragraph 1 above shall not be taken to prevent—
- (a) the power to provide banking services from conferring the power—
- (i) to arrange the taking of deposits,
- (ii) to arrange the lending of money, and
- (iii) to arrange the bailment of leasable chattels,
- (b) the power to provide investment services from conferring the power to arrange the acquisition or holding of relevant investments, or
- (c) the power to provide insurance services from conferring the power to arrange the provision of insurance of any description.
- 3 Where, as part of the power to provide banking services, a building society becomes guarantor of the discharge of liabilities of another person and is required to pay sums which that other person is obliged to pay, the right to recover those sums from that other person (with or without interest on them) shall not be treated as excluded by paragraph 1 above.
- <sup>F1874</sup> The right to recover any sum overdrawn (with or without interest on it) on an unauthorised overdraft on an account with a building society shall not be treated as excluded by paragraph 1 above.]

#### Textual Amendments

**F187** Sch. 8 Pt. II para. 4 substituted by [S.I. 1989/839](#), [art. 3\(a\)](#)

- 5 Acquiring or holding relevant investments shall not be treated as excluded by paragraph 1 above where it arises out of—
- (a) any element of investment services comprising—
- (i) acquiring or holding relevant investments as a nominee,
- (ii) establishment and management of pension schemes,
- (iii) establishment and management of personal equity plans, or
- (iv) establishment and management of collective investment schemes,
- (b) the service of trusteeship, or
- (c) the service of executorship.

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- [<sup>F188</sup>6 Paragraph 1 above shall not be taken to prevent the power to provide the service of trusteeship or the power to provide the service of executorship from conferring the power on a building society acting in the capacity of trustee or personal representative—
- (i) to make advances or loans of any description, or
  - (ii) to acquire land.]

**Textual Amendments**

**F188** Sch. 8 Pt. II para. 6 added by [S.I. 1989/839, art. 3\(b\)](#)

**PART III**

RESTRICTIONS IN RELATION TO CERTAIN SERVICES

*Banking services*

- 1 In relation to the power to provide banking services—
- <sup>F189</sup>(a) .....
  - <sup>F190</sup>(b) .....
  - <sup>F190</sup>(c) .....
  - <sup>F189</sup>(d) .....
  - <sup>F189</sup>(e) .....
  - (f) provision of foreign exchange services, except where it arises for the purpose of or in the course of the provision of money transmission services, is restricted, save in excepted transactions, to their provision to individuals,
  - (g) arranging the provision of foreign exchange services is, subject to the exception in subparagraph (f) above, restricted, save in excepted transactions, to their provision to individuals, and
  - (h) administration of the issue of shares or corresponding membership rights by bodies corporate or of transferable instruments and registration of the transfer or cancellation of such shares, rights or instruments is restricted to administration and registration by a building society which has a qualifying asset holding.

**Textual Amendments**

**F189** Sch. 8 Pt. III para. 1(a)(d)(e) deleted (1.6.1995) by [S.I. 1995/1189, art. 2](#)

**F190** Sch. 8 Pt. III para. 1(b)(c) repealed by [S.I. 1989/839, art. 3\(c\)](#)

*Investment services*

- 2 In relation to the power to provide investment services—
- (a) managing investments (except in relation to management of pension schemes) is restricted to managing by a building society which has a qualifying asset holding,

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- (b) acquiring and holding relevant investments as a nominee is restricted to acquisition and holding by a building society which has a qualifying asset holding,
- (c) establishment and management of pension schemes is restricted to schemes which do not include provisions requiring the investment of any of the funds within the scheme in shares in or deposits with a building society of which the trustee or manager of the scheme is a subsidiary,
- (d) establishment of personal equity plans is restricted to establishment by a building society which has a qualifying asset holding, and
- (e) establishment of collective investment schemes is restricted to establishment by a building society which has a qualifying asset holding.

#### *Trusteeship*

- [<sup>F191</sup>3 In relation to the power to provide the service of trusteeship—
- (a) a building society may not accept trusteeship of a prohibited trust, and
  - (b) a building society which becomes aware that a trust of which it is trustee has become a prohibited trust shall retire as trustee of that trust as soon as it is practicable to do so.]

#### **Textual Amendments**

**F191** Sch. 8 Pt. III para. 3 substituted by [S.I. 1989/839, art. 3\(d\)](#)

#### *Land services*

- 4 In relation to the power to provide land services—
- (a) the carrying on of estate agency work is restricted to carrying on by a subsidiary or other associated body of a building society,
  - (b) removal and storage of furniture is restricted to removal and storage by a subsidiary or other associated body of a building society which society has a qualifying asset holding,
  - (c) management of land is restricted to management by a building society which has a qualifying asset holding,
  - (d) management of land is restricted to land which is or is to be used primarily for residential purposes or for purposes incidental to the use of adjoining land under the same management which is or is to be used primarily for residential purposes,
  - (e) arranging the management of land is restricted to land which is or is to be used primarily for residential purposes or for purposes incidental to the use of adjoining land under the same management which is or is to be used primarily for residential purposes,
  - (f) development of land is restricted to development by a building society which has a qualifying asset holding,
  - (g) development of land is restricted to land which is to be used primarily for residential purposes or for purposes incidental to the use of adjoining land developed by the developer which is or is to be used primarily for residential purposes,



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- (h) development of land is restricted to land of a local authority in Great Britain or of a development corporation or land which is charged in favour of the developer of the land to secure repayment of the costs of development, and
  - (i) arranging the development of land is restricted to land which is to be used primarily for residential purposes or for purposes incidental to the use of adjoining land developed by the developer which is or is to be used primarily for residential purposes.
- 5 No employee of a building society, a subsidiary or other associated body of which carries on estate agency work, whose duties include—
- (a) making a report on the value of land which is to secure an advance,
  - (b) making an assessment of the adequacy of the security of an advance to be secured on land, or
  - (c) authorising the making of an advance to be secured on land,
- shall perform any service on behalf of that subsidiary or other associated body.

## PART IV

### SUPPLEMENTARY

#### *Powers—general*

- 1 Any power derived from this Schedule to perform any activity includes the power to arrange its performance but a restriction in Part III of this Schedule on the power to perform any activity does not imply an equivalent restriction on the power to arrange its performance.

#### *Powers—specific services*

- 2 Without prejudice to the general scope of any service specified in Part I of this Schedule—
- (a) the power to provide banking services includes power,
    - (i) to administer the issue of, and payments in respect of, shares or corresponding membership rights in bodies corporate or transferable instruments and to register the transfer or cancellation of such shares, rights or instruments, and
    - (ii) to provide advice on taxation and financial planning,
  - (b) the power to provide investment services includes power to provide advice on taxation and financial planning,
  - (c) the power to provide the service of executorship includes power—
    - (i) to act as administrator of the estates of deceased persons, and
    - (ii) to assist in the making of wills, and
  - (d) the power to provide land services includes power to carry out the removal and storage of furniture.

#### *Banking—particular provisions*

- 3 (1) A building society shall, so far as regards the carrying on of an activity which comprises provision of a banking service for the purposes of this Schedule, be treated

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for all purposes as a bank and a banker and as carrying on the business of banking or a banking undertaking whether or not it would be so treated apart from this paragraph.

- (2) This paragraph does not affect the determination of any question as to the status of a building society as a bank or banker for other purposes.
- 4       Where an account of a person with a building society has, by virtue of the provision of banking services under this Schedule, become overdrawn, it shall be the duty of the building society to take all reasonable steps to recover as soon as practicable from that person the amount due to it on the overdrawn account.
- 5       (1) For the purposes of paragraph 1(f) and (g) of Part III of this Schedule, a transaction consisting in the provision of foreign exchange services is an excepted transaction where the value of the transaction is less than £10,000.
- (2) For the purposes of subparagraph (1) above the value of a transaction consisting in the provision of foreign exchange services is, where the building society is selling foreign currency, the sum paid to it and, where the building society is purchasing foreign currency, the sum paid by it.

#### *Land services—sanction*

- 6       If a person performs any service in contravention of paragraph 5 of Part III of this Schedule he shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale.

#### *Interpretation*

- 7       This Schedule is to be construed as relating only to the capacity of building societies to provide the services for the time being specified in it and not as making lawful any activity, whether of a building society or a subsidiary or other associated body of a building society, which would not be lawful apart from this Schedule.

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

**C20** Sch. 8 Pt. IV para. 7 extended (1. 1. 1993) by S.I. 1992/3218, reg. 82(1), **Sch. 10 Pt. I para.22(d)**

- 8       In this Schedule—
- “arranging”, in relation to the performance of any activity, includes—
- (a) arranging its performance on behalf of the person in respect of whom the activity is performed as well as the person who performs the activity, and
- (b) acting as agent on behalf of either such person;
- [<sup>F192</sup>“bailment”, in relation to Scotland, means “hire”;
- “chattels” means—
- (i) in relation to England and Wales and Northern Ireland, all personal chattels other than things in action and money, and
- (ii) in relation to Scotland, all corporeal moveables except money;]
- “collective investment scheme” has the meaning which it bears in section 75 of the Financial Services Act 1986;
- “corresponding membership right” has the meaning which it bears in section 18(17) of this Act;

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“development corporation” means any of the following bodies:

- (a) in England, a development corporation within the meaning of the New Towns Act 1981;
- (b) in Wales, the Development Board for Rural Wales established by section 1 of the Development of Rural Wales Act 1976 and the Welsh Development Agency established by section 1 of the Welsh Development Agency Act 1975;
- (c) in Scotland, a development corporation within the meaning of the New Towns (Scotland) Act 1968;
- (d) in Northern Ireland, the Department of the Environment for Northern Ireland and the Northern Ireland Housing Executive referred to in article 3 of the Housing (Northern Ireland) Order 1981;

“estate agency work” has the same meaning as in the Estate Agents Act 1979;

“land services” means services relating to the acquisition, management, development or disposal of land;

[<sup>F193</sup>“leasable chattels” means chattels which are, or are to be, subject to bailment to a person in return for periodical payments by that person under an agreement which may but need not contain provision (or be part of a series of agreements containing provision) for the property in those chattels to become vested in that person;]

“local authority in Great Britain” means any of the following authorities:

- (a) in England <sup>F194</sup> . . . , a county council, a district council, a London borough council, a parish <sup>F194</sup> . . . council, the Common Council of the City of London, and the Council of the Isles of Scilly;
- (aa) <sup>F195</sup>[in Wales, a county council, a county borough council and a community council;]
- (b) in Scotland, a local authority within the meaning of section 235 of the Local Government (Scotland) Act 1973;

“managing investments” means activity of the kind specified in paragraph 14 of Part II (activities constituting investment business) of Schedule 1 to the Financial Services Act 1986;

“pension scheme” means—

- (a) a retirement benefits scheme within the meaning of, and which is approved or a candidate for approval by the Commissioners of Inland Revenue for the purposes of, Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 (retirement benefit schemes), or
- (b) a personal pension scheme within the meaning of, and which is approved or a candidate for approval by the Commissioners of Inland Revenue under, Chapter IV (personal pension schemes) of that Part of that Act,

and for the purposes of this definition a scheme is a candidate for approval for the purposes of the first or, as the case may be, under the second of those Chapters if it has been prepared with a view to being so approved and steps are being taken towards obtaining that approval;

“personal equity plan” means a plan for the purposes of section 333 (personal equity plans) of the Income and Corporation Taxes Act 1988;

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“the principal business of a building society” means the business of raising funds (whether by the issue of shares or receiving deposits) for the purposes of the society or of making advances secured on land;

[<sup>F196</sup>“prohibited trust” means a trust which is either—

- (a) a trust under which the majority in number of the beneficiaries who are for the time being ascertained are non-charitable corporate bodies, or
- (b) a trust of funds in a pension scheme which includes provisions requiring the investment of any of those funds in shares in or deposits with a building society of which the trustee is a subsidiary.]

“relevant investment” means—

- (a) any share or corresponding membership right in a body corporate, and
- (b) any other asset, right or interest falling within any paragraph of Part I (investments) of Schedule 1 to the Financial Services Act 1986; and

“transferable instrument” means—

- (a) where the issuer of the instrument is a building society, an instrument which is a transferable bearer instrument or a transferable non-bearer instrument for the purposes of section 7 of this Act, and
- (b) in any other case, an instrument which would, were the issuer a building society, be such a transferable bearer instrument or transferable non-bearer instrument.

#### Textual Amendments

- F192** Definitions inserted by S.I. 1989/839, **art. 3(e)**  
**F193** Definition substituted by S.I. 1989/839, **art. 3(f)**  
**F194** Words in Sch. 8 repealed (1.4.1996) by 1994 c. 19, s. 66(6)(8), Sch. 16 para. 79, **Sch. 18** (with ss. 54(4)(7), 55(5), Sch. 17 paras. 22(1), 23(2)); S.I. 1996/396, art. 4, **Sch. 2**  
**F195** Para. (aa) in Sch. 8 inserted (1.4.1996) by 1994 c. 19, s. 66(6), **Sch. 16 para. 79** (with ss. 54(4)(7), 55(5), Sch. 17 paras. 22(1), 23(2)); S.I. 1996/396, art. 4, **Sch. 2**  
**F196** Definition inserted by S.I. 1989/839, **art. 3(g)**

## [<sup>F197</sup>SCHEDULE 8A

### TRANSFER DIRECTIONS: MODIFICATIONS OF PART X

#### Textual Amendments

- F197** Sch. 8A inserted (9.6.1997) by 1997 c. 32, s. 17(2), **Sch. 4**; S.I. 1997/1427, **art. 2(c)**

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## PART I

### DIRECTIONS UNDER SECTION 42B(3)

#### *Preliminary*

- 1 This Part of this Schedule applies where a direction is given under section 42B(3) (“the direction”).

#### *Compensation for loss of office*

- 2 (1) The consent of the [<sup>F198</sup>appropriate authority] shall be sufficient authority for the provision for any such compensation as is mentioned in section 96(1)(a).
- (2) A resolution of the board of directors passed in pursuance of the direction shall be sufficient authority for any such payments as are mentioned in section 96(1)(b).

#### **Textual Amendments**

**F198** Words in Sch. 8A substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 54\(2\)](#) (with Sch. 12)

#### *Statements to members*

- 3 (1) The following provisions of this paragraph shall apply in place of paragraph 1 of Schedule 16.
- (2) The society shall send to every member entitled to notice of a meeting of the society, a statement containing—
- (a) the particulars required, in relation to prescribed matters, by regulations under section 42B(8); and
  - (b) particulars of any other matters required by the [<sup>F198</sup>appropriate authority] in the case of the particular transfer of engagements,
- with or without other particulars regarding that transfer.

[ The PRA must consult the FCA before requiring any particulars under sub-<sup>F199</sup>(2ZA) paragraph (2)(b).]

[ Where a statement is required to be sent to a member under sub-paragraph (2)—

<sup>F200</sup>(2A) (a) it may be sent to him electronically only if it is sent to an electronic address notified to the society by that member for the purpose;

(b) the requirement to send it shall also be treated as satisfied if the conditions set out in sub-paragraph (2B) are satisfied.

- (2B) The conditions of this sub-paragraph are satisfied in the case of a statement if—
- (a) the society and that person have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the statement in question;
  - (c) <sup>F201</sup>... the society notifies him within the period specified in sub-paragraph (3) below of—
    - (i) the publication of the notice and any statement on a web site,

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- (ii) the address of that web site,
  - (iii) the place on that web site where the documents may be accessed, and how they may be accessed; and
  - (d) that statement is published continuously on that web site throughout the period beginning with the giving of that notification and ending with the decision of the [F198 appropriate authority] whether to confirm the transfer pursuant to section 95.
- (2C) In a case in which sub-paragraph (2A)(b) is relied on for compliance with a requirement under sub-paragraph (2)—
- (a) a statement is published for a part, but not all, of the period mentioned in subparagraph (2B)(d), but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,
- the failure shall not invalidate the proceedings of the meeting.]
- (3) The statement shall be sent—
- (a) where the [F198 appropriate authority] has given the society a direction under section 42B(1)(a), within the period (not being less than 28 days) specified in [F202 a final notice given by the [F198 appropriate authority] under section 390 of the Financial Services and Markets Act 2000];
  - (b) where the [F198 appropriate authority] has not given the society such a direction, within 14 days of the board of directors passing a resolution in pursuance of the direction.
- [ For the purposes of sub-paragraph (3) above, in a case in which sub-paragraph (2A)
- F203(3A) (b) is relied on for compliance with a requirement under sub-paragraph (2), a statement published on a web site in accordance with sub-paragraph (2B) is to be treated as sent to a person on the day that the notification is given in accordance with sub-paragraph (2B)(c).]
- (4) No statement shall be sent unless its contents, so far as they concern the prescribed matters or any matter of which particulars are required to be given under sub-paragraph (2)(b) above, have been approved by the [F198 appropriate authority] .
- (5) A failure to comply with a requirement of this paragraph shall not invalidate the transfer of engagements; but, if the society fails without reasonable excuse to comply with such a requirement 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.

#### Textual Amendments

- F198** Words in Sch. 8A substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 54\(2\)](#) (with Sch. 12)
- F199** Sch. 8A para. 3(2ZA) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 54\(3\)](#) (with Sch. 12)
- F200** Sch. 8A para. 3(2A)-(2C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), [20\(2\)](#)
- F201** Words in Sch. 8A para. 3(2B)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), [Sch. 9 para. 13](#)

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- F202** Words in Sch. 8A para. 3(3)(a) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 204(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F203** Sch. 8A para. 3(3A) inserted (20.3.2003) by *The Building Societies Act 1986 (Electronic Communications) Order 2003* (S.I. 2003/404), arts. 1(1), **20(3)**

#### *Application for confirmation*

- 4 No application for confirmation by the [<sup>F198</sup>appropriate authority] of the transfer of engagements may be made under Part III of Schedule 16 until after the society has complied with the requirements of paragraph 3 above.

#### **Textual Amendments**

- F198** Words in Sch. 8A substituted (1.4.2013) by *The Financial Services Act 2012 (Mutual Societies) Order 2013* (S.I. 2013/496), art. 1(1), **Sch. 8 para. 54(2)** (with Sch. 12)

#### *Grounds for not confirming transfer*

- 5 Section 95 shall apply as if—
- (a) for paragraphs (a) and (b) of subsection (4) there were substituted the following paragraph—
    - “(a) the members or a proportion of them would be unreasonably prejudiced by the transfer;”;
  - (b) in subsection (6), for the words “paragraphs (a), (b) and (c)” there were substituted the words “ paragraphs (a) and (c) ” and, in paragraph (a), the words “, including the calling of a further meeting,” were omitted.

## **PART II**

### **DIRECTIONS UNDER SECTION 42B(4)**

#### *Preliminary*

- 6 This Part of this Schedule applies where a direction is given under section 42B(4) (“the direction”).

#### *Compensation for loss of office*

- 7 (1) The consent of the [<sup>F198</sup>appropriate authority] shall be sufficient authority for the provision for any such compensation as is mentioned in section 99(2)(a).
- (2) A resolution of the board of directors passed in pursuance of the direction shall be sufficient authority for any such payments as are mentioned in section 99(2)(b).

#### **Textual Amendments**

- F198** Words in Sch. 8A substituted (1.4.2013) by *The Financial Services Act 2012 (Mutual Societies) Order 2013* (S.I. 2013/496), art. 1(1), **Sch. 8 para. 54(2)** (with Sch. 12)

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### *Increased remuneration*

- 8 If the [<sup>F198</sup>appropriate authority] consents to the inclusion of any such provision as is mentioned in section 99A(1), it shall not be necessary for an ordinary resolution approving the provision to be put before a meeting of the society.

#### **Textual Amendments**

**F198** Words in Sch. 8A substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 54\(2\)](#) (with Sch. 12)

### *Statements to members*

- 9 (1) The following provisions of this paragraph shall apply in place of Part I of Schedule 17.
- (2) The society shall send to every member entitled to notice of a meeting of the society, a statement containing—
- (a) the particulars required, in relation to prescribed matters, by regulations under section 42B(8); and
  - (b) particulars of any other matters required by the [<sup>F198</sup>appropriate authority] in the case of the particular transfer of business,
- with or without other particulars regarding that transfer.

[ The PRA must consult the FCA before requiring any particulars under sub-<sup>F204</sup>(2ZA) paragraph (2)(b).]

- [ Where a statement is required to be sent to a member under sub-paragraph (2)—
- <sup>F205</sup>(2A) (a) it may be sent to him electronically only if it is sent to an electronic address notified to the society by that member for the purpose;
- (b) the requirement to send it shall also be treated as satisfied if the conditions set out in sub-paragraph (2B) are satisfied.

- (2B) The conditions of this sub-paragraph are satisfied in the case of a statement if—
- (a) the society and that person have agreed that statements that are required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the statement in question;
  - (c) <sup>F206</sup>...the society notifies him within the period specified in sub-paragraph (3) of—
    - (i) the publication of the notice and any statement on a web site,
    - (ii) the address of that web site,
    - (iii) the place on that web site where the documents may be accessed, and how they may be accessed; and
  - (d) that statement is published continuously on that web site throughout the period beginning with the giving of that notification and ending with the decision of the [<sup>F198</sup>appropriate authority] whether to confirm the transfer pursuant to section 98.

- (2C) Where, in a case in which sub-paragraph (2A)(b) is relied on for compliance with a requirement of sub-paragraph (2)—



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- (a) a statement is published for a part, but not all, of the period mentioned in subparagraph (2B)(d), but
- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,

the failure shall not invalidate the proceedings of the meeting.]

(3) The statement shall be sent—

- (a) where the [<sup>F198</sup>appropriate authority] has given the society a direction under [<sup>F207</sup>section 42B(1)(aa) or (b)] , within the period (not being less than 28 days) specified in [<sup>F208</sup>a final notice given by the [<sup>F198</sup>appropriate authority] under section 390 of the Financial Services and Markets Act 2000];
- (b) where the [<sup>F198</sup>appropriate authority] has not given the society such a direction, within 14 days of the board of directors passing a resolution in pursuance of the direction.

[ For the purposes of sub-paragraph (3) above, in a case in which sub-paragraph (2A) <sup>F209</sup>(3A) (b) is relied on for compliance with a requirement under sub-paragraph (2), a statement published on a web site in accordance with sub-paragraph (2B) is to be treated as sent to a person on the day that the notification is given in accordance with sub-paragraph (2B)(c).]

- (4) No statement shall be sent unless its contents, so far as they concern the prescribed matters or any matter of which particulars are required to be given under subparagraph (2)(b) above, have been approved by the [<sup>F198</sup>appropriate authority] .
- (5) A failure to comply with a requirement of this paragraph shall not invalidate the transfer of business; but, if the society fails without reasonable excuse to comply with such a requirement 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.

#### Textual Amendments

- F198** Words in Sch. 8A substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 54(2)** (with Sch. 12)
- F204** Sch. 8A para. 9(2ZA) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 54(4)** (with Sch. 12)
- F205** Sch. 8A para. 9(2A)-(2C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **21(2)**
- F206** Words in Sch. 8A para. 9(2B)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 13**
- F207** Words in Sch. 8A para. 9(3) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 56(5), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F208** Words in Sch. 8A para. 9(3)(a) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 204(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F209** Sch. 8A para. 9(3A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **21(3)**

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

- C21** Sch. 8A para. 9 amended (2.3.1998) by S.I. 1998/212, reg. 5(1), **Sch. 3**

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*Application for confirmation*

- 10 No application for confirmation by the [<sup>F198</sup>appropriate authority] of the transfer of business may be made under Part II of Schedule 17 until after the society has complied with the requirements of paragraph 9 above.

**Textual Amendments**

**F198** Words in Sch. 8A substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 54\(2\)](#) (with Sch. 12)

*Grounds for not confirming transfer*

- 11 Section 98 shall apply as if—
- (a) for paragraphs (a) and (b) of subsection (3) there were substituted the following paragraph—
    - “(a) the members or a proportion of them would be unreasonably prejudiced by the transfer;”;
  - (b) in subsection (5), for the words “paragraphs (a), (b), (c) and (d)” there were substituted the words “ paragraphs (a), (c) and (d) ”; and
  - (c) in subsection (6), the words “the calling of a further meeting,” were omitted.]

SCHEDULE 9

Section 68(4).

DIRECTORS: REQUISITE PARTICULARS OF RESTRICTED TRANSACTIONS

*Preliminary*

- 1 In this Schedule—
- “the financial year” means the financial year to which the statement under section 68(3) relates;
  - “restricted transaction or arrangement” means any transaction or arrangement falling within section 65(1) particulars of which are required to be included in that statement;
- and other expressions have the same meaning as in those sections.

*The requisite particulars*

- 2 (1) The particulars of a restricted transaction or arrangement required by section 68(3) are particulars of the principal terms of the transaction or arrangement.
- (2) Without prejudice to the generality of sub-paragraph (1) above, the following particulars of a restricted transaction or arrangement are required—
- (a) a statement of the fact either that the transaction or arrangement was made or that it subsisted during the financial year;
  - (b) the name of the person from whom it was made and, where that person is or was connected with a director of the building society, the name of that director;

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- (c) in the case of [<sup>F210</sup>a loan] or any related guarantee—
  - (i) the amount of the mortgage debt or corresponding liability both at the beginning and at the end of the financial year;
  - (ii) the maximum amount of that debt or liability during that year;
  - (iii) the amount of any interest which, having fallen due, has not been paid; and
  - (iv) the amount of any provision made in the accounts in respect of any failure or anticipated failure by the borrower to repay the whole or part of the loan or to pay the whole or part of any interest on it;
- (d) in the case of a disposal of property by way of lease or hire—
  - (i) the value of the property;
  - (ii) the amount of any rental which, having fallen due, has not been paid; and
  - (iii) the amount of any provision made in the accounts in respect of any failure or anticipated failure by the lessee or hirer to pay the whole or part of the rent;
- (e) in the case of any payment made on behalf of the director or person connected with him, the amount of the payment; and
- (f) in the case of a guarantee or security—
  - (i) the amount for which the building society was liable under the guarantee or security both at the beginning and at the end of the financial year;
  - (ii) the maximum amount for which the society may become liable; and
  - (iii) any amount paid and any liability incurred by the society for the purposes of fulfilling the guarantee or security (including any loss incurred by reason of its enforcement).

#### Textual Amendments

**F210** Words in Sch. 9 para. 2(2)(c) 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, s. 43, **Sch. 7 para. 59**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxv)**

## SCHEDULE 10

Section 69(7).

### REQUISITE PARTICULARS OF INCOME OR RELATED BUSINESSES

#### PART I

#### REQUISITE PARTICULARS WHERE NO ADOPTION OF PART II

##### *Conveyancers*

- 1 Where the business associate of the building society provides conveyancing services the requisite particulars of its business in any financial year are the following—

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- (a) the number of cases in which it has provided conveyancing services in respect of [<sup>F211</sup>a loan] secured on land and the purchase of the land both to the society and to the borrower;
- (b) the number of cases in which it has provided the society (but not the borrower) with conveyancing services in respect of [<sup>F211</sup>a loan] secured on land;
- (c) the aggregate amount of the fees paid to it by the society or by or on behalf of the borrower for the provision of conveyancing services falling within sub-paragraphs (a) and (b) above;
- (d) the aggregate of the amounts paid to it by the society by way of commission for its having introduced investment business to the society;
- (e) the aggregate amount of any fees paid to it by the society in consideration of the provision of conveyancing services in respect of any land held by the society [<sup>F212</sup>under section 6, 10, 17 or 19];
- (f) the aggregate amount of any fees paid to it by the society in consideration of the provision of [<sup>F213</sup>administrative services] to the society.

#### Textual Amendments

- F211** Words in Sch. 10 paras. 1, 2, 5, 6 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. 60(2)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvi)**
- F212** Words in Sch. 10 paras. 1, 2, 5, 6 repealed (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, 46(2), 47(3), **Sch. 7 para. 60(2)(b)**, **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxvi)(cc)(xix)**
- F213** Words in Sch. 10 paras. 1-8 substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 60(1)**; S.I. 1997/1427, **art. 2(k)(n)(xvii)**

#### *Valuers and surveyors*

- 2 Where the business associate of the building society provides the services of surveying and valuing property the requisite particulars of its business in any financial year are the following—
- (a) the number of cases in which it has, in respect of any land which is to secure [<sup>F214</sup>a loan], surveyed the land or provided a valuation of it on behalf of the society or the borrower or both;
  - (b) the number of cases in which it has, on behalf of the society (but not the borrower), surveyed any land which is to secure [<sup>F214</sup>a loan] or provided the society with a valuation of it;
  - (c) the aggregate amount of the fees paid to it by the society or by or on behalf of the borrower for the provision of the services falling within sub-paragraphs (a) and (b) above;
  - (d) the aggregate of the amounts paid to it by the society by way of commission for its having introduced investment business to the society;
  - (e) the aggregate amount of any fees paid to it by the society in consideration of the provision of surveying or valuing services in respect of any property held by the society [<sup>F215</sup>under section 6, 10, 17 or 19];
  - (f) the aggregate amount of any fees paid to it by the society in consideration of the provision of [<sup>F216</sup>administrative services] to the society.

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#### Textual Amendments

- F214** Words in Sch. 10 paras. 1, 2, 5, 6 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. 60(2)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvi)**
- F215** Words in Sch. 10 paras. 1, 2, 5, 6 repealed (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, 46(2), 47(3), **Sch. 7 para. 60(2)(b)**, **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxvi)(cc)(xix)**
- F216** Words in Sch. 10 paras. 1-8 substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 60(1)**; S.I. 1997/1427, **art. 2(k)(n)(xvii)**

#### *Accountants*

- 3 Where the business associate of the building society provides accountancy services the requisite particulars of its business in any financial year are the following—
- (a) the aggregate amount of the fees paid to it by the society for the provision of accountancy services; and
  - (b) the aggregate amount of any fees paid to it by the society in consideration of the provision of [<sup>F217</sup>administrative services] to the society.

#### Textual Amendments

- F217** Words in Sch. 10 paras. 1-8 substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 60(1)**; S.I. 1997/1427, **art. 2(k)(n)(xvii)**

#### *Insurance agents, etc.*

- 4 Where the business associate of the building society arranges for the provision of relevant insurance the requisite particulars of its business in any financial year are the following—
- (a) the aggregate of the amounts paid to it by the society or by way of commission by insurers in respect of relevant insurance effected by the society or by borrowers in compliance with the terms on which [<sup>F218</sup>loans] secured on land are made by the society; and
  - (b) the aggregate amount of any fees paid to it by the society in consideration of the provision of [<sup>F219</sup>administrative services] to the society.

#### Textual Amendments

- F218** Word in Sch. 10 paras. 4, 8 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. 60(3)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvi)**
- F219** Words in Sch. 10 paras. 1-8 substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 60(1)**; S.I. 1997/1427, **art. 2(k)(n)(xvii)**

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## PART II

### REQUISITE PARTICULARS ON ADOPTION OF THIS PART

#### *Conveyancers*

- 5 Where the business associate of the building society provides conveyancing services the requisite particulars of its business in any financial year are the following—
- (a) the prescribed band within which falls the estimated number of cases in which it has provided conveyancing services in respect of [<sup>F220</sup>a loan] secured on land and the purchase of the land both to the society and to the borrower;
  - (b) the prescribed band within which falls the estimated number of cases in which it has provided the society (but not the borrower) with conveyancing services in respect of [<sup>F220</sup>a loan] secured on land;
  - (c) the prescribed band within which falls the estimated aggregate amount of the fees paid to it by the society or by or on behalf of the borrower for the provision of conveyancing services falling within sub-paragraphs (a) and (b) above;
  - (d) the prescribed band within which falls the estimated aggregate of the amounts paid to it by the society by way of commission for its having introduced investment business to the society;
  - (e) the prescribed band within which falls the estimated aggregate amount of any fees paid to it by the society in consideration of the provision of conveyancing services in respect of any land held by the society [<sup>F221</sup>under section 6, 10, 17 or 19];
  - (f) the prescribed band within which falls the estimated aggregate of any fees paid to it by the society in consideration of the provision of [<sup>F222</sup>administrative services] to the society.

#### **Textual Amendments**

- F220** Words in Sch. 10 paras. 1, 2, 5, 6 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. 60(2)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvi)**
- F221** Words in Sch. 10 paras. 1, 2, 5, 6 repealed (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, 46(2), 47(3), Sch. 7 para. 60(2)(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxvi)(cc)(xix)**
- F222** Words in Sch. 10 paras. 1-8 substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 60(1)**; S.I. 1997/1427, **art. 2(k)(n)(xvii)**

#### *Valuers and surveyors*

- 6 Where the business associate of the building society provides the services of surveying and valuing property the requisite particulars of its business in any financial year are the following—
- (a) the prescribed band within which falls the estimated number of cases in which it has, in respect of any land which is to secure [<sup>F223</sup>a loan], surveyed

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- the land or provided a valuation of it on behalf of the society or the borrower or both;
- (b) the prescribed band within which falls the estimated number of cases in which it has, on behalf of the society (but not the borrower), surveyed any land which is to secure an advance or provided the society with a valuation of it;
  - (c) the prescribed band within which falls the estimated aggregate amount of the fees paid to it by the society or by or on behalf of the borrower for the provision of the services falling within sub-paragraphs (a) and (b) above;
  - (d) the prescribed band within which falls the estimated aggregate of the amounts paid to it by the society by way of commission for its having introduced investment business to the society;
  - (e) the prescribed band within which falls the estimated aggregate of any fees paid to it by the society in consideration of the provision of surveying or valuing services in respect of any property held by the society [<sup>F224</sup>under section 6, 10, 17 or 19];
  - (f) the prescribed band within which falls the estimated aggregate amounts of any fees paid to it by the society in consideration of the provision of [<sup>F225</sup>administrative services] to the society.

#### Textual Amendments

- F223** Words in Sch. 10 paras. 1, 2, 5, 6 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. 60(2)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvi)**
- F224** Words in Sch. 10 paras. 1, 2, 5, 6 repealed (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, 46(2), 47(3), **Sch. 7 para. 60(2)(b)**, **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxvi)(cc)(xix)**
- F225** Words in Sch. 10 paras. 1-8 substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 60(1)**; S.I. 1997/1427, **art. 2(k)(n)(xvii)**

#### Accountants

- 7 Where the business associate of the building society provides accountancy services the requisite particulars of its business in any financial year are the following—
- (a) the prescribed band within which falls the estimated aggregate amount of the fees paid to it by the society for the provision of accountancy services; and
  - (b) the prescribed band within which falls the estimated aggregate amount of any fees paid to it by the society in consideration of the provision of [<sup>F226</sup>administrative services] to the society.

#### Textual Amendments

- F226** Words in Sch. 10 paras. 1-8 substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 60(1)**; S.I. 1997/1427, **art. 2(k)(n)(xvii)**

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*Insurance agents, etc.*

- 8 Where the business associate of the building society arranges for the provision of relevant insurance the requisite particulars of its business in any financial year are the following—
- (a) the prescribed band within which falls the estimated aggregate of the amounts paid to it by the society or by way of commission by insurers in respect of relevant insurance effected by the society or by borrowers in compliance with the terms on which [<sup>F227</sup>loans] secured on land are made by the society; and
  - (b) the prescribed band within which falls the estimated aggregate amount of any fees paid to it by the society in consideration of the provision of [<sup>F228</sup>administrative services] to the society.

**Textual Amendments**

- F227** Words in Sch. 10 paras. 4, 8 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. 60(3)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvi)**
- F228** Words in Sch. 10 paras. 1-8 substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 60(1)**; S.I. 1997/1427, **art. 2(k)(n)(xvii)**

**PART III**

SUPPLEMENTARY

*Power to prescribe bands for Part II particulars*

- 9 (1) The [<sup>F229</sup>Treasury] may by order prescribe, for the purposes of the provisions of Part II of this Schedule,—
- (a) series of numbers by reference to limits specified in the order, or
  - (b) series of monetary amounts by reference to limits so specified;
- and, in any provision of Part II, “prescribed band” means, in relation to cases, any series of numbers so prescribed for the purposes of that provision and, in relation to monetary amounts, any series of monetary amounts so prescribed for the purposes of that provision.
- (2) The power conferred by this paragraph includes power to prescribe different series of numbers or of monetary amounts for the purposes of different provisions.
  - (3) The power to make an order under this paragraph is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

**Textual Amendments**

- F229** Words in Sch. 10 para. 9(1) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt II para. 205** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**



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

**C22** Sch. 10 paras. 9(1)(2): Functions of Building Societies Commission transferred (1.12.2001) to the Treasury by 2001/2617, arts. 2(b), 4(1), Sch. 1 Pt III; [S.I. 2001/3538](#), [art. 2](#)

#### Interpretation

- 10 (1) In this Schedule—
- “administrative services” means services falling within section 69(4);
  - “business associate” and “associated”, in relation to a building society, have the same meaning as in section 69;
  - “financial year” means a financial year of the society with which the business associate is associated;
  - “prescribed band” has the meaning given by paragraph 9(1) above; and
  - “relevant insurance” means insurance falling within section 69(3)(d).
- (2) In section 69, “the volume of the business”, in relation to any business constituted by the provision of any services referred to in any provision of Part I or Part II of this Schedule means—
- (a) in the case of a paragraph of Part I, the aggregate of all the fees and commissions which are the subject of the requisite particulars under that paragraph; and
  - (b) in the case of a paragraph of Part II, the aggregate of the amounts which are specified in orders under paragraph 9 above as the upper limits of the prescribed bands within which fall the estimated aggregates of the fees or commissions or other amounts received which are the subject of the requisite particulars under the provisions of that paragraph

## <sup>F230</sup>SCHEDULE 10A

Section 72J

### DISCLOSURES ABOUT DIRECTORS, OTHER OFFICERS AND EMPLOYEES IN NOTES TO ACCOUNTS

#### Textual Amendments

**F230** Schs. 10A, 10B 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. 9](#)

## PART 1

### EMOLUMENTS OF AND DEALINGS WITH DIRECTORS AND OTHER OFFICERS

#### *Aggregate amount of director’s remuneration etc*

1. (1) The following must be shown—

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- (a) the aggregate amount of salary and fees and sums paid by way of expenses allowance (so far as they are chargeable to United Kingdom tax) paid to or receivable by directors in respect of qualifying services;
- (b) the aggregate amount of bonuses paid to or receivable by directors in respect of qualifying services;
- (c) the aggregate amount of the estimated money value of any other benefits paid to or receivable by directors in respect of qualifying services otherwise than in cash;
- (d) the aggregate of the amount of gains made by directors on the exercise of share options;
- (e) the aggregate of the following–
  - (i) the amount of money paid to or receivable by directors under long-term incentive schemes in respect of qualifying services; and
  - (ii) the net value of assets (other than money and share options) received or receivable by directors under such schemes in respect of such services;
- (f) the aggregate value of any society contributions paid, or treated as paid, to a pension scheme in respect of directors' qualifying services, being contributions by reference to which the rate or amount of any money purchase benefits that may become payable will be calculated;
- (g) the aggregate amount of the increase during the financial year in the value of any accrued pension or accrued lump sum comprising defined benefits payable in respect of any qualifying services performed by directors during the financial year; and
- (h) the total aggregate amounts in paragraphs (a) to (g).

(2) In this paragraph–

“accrued pension” and “accrued lump sum”, in relation to any pension scheme and any director, mean respectively the amount of the annual pension, and the amount of the lump sum, which would be payable under the scheme on his attaining normal pension age if–

- (a) he had left the society's service at the end of the financial year;
- (b) there were no increase in the general level of prices in the United Kingdom during the period beginning with the end of that year and ending with his attaining that age;
- (c) no question arose of any commutation of the pension or inverse commutation of the lump sum; and
- (d) any amounts attributable to voluntary contributions paid by the director to the scheme, and any money purchase benefits which would be payable under the scheme, were disregarded;

“amount”, in relation to a gain made on the exercise of a share option means the difference between–

- (a) the market price of the shares on the day on which the option was exercised, and
- (b) the price actually paid for the shares;

[<sup>F231</sup>“collective money purchase benefit” has the meaning given in section 1 [<sup>F232</sup>or 52] of the Pension Schemes Act 2021;]

“defined benefits” means retirement benefits payable under a pension scheme which are not money purchase benefits;

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“defined benefit scheme”, in relation to a director, means a pension scheme which is not a money purchase scheme;

“long-term incentive scheme” means any agreement or arrangement under which money or other assets may become receivable by a director and which includes one or more qualifying conditions with respect to service or performance which cannot be fulfilled within a single financial year; and for this purpose the following are disregarded—

- (a) bonuses the amount of which falls to be determined by reference to service or performance within a single financial year;
- (b) compensation for loss of office, payments for breach of contract and other termination payments; and
- (c) retirement benefits;

“money purchase benefits”, in relation to a director, [F<sup>233</sup> means—

- (a) retirement benefits] payable under a pension scheme the rate or amount of which is calculated by reference to payments made, or treated as made, by the director or by any other person in respect of the director and [F<sup>234</sup> which fall within paragraph 1A]; [F<sup>235</sup> and
- (b) collective money purchase benefits;]

“money purchase scheme”, in relation to a director, means a pension scheme under which all of the benefits that may become payable to or in respect of the director are money purchase benefits;

“normal pension age”, in relation to any pension scheme and any director, means the age at which the director will first become entitled to receive a full pension on retirement of any amount determined without reduction to take account of its payment before a later age (but disregarding any entitlement to pension upon retirement in the event of illness, incapacity or redundancy);

“net value”, in relation to any assets received or receivable by a director, means value after deducting any money paid or other value given by the director in respect of those assets;

“qualifying services”, in relation to any person, means his services as a director of the society, and his services while director of the society—

- (a) as director of any of its connected undertakings; or
- (b) otherwise in connection with the management of the affairs of the society or any of its connected undertakings;

“shares” means shares (whether allotted or not) in any connected undertaking of the society, and includes a share warrant as defined by [F<sup>236</sup> section 779(1) of the Companies Act 2006];

“share option” means a right to acquire shares;

“society contributions”, in relation to a pension scheme and a director, means any payments (including insurance premiums) made, or treated as made, to the scheme in respect of the director by a person other than the director;

“value”, in relation to shares received or receivable by a director on any day, means the market price of the shares on that day.

- (3) For the purposes of this paragraph amounts paid or receivable or share options granted in respect of a person’s accepting office as a director are treated as amounts paid or receivable or share options granted in respect of his services as a director.

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- (4) Where a pension scheme provides for any benefits that may become payable to or in respect of any director to be whichever are the greater of –
- (a) money purchase benefits as determined by or under the scheme; and
  - (b) defined benefits as so determined,
- the society may assume for the purposes of this paragraph that those benefits will be money purchase benefits, or defined benefits, according to whichever appears more likely at the end of the financial year.
- (5) For the purpose of determining whether a pension scheme is a money purchase or defined benefit scheme, any death in service benefits provided for by the scheme are disregarded.

#### Textual Amendments

- F231** Words in Sch. 10A para. 1(2) inserted (11.2.2021 for specified purposes, 1.8.2022 in so far as not already in force) by Pension Schemes Act 2021 (c. 1), s. 131(1)(3)(a), **Sch. 1 para. 1(2)**; S.I. 2022/721, regs. 1(2), 3(a)
- F232** Words in Sch. 10A para. 1(2) inserted (11.2.2021 for specified purposes) by Pension Schemes Act 2021 (c. 1), s. 131(1)(3)(a), **Sch. 4 para. 1**
- F233** Words in Sch. 10A para. 1(2) substituted (11.2.2021 for specified purposes, 1.8.2022 in so far as not already in force) by Pension Schemes Act 2021 (c. 1), s. 131(1)(3)(a), **Sch. 1 para. 1(3)(a)**; S.I. 2022/721, regs. 1(2), 3(a)
- F234** Words in Sch. 10A para. 1(2) substituted (24.7.2014) by Pensions Act 2011 (c. 19), **ss. 29(5), 38(4)**; S.I. 2014/1683, art. 2
- F235** Words in Sch. 10A para. 1(2) inserted (11.2.2021 for specified purposes, 1.8.2022 in so far as not already in force) by Pension Schemes Act 2021 (c. 1), s. 131(1)(3)(a), **Sch. 1 para. 1(3)(b)**; S.I. 2022/721, regs. 1(2), 3(a)
- F236** Words in Sch. 10A para. 1(2) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), **Sch. 1 para. 110** (with arts. 6, 11, 12)

- [<sup>F237</sup>1A (1) This paragraph applies for the purposes of [<sup>F238</sup>paragraph (a) of the definition] of “money purchase benefits” in paragraph 1(2).
- (2) A benefit other than a pension in payment falls within this paragraph if its rate or amount is calculated solely by reference to assets which (because of the nature of the calculation) must necessarily suffice for the purposes of its provision to or in respect of the director.
- (3) A benefit which is a pension in payment falls within this paragraph if—
- (a) its provision to or in respect of the director is secured by an annuity contract or insurance policy made or taken out with an insurer, and
  - (b) at all times before coming into payment the pension was a benefit falling within this paragraph by virtue of sub-paragraph (2).
- (4) For the purposes of sub-paragraph (2) it is immaterial if the calculation of the rate or amount of the benefit includes deductions for administrative expenses or commission.
- (5) In this paragraph references to a pension do not include income withdrawal or dependants' income withdrawal (within the meaning of paragraphs 7 and 21 of Schedule 28 to the Finance Act 2004).]

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### Textual Amendments

**F237** Sch. 10A para. 1A inserted (24.7.2014) by [Pensions Act 2011 \(c. 19\)](#), **ss. 29(6)**, 38(4); S.I. 2014/1683, art. 2

**F238** Words in [Sch. 10A para. 1A\(1\)](#) substituted (11.2.2021 for specified purposes, 1.8.2022 in so far as not already in force) by [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(1)(3)(a), **Sch. 1 para. 1(4)**; S.I. 2022/721, regs. 1(2), 3(a)

### *Details of individual directors' remuneration etc*

2. (1) There must be shown in respect of each director by name, so much of each of the relevant aggregates as is attributable to that director.
- (2) In this paragraph “relevant aggregates” means the aggregates shown under paragraph 1(1)(a) to (h).
- (3) Sub-paragraphs (2) to (5) of paragraph 1 apply for the purposes of this paragraph as they apply for the purposes of that paragraph.

### *Excess retirement benefits of directors and past directors*

3. (1) Subject to sub-paragraph (2), there must be shown the aggregate amount of–
  - (a) so much of retirement benefits paid to or receivable by directors under pension schemes; and
  - (b) so much of retirement benefits paid to or receivable by past directors under such schemes,
 as (in each case) is in excess of the retirement benefits to which they were respectively entitled on the relevant date.
- (2) For the purposes of sub-paragraph (1) the relevant date is whichever is the later of
  - (a) the date on which the benefits first became payable;
  - (b) 27 March 1998; or
  - (c) the date on which the provisions of the Building Societies Act 1997 specified in Part 2 of the Schedule to the Building Societies Act 1997 (Commencement) (No.3) Order 1997, have come into force in accordance with Article 2 of that Order in relation to the society.
- (3) Amounts paid or receivable under a pension scheme need not be included in the aggregate amount if –
  - (a) the funding of the scheme was such that the amounts were or, as the case may be, could have been paid without recourse to additional contributions; and
  - (b) amounts were paid to or receivable by all pensioner members of the scheme on the same basis,
 and in this sub-paragraph “pensioner member”, in relation to a pension scheme, means any person who is entitled to the present payment of retirement benefits under the scheme.
- (4) In this paragraph–
  - (a) references to retirement benefits include benefits otherwise than in cash; and

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- (b) in relation to so much of retirement benefits as consists of a benefit otherwise than in cash, references to their amount are to the estimated money value of the benefit,  
and the nature of any such benefit must also be disclosed.

*Compensation to directors for loss of office*

4. (1) There must be shown the amount of any compensation in respect of loss of office paid to or receivable by each director or past director by name, together with the aggregate amount of any such compensation.
- (2) There must be shown the aggregate amount of any compensation referred to in sub-paragraph (1) in respect of the preceding financial year.
- (3) The amounts referred to in sub-paragraph (1) include compensation received or receivable by a director or past director for–
  - (a) loss of office as director of the society, or
  - (b) loss, while director of the society or on or in connection with his ceasing to be a director of it, of–
    - (i) any other office in connection with the management of the society’s affairs, or
    - (ii) any office as director or otherwise in connection with the management of the affairs of any connected undertaking of the society.
- (4) References in this paragraph–
  - (a) to compensation include benefits paid or receivable other than in cash; and
  - (b) to the amount of compensation are to the estimated money value of the benefit;
- (5) The nature of any such compensation must be disclosed.
- (6) In this paragraph, references to compensation for loss of office include the following–
  - (a) compensation in consideration for, or in connection with, a person’s retirement from office; and
  - (b) where such a retirement is occasioned by a breach of the person’s contract with the society or with a subsidiary undertaking of the society–
    - (i) payments made by way of damages for the breach; or
    - (ii) payments made by way of settlement or compromise of any claim in respect of the breach.

*Sums paid to third parties in respect of directors’ services*

5. (1) There must be shown the aggregate amount of any consideration paid to or receivable by third parties for making available the services of any person–
  - (a) as a director of the society, or
  - (b) while director of the society–
    - (i) as director of any of its connected undertakings, or
    - (ii) otherwise in connection with the management of the affairs of the society or any of its connected undertakings.

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- (2) The reference in sub-paragraph (1) to consideration includes benefits paid or receivable other than in cash; and–
  - (a) the nature of any such consideration must be disclosed, and
  - (b) in relation to such consideration the reference to its amount is to the estimated money value of the benefit.
- (3) The reference in sub-paragraph (1) to third parties is to persons other than –
  - (a) the director himself or a person connected with him or a body corporate associated with him, and
  - (b) the society or any of its connected undertakings.

*Supplementary provisions regarding directors' remuneration*

- 6. (1) The following applies with respect to the amounts to be shown under paragraphs 1 to 5.
  - (2) The amount in each case includes all relevant sums paid by or receivable from–
    - (a) the society;
    - (b) the society's connected undertakings; and
    - (c) any other person,
 except sums to be accounted for to the society or any of its connected undertakings.
  - (3) References to amounts paid to or receivable by a person include amounts paid to or receivable by a person connected with him or a body corporate associated with him (but not so as to require an amount to be counted twice).
- 7. (1) The amounts to be shown for any financial year under paragraphs 1 to 5 are the sums receivable in respect of that year (whenever paid) or, in the case of sums not receivable in respect of a period, the sums paid during that year.
  - (2) But where–
    - (a) any sums are not shown in a note to the accounts for the relevant financial year on the ground that the person receiving them is liable to account for them as mentioned in paragraph 6(2), but the liability is thereafter wholly or partly released or is not enforced within a period of 2 years; or
    - (b) any sums paid by way of expenses allowance are charged to United Kingdom income tax after the end of the relevant financial year,
 those sums must, to the extent to which the liability is released or not enforced or they are charged as mentioned (as the case may be), be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.
- 8. (1) Where the chief executive of the society is not also a director of the society, he is deemed, for the purposes of paragraphs 1 to 7, to be a director of the society.
  - (2) In such circumstances there must be a note in the accounts specifying that the chief executive has been so deemed to be a director.

*Interpretation of provisions regarding directors remuneration*

- 9. (1) Sub-paragraphs (2) and (3) apply for the interpretation of paragraphs 1 to 8.

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- (2) For the purposes of paragraphs 1 and 2 a reference to a connected undertaking of the society is to any undertaking which is a connected undertaking at the time the services were rendered, and for the purposes of paragraph 4 is a reference to a connected undertaking immediately before the loss of office as a director.
- (3) The following definitions apply–
  - (a) “pension scheme” has the meaning assigned to “retirement benefits scheme” by section 611 of the Income and Corporation Taxes Act 1988;
  - (b) “retirement benefits” has the meaning assigned to “relevant benefits” by section 612(1) and (2) of that Act.
- (4) In paragraphs 5 and 6, references to a person being “connected” with a director, and to a director being “associated with” a body corporate, shall be construed in accordance with section 70 of this Act.

*Directors' loans and transactions*

10. (1) This paragraph applies, subject to sub-paragraph (4), in relation to–
  - (a) loans from and other transactions and arrangements with the society described in section 65 (which restricts loans to and other transactions and arrangements with directors and persons connected to them), other than those to which section 65(5) and (6) applies, and
  - (b) in the case of a society the directors of which are required to prepare consolidated group accounts, loans from and other transactions and arrangements with a subsidiary undertaking of the society to which paragraph (a) would apply were the society rather than the subsidiary undertaking a party to them.
- (2) The notes to the annual accounts must contain a statement, in relation to such loans, transactions and arrangements, showing–
  - (a) the aggregate amounts outstanding under them at the end of the financial year; and
  - (b) the numbers of persons for whom such loans, transactions and arrangements were made.
- (3) The notes to the annual accounts must, in relation to any loan, or other transaction or arrangement subsisting during or at the end of the financial year, make the following disclosures–
  - (a) where a copy of it or a memorandum of its terms is included in the register maintained under section 68, the existence of the register and the availability of requisite particulars from it for inspection must be disclosed;
  - (b) where it comes within paragraph (1)(b), its particulars must be disclosed unless it was one which would, had the subsidiary undertakings of the society formed part of the society, have been exempted from the obligations imposed by section 68.
- (4) This paragraph applies in relation to loans to, and other transactions and arrangements with, a person connected with a director of the society where the society (or in the case of a subsidiary undertaking incorporated in the United Kingdom, the subsidiary undertaking) has notice of the connection between that director and that person.



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### Disclosure of auditors' remuneration

F239 11. ....

#### Textual Amendments

**F239** Sch. 10A para. 11 omitted (29.6.2008) by virtue of [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), arts. 1(2), **4(2)**

### Persons who are to be regarded as associates of a society's auditors

F240 12. ....

#### Textual Amendments

**F240** Sch. 10A para. 12 omitted (29.6.2008) by virtue of [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), arts. 1(2), **4(2)**

## PART 2

### INFORMATION ABOUT EMPLOYEES

13. (1) The following information with respect to the employees of a building society must be given in notes to the society's individual accounts—
- (a) the average number of persons employed by the society in the financial year, and
  - (b) the average number of persons so employed within each category of persons employed by the society.
- (2) The average number required by paragraph (1)(a) or (b) is determined by dividing the relevant annual number by the number of complete calendar months in the financial year.
- (3) The relevant annual number is determined by ascertaining for each complete calendar month in the financial year—
- (a) for the purposes of paragraph (1)(a), the number of persons employed under contracts of service by the society in that month (whether throughout the month or not);
  - (b) for the purposes of paragraph (1)(b), the number of persons in the category in question of persons so employed;
- and, in either case, adding together all the monthly numbers.
- (4) In respect of all persons employed by the society during the financial year who are taken into account in determining the relevant annual number for the purposes of paragraph (1)(a) there must also be stated the aggregate amounts respectively of—
- (a) wages and salaries paid or payable in respect of that year to those persons;
  - (b) social security costs incurred by the society on their behalf; and
  - (c) other pension costs so incurred.

This does not apply in so far as those amounts, or any of them, are stated elsewhere in the society's accounts.

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- (5) For the purposes of paragraph (1)(b) the categories of person employed by the society are such as the directors may select, having regard to the manner in which the society's activities are organised.
- (6) This paragraph applies in relation to group accounts as if the undertakings included in those accounts were a single society.
- (7) In this paragraph–
- (a) “social security costs” means any contribution by the society to any state social security or pension scheme, fund or arrangement;
  - (b) “pension costs” includes any costs incurred by the society in respect of any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the society, any sums set aside for future payment of pensions directly by the society to current or former employees and any pensions paid directly to such persons without having been first set aside.

## SCHEDULE 10B

Section 72K

### DISCLOSURES ABOUT RELATED UNDERTAKINGS REQUIRED IN NOTE TO ACCOUNTS

#### PART 1

##### SOCIETIES NOT REQUIRED TO PREPARE CONSOLIDATED GROUP ACCOUNTS

##### *Subsidiary undertakings*

1. (1) The following information must be given where at the end of the financial year the society has subsidiary undertakings but is not required to prepare consolidated group accounts.
  - (2) The name of each subsidiary undertaking shall be stated.
  - (3) There must be stated with respect to each subsidiary undertaking–
    - (a) if it is incorporated outside the United Kingdom, the country in which it is incorporated;
    - (b) if it is unincorporated, the address of its principal place of business.
  - (4) The specific reason why each subsidiary undertaking is not required to be included in consolidated group accounts must be stated.

##### *Holdings in subsidiary undertakings*

2. (1) There must be stated in relation to shares of each class held by the society in a subsidiary undertaking–
  - (a) the identity of the class; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.

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- (2) The shares held by or on behalf of the society itself must be distinguished from those attributed to the society which are held by or on behalf of a subsidiary undertaking.

*Financial information about subsidiary undertakings*

3. (1) There must be disclosed with respect to each subsidiary undertaking—
- (a) the aggregate amount of its capital and reserves as at the end of its relevant financial year; and
  - (b) its profit or loss for that year.
- (2) The information referred to in sub-paragraph (1) need not be given if the society’s investment in the subsidiary undertaking is included in the society’s accounts by way of the equity method of valuation or if—
- (a) the subsidiary undertaking is not required by any provision of [<sup>F241</sup>the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere, and
  - (b) the society’s holding is less than 50 per cent of the nominal value of the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) in the case of Building Societies Act accounts, for the purpose of giving a true and fair view for the society of the matters set out in section 72B(2) or, where appropriate section 72F(2), or
  - (b) in the case of IAS accounts, to the requirement under [<sup>F242</sup>UK-adopted international accounting standards] that such accounts achieve a fair presentation.
- (4) For the purposes of this paragraph the “relevant financial year” of a subsidiary undertaking is—
- (a) if its financial year ends with that of the society, that year, and
  - (b) if not, its financial year ending last before the end of the society’s financial year.

**Textual Amendments**

**F241** Words in Sch. 10B para. 3(2)(a) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 111(2)** (with arts. 6, 11, 12)

**F242** Words in Sch. 10B para. 3(3)(b) 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. 37(a)** (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)

*Financial years of subsidiary undertakings*

4. Where—
- (a) disclosure is made under paragraph 3(1) with respect to a subsidiary undertaking; and
  - (b) that undertaking’s financial year does not end with that of the society,

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there must be stated in relation to that undertaking the date on which its last financial year before the end of the society's financial year ended.

*Significant holdings in undertakings other than subsidiary undertakings*

5. (1) The information required by paragraphs 6 and 7 must be given where at the end of the financial year the society has a significant holding in an undertaking which is not a subsidiary undertaking of the society.
  - (2) A holding is significant for this purpose if–
    - (a) it amounts to 20 per cent or more of the nominal value of the shares in the undertaking; or
    - (b) the amount of the holding (as stated or included in the society's accounts) exceeds one-fifth of the amount (as so stated) of the society's assets.
6. (1) The name of the undertaking must be stated.
  - (2) There must be stated–
    - (a) if the undertaking is incorporated outside the United Kingdom, the country in which it is incorporated; and
    - (b) if it is unincorporated, the address of its principal place of business.
  - (3) There must also be stated–
    - (a) the identity of each class of shares in the undertaking held by the society; and
    - (b) the proportion of the nominal value of the shares of that class represented by those shares.
  - (4) Information otherwise required by this paragraph need not be given if it is not material–
    - (a) in the case of Building Societies Act accounts, for the purpose of giving a true and fair view for the society of the matters set out in section 72B(2) or, where appropriate, section 72F(2), or
    - (b) in the case of IAS accounts, to the requirement under [<sup>F243</sup>UK-adopted international accounting standards] that such accounts achieve a fair presentation.

**Textual Amendments**

**F243** Words in Sch. 10B para. 6(4)(b) 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. 37(b)** (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)

7. (1) There must also be stated–
  - (a) the aggregate amount of the capital and reserves of the undertaking as at the end of its relevant financial year, and
  - (b) its profit or loss for that year.
- (2) That information need not be given if the investment of the society in all undertakings in which it has a significant holding is shown, in aggregate, in the notes to the accounts by way of the equity method of valuation.
- (3) That information need not be given in respect of an undertaking if

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- (a) the undertaking is not required by any provision of [<sup>F244</sup>the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere, and
  - (b) the society's holding is less than 50 per cent of the nominal value of the shares in the undertaking.
- (4) Information otherwise required by this paragraph need not be given if it is not material—
- (a) in the case of Building Societies Act accounts, for the purpose of giving a true and fair view for the society of the matters set out in section 72B(2) or, where appropriate, section 72F(2), or
  - (b) in the case of IAS accounts, to the requirement under [<sup>F245</sup>UK-adopted international accounting standards] that such accounts achieve a fair presentation.
- (5) For the purposes of this paragraph the “relevant financial year” of an undertaking is –
- (a) if its financial year ends with that of the society, that year, and
  - (b) if not, its financial year ending last before the end of the society's financial year.

#### Textual Amendments

- F244** Words in Sch. 10B para. 7(3)(a) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 111(2)** (with arts. 6, 11, 12)
- F245** Words in Sch. 10B para. 7(4)(b) 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. 37(b)** (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)

#### *Construction of references to shares held by society*

8. (1) References in this Part of this Schedule to shares held by a society shall be construed as follows.
- (2) For the purposes of paragraphs 2 and 3—
- (a) shares held by a subsidiary undertaking, or by a person acting on behalf of the society or a subsidiary undertaking are treated as if they were held by the society; but
  - (b) shares held on behalf of a person other than the society or a subsidiary undertaking are not treated as if they were held by the society.
- (3) For the purposes of paragraphs 5 to 7—
- (a) shares held on behalf of a society by any person are treated as if they were held by the society; but
  - (b) shares held on behalf of a person other than the society are not treated as if they were held by the society.
- (4) For the purposes of paragraphs 2 to 7, shares held by way of security shall be treated as if they were held by the person providing the security –

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- (a) where apart from the right to exercise them for the purposes of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in accordance with his instructions, and
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in his interests.

## PART 2

### SOCIETIES REQUIRED TO PREPARE CONSOLIDATED GROUP ACCOUNTS

#### *Subsidiary undertakings*

9. (1) The following information must be given with respect to the undertakings that are subsidiary undertakings of the society at the end of the financial year.
- (2) The name of each undertaking must be stated.
- (3) There must be stated—
- (a) if it is incorporated outside the United Kingdom, the country in which it is incorporated;
  - (b) if it is unincorporated, the address of its principal place of business.
- (4) It must be stated whether the subsidiary undertaking is included in the consolidation and, if it is not, the reason for excluding it from the consolidation must be given.
- (5) It must be stated with respect to each subsidiary undertaking of the society by virtue of which of the conditions specified in [F246 section 1162 of the Companies Act 2006] it is a subsidiary undertaking of the society.
- (6) That information need not be given in relation to a subsidiary undertaking if—
- (a) the relevant condition is that specified in subsection (2)(a) of that section, and
  - (b) the society that is its immediate parent undertaking (within the meaning of [F247 section 1162 of the Companies Act 2006]) holds the same proportion of the shares in the undertaking as it holds voting rights.

#### **Textual Amendments**

**F246** Words in Sch. 10B para. 9(5) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 111\(3\)](#) (with arts. 6, 11, 12)

**F247** Words in Sch. 10B para. 9(6)(b) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 111\(3\)](#) (with arts. 6, 11, 12)

#### *Holdings in subsidiary undertakings*

10. (1) The following information must be given with respect to the shares of a subsidiary undertaking held—
- (a) by the society, and
  - (b) by the group,

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and the information required under paragraphs (a) and (b) must (if different) be shown separately.

- (2) There must be stated—
- (a) the identity of each class of shares held, and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.

*Financial information about subsidiary undertakings not included in the consolidation*

11. (1) There must be shown with respect to each subsidiary undertaking not included in the consolidation—
- (a) the aggregate amount of its capital and reserves as at the end of its relevant financial year, and
  - (b) its profit or loss for that year.
- (2) The information referred to in sub-paragraph (1) need not be given if the group’s investment in the subsidiary undertaking is included in the accounts by way of the equity method of valuation or if—
- (a) the subsidiary undertaking is not required by any provision of [<sup>F248</sup>the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere, and
  - (b) the holding of the group is less than 50 per cent of the nominal value of the shares in the subsidiary undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) in the case of Building Societies Act accounts, for the purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(2);
  - (b) in the case of IAS accounts, to the requirement under [<sup>F249</sup>UK-adopted international accounting standards] that such accounts achieve a fair presentation.
- (4) For the purposes of this paragraph the “relevant financial year” of a subsidiary undertaking is—
- (a) if its financial year ends with that of the society, that year, and
  - (b) if not, its financial year ending last before the end of the society’s financial year.

**Textual Amendments**

**F248** Words in Sch. 10B para. 11(2)(a) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 111(2)** (with arts. 6, 11, 12)

**F249** Words in Sch. 10B para. 11(3)(b) 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. 37(e)** (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)

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*Associated undertakings*

12. (1) The following information must be given where an undertaking included in the consolidation has an interest in an associated undertaking.
- (2) The name of the associated undertaking must be stated.
- (3) There must be stated—
- (a) if the associated undertaking is incorporated outside the United Kingdom, the country in which it is incorporated, and
  - (b) if it is unincorporated, the address of its principal place of business.
- (4) The following information must be given with respect to the shares of the associated undertaking held—
- (a) by the society; and
  - (b) by the group,
- and the information required under paragraphs (a) and (b) must (if different) be given separately.
- (5) There must be stated—
- (a) the identity of each class of shares in the associated undertaking held; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.

*Other significant holdings of society or group*

13. (1) The information required by paragraphs 14 and 15 must be given where at the end of the financial year the society has a significant holding in an undertaking which is not one of its subsidiary undertakings and does not fall within paragraph 12 (associated undertakings).
- (2) A holding is significant for this purpose if—
- (a) it amounts to 20 per cent or more of the nominal value of the shares in the undertaking; or
  - (b) the amount of the holding (as stated or included in the society's individual accounts) exceeds one-fifth of the amount of the society's assets (as so stated).
14. (1) The name of the undertaking must be stated.
- (2) There must be stated –
- (a) if the undertaking is incorporated outside the United Kingdom, the country in which it is incorporated; and
  - (b) if it is unincorporated, the address of its principal place of business.
- (3) There must also be stated—
- (a) the identity of each class of shares in the undertaking held by the society; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.
- (4) The information otherwise required by this paragraph need not be given if it is not material—



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- (a) in the case of Building Societies Act accounts, for the purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(2);
- (b) in the case of IAS accounts, to the requirement under [<sup>F250</sup>UK-adopted international accounting standards] that such accounts achieve a fair presentation.

#### Textual Amendments

**F250** Words in Sch. 10B para. 14(4)(b) 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. 37\(d\)](#) (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)

15. (1) There must also be stated—
- (a) the aggregate amount of the capital and reserves of the undertaking as at the end of its relevant financial year; and
  - (b) its profits or loss for that year.
- (2) That information need not be given in respect of an undertaking if—
- (a) the undertaking is not required by any provision of [<sup>F251</sup>the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere, and
  - (b) the society’s holding is less than 50 per cent of the nominal value of the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) for the purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(2);
  - (b) in the case of IAS accounts, to the requirement under [<sup>F252</sup>UK-adopted international accounting standards] that such accounts achieve a fair presentation.
- (4) For the purposes of this paragraph the “relevant financial year” of an undertaking is—
- (a) if its financial year ends with that of the society, that year, and
  - (b) if not, its financial year ending last before the end of the society’s financial year.

#### Textual Amendments

**F251** Words in Sch. 10B para. 15(2)(a) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008](#) (S.I. 2008/948), art. 2(2), [Sch. 1 para. 111\(2\)](#) (with arts. 6, 11, 12)

**F252** Words in Sch. 10B para. 15(3)(b) 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. 37\(d\)](#) (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)

16. (1) The information required by paragraphs 17 and 18 must be given where at the end of the financial year the group has a significant holding in an undertaking which is

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not a subsidiary undertaking of the society and does not fall within paragraph 12 (associated undertakings).

- (2) A holding is significant for this purpose if–
- (a) it amounts to 20 per cent or more of the nominal value of the shares in the undertaking; or
  - (b) the amount of the holding (as stated or included in the group accounts) exceeds one-fifth of the amount of the group’s assets (as so stated).
17. (1) The name of the undertaking must be stated.
- (2) There must be stated–
- (a) if the undertaking is incorporated outside the United Kingdom, the country in which it is incorporated; and
  - (b) if it is unincorporated, the address of its principal place of business.
- (3) There must also be stated–
- (a) the identity of each class of shares in the undertaking held by the group; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.
- (4) Information otherwise required by this paragraph need not be given if it is not material—
- (a) for the purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(2);
  - (b) in the case of IAS accounts, to the requirement under [<sup>F253</sup>UK-adopted international accounting standards] that such accounts achieve a fair presentation.

#### **Textual Amendments**

**F253** Words in Sch. 10B para. 17(4)(b) 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. 37(d)** (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)

18. (1) There must also be stated–
- (a) the aggregate amount of the capital and reserves of the undertaking as at the end of its relevant financial year; and
  - (b) its profit or loss for that year.
- (2) That information need not be given if–
- (a) the undertaking is not required by any provision of [<sup>F254</sup>the Companies Act 2006] to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere; and
  - (b) the holding of the group is less than 50 per cent of the nominal value of the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) for the purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(2);

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- (b) in the case of IAS accounts, to the requirement under [<sup>F255</sup>UK-adopted international accounting standards] that such accounts achieve a fair presentation.
- (4) For the purposes of this paragraph the “relevant financial year” of an undertaking is—
- (a) if its financial year ends with that of the society, that year, and
- (b) if not, its financial year ending last before the end of the society’s financial year.

#### Textual Amendments

**F254** Words in Sch. 10B para. 18(2)(a) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 111\(2\)](#) (with arts. 6, 11, 12)

**F255** Words in Sch. 10B para. 18(3)(b) 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. 37\(d\)](#) (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)

#### *Construction of references to shares held by society or group*

19. (1) References in this Part of this Schedule to shares held by the society or the group shall be construed as follows.
- (2) For the purposes of paragraphs 10, 12(4) and (5) and 13 to 15—
- (a) shares held on behalf of a society by any person are treated as if they were held by the society; but
- (b) shares held on behalf of a person other than the society are not treated as if they were held by the society.
- (3) References to shares held by the group are to any shares held by or on behalf of the society or any of its subsidiary undertakings; but shares held on behalf of a person other than the society or any of its subsidiary undertakings are not treated as if they were held by the group.
- (4) Shares held by way of security are treated as if they were held by the person providing the security in the following cases—
- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in accordance with his instructions;
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of security, or of realising it, the rights attached to the shares are exercisable only in his interests.

#### *Interpretation: general*

20. In this Schedule, “group” means a building society and its subsidiary undertakings.]

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## [<sup>F256</sup>SCHEDULE 10C

Section 72M

### DISCLOSURE OF AUDITOR REMUNERATION ETC REQUIRED IN NOTES TO ACCOUNTS

#### Textual Amendments

**F256** Sch. 10C inserted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), art. 1(2), **Sch. 1 para. 1**

#### *Disclosure required*

1. (1) The following must be shown—
  - (a) the amount of any remuneration receivable by the society’s auditor [<sup>F257</sup>, or an associate of the society’s auditor,] for the auditing of the annual accounts, and
  - (b) the amount of any remuneration receivable in respect of the financial year by—
    - (i) the society’s auditor, or
    - (ii) any person who was, at any time during that financial year, an associate of the society’s auditor,
 for the supply of other services to the society or any associate of the society.
- (2) Where the remuneration includes benefits in kind, the nature and estimated money-value of those benefits must also be shown.
- (3) Separate disclosure is required in respect of the auditing of the accounts in question and of each type of service specified in paragraph 2, but not in respect of each service falling within a type of service.
- (4) Separate disclosure is required in respect of services supplied to the society and its subsidiaries on the one hand and to associated pension schemes on the other.
- (5) Where more than one person has been appointed as a society’s auditor in respect of the financial year, separate disclosure is required in respect of the remuneration of each such person and his associates.
- (6) Where a building society is required to prepare consolidated group accounts—
  - (a) those accounts must comply with sub-paragraph (1)(b) as if the undertakings included in the consolidation were a single building society, and
  - [<sup>F258</sup>(b) the notes to the individual accounts of—
    - (i) the society, and
    - (ii) a subsidiary of the society, where the subsidiary is included in the group accounts and the statutory auditor is the same for both the society and the subsidiary,
 do not have to disclose the information required by that provision if the notes state that the group accounts are so required.]

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### Textual Amendments

- F257** Words in [Sch. 10C para. 1\(1\)\(a\)](#) inserted (with effect in accordance with reg. 2(1) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), [Sch. 1 para. 2\(a\)\(i\)](#) (with reg. 2(6)(7))
- F258** [Sch. 10C para. 1\(6\)\(b\)](#) substituted (with effect in accordance with reg. 2(1) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), [Sch. 1 para. 2\(a\)\(ii\)](#) (with reg. 2(6)(7))

### *Types of service*

- <sup>F259</sup>2. The types of service in respect of which disclosure is required are—
- (a) the auditing of accounts of any associate of the society;
  - (b) audit-related assurance services;
  - (c) taxation compliance services;
  - (d) any taxation advisory services not falling within paragraph (c);
  - (e) internal audit services;
  - (f) any assurance services not falling within paragraphs (a) to (e);
  - (g) any services relating to corporate finance transactions entered into, or proposed to be entered into, by or on behalf of the society or any of its associates not falling within paragraphs (a) to (f);
  - (h) any other non-audit services.]

### Textual Amendments

- F259** [Sch. 10C para. 2](#) substituted (with effect in accordance with reg. 2(1) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), [Sch. 1 para. 2\(b\)](#) (with reg. 2(6)(7))

### *Disclosure not required of remuneration for certain services provided by distant associate*

3. (1) Disclosure is not required of remuneration receivable for the supply of services falling within paragraph <sup>F260</sup>2(h)] supplied by a distant associate of the society's auditor where the total remuneration receivable for all of those services supplied by that associate does not exceed—
- (a) £10,000, or
  - (b) 1% of the total audit remuneration received by the society's auditor in the most recent financial year of the auditor which ended no later than the end of the financial year of the society to which the accounts relate.
- (2) In sub-paragraph (1)(b)—
- (a) “financial year of the auditor” means—
    - (i) the period of not more than 18 months in respect of which the auditor's profit and loss account is required to be made up (whether by law or by or in accordance with the auditor's constitution (if any)), or
    - (ii) failing any such requirement, the period of 12 months beginning with 1st April;

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- (b) “total audit remuneration received” means the total remuneration received for the auditing pursuant to legislation (including that of countries and territories outside the United Kingdom) of any accounts of any person.

#### **Textual Amendments**

**F260** Word in *Sch. 10C para. 3(1)* substituted (with effect in accordance with reg. 2(1) of the amending S.I.) by *The Statutory Auditors Regulations 2017 (S.I. 2017/1164)*, reg. 1(2)(3), **Sch. 1 para. 2(c)** (with reg. 2(6)(7))

#### *Duty of auditor to supply information*

4. The auditor of a building society must supply the directors of the society with such information as is necessary to enable the disclosure required by paragraph 1 to be made.

#### *Meaning of “associate” and “distant associate” of auditor*

5. (1) This paragraph defines what is meant in this Schedule by an “associate” or a “distant associate” of a building society’s auditor.
- (2) The following are associates of a society’s auditor—
- (a) any person controlled by the society’s auditor or by any associate of the society’s auditor (whether alone or through two or more persons acting together to secure or exercise control), but only if that control does not arise solely by virtue of the society’s auditor or any associate of the society’s auditor acting—
    - (i) as an insolvency practitioner in relation to any person,
    - (ii) in the capacity of a receiver, or a receiver or manager, of the property of a society or other body corporate, or
    - (iii) as a judicial factor on the estate of any person;
  - (b) any person who, or group of persons acting together which, has control of the society’s auditor;
  - (c) any person using a trading name which is the same as or similar to a trading name used by the society’s auditor, but only if the society’s auditor uses that trading name with the intention of creating the impression of a connection between the auditor and that other person;
  - (d) any person who is party to an arrangement with the society’s auditor, with or without any other person, under which costs, profits, quality control, business strategy or significant professional resources are shared.
- (3) Where the society’s auditor is a partnership, the following are also associates of the auditor—
- (a) any partner in the society’s auditor;
  - (b) any body corporate which is in the same group as a body corporate which is a partner in the society’s auditor;
  - (c) any body corporate of which a partner in the society’s auditor is a director;
  - (d) any partnership which has a partner in common with the society’s auditor;

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- (e) any body corporate which is in the same group as a body corporate which is a partner in a partnership which has a partner in common with the society's auditor.
- (4) Where a society's auditor is a body corporate (other than one which is also a partnership as defined in sub-paragraph (6)(d)), the following are also associates of the auditor—
- (a) any director of the society's auditor;
  - (b) any body corporate which is in the same group as a body corporate which is a director of the society's auditor;
  - (c) any body corporate which is in the same group as the society's auditor;
  - (d) any partnership in which any such body corporate which is in the same group as the society's auditor is a partner;
  - (e) any partnership in which a director of the society's auditor is a partner;
  - (f) any body corporate which has a director in common with the society's auditor;
  - (g) any body corporate which is in the same group as a body corporate which has a director in common with the society's auditor.
- (5) A distant associate of a society's auditor is a person who is an associate of that auditor by reason only that that person is an associate within one or more of—
- (a) sub-paragraph (2)(a) where the person in question is controlled by a distant associate of the society's auditor and not by the auditor or by an associate who is not a distant associate;
  - (b) sub-paragraph (3)(c), (d) or (e);
  - (c) sub-paragraph (4)(e), (f) or (g).
- (6) For the purposes of this paragraph—
- (a) “acting as an insolvency practitioner” shall be construed in accordance with section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989;
  - (b) “director” includes any person occupying the position of director, by whatever name called;
  - (c) “partner” includes a member of a limited liability partnership;
  - (d) “partnership” includes a limited liability partnership and a partnership constituted under the law of a country or a territory outside the United Kingdom;
  - (e) a reference to “a receiver, or a receiver or manager, of the property of a society or other body corporate” includes a receiver, or (as the case may be) a receiver or manager, of part only of that property;
  - (f) a person able, directly or indirectly to control or materially to influence the operating and financial policy of another person shall be treated as having control of that other person; and
  - (g) a body corporate is in the same group as another body corporate if one is a subsidiary of the other.

#### *Interpretation*

6. In this Schedule—  
“associate of the society” means—

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- (a) any subsidiary of the society, other than a subsidiary in respect of which severe long-term restrictions substantially hinder the exercise of rights of the society over the assets or management of that subsidiary, or
  - (b) any associated pension scheme;  
 “associated pension scheme”, in relation to a building society, means a scheme for the provision of benefits for or in respect of directors or employees (or former directors or employees) of the society or any subsidiary of the society where—
    - (a) the benefits consist of or include any pension, lump sum, gratuity or other like benefit given or to be given on retirement or on death or in anticipation of retirement or, in connection with past service, after retirement or death, and
    - (b) either—
      - (i) a majority of the trustees are appointed by, or by a person acting on behalf of the society or a subsidiary of the society, or
      - (ii) the society, or a subsidiary of the society, exercises a dominant influence over the appointment of the auditor (if any) of the scheme;
- “remuneration” includes payments in respect of expenses and benefits in kind;
- “subsidiary” means a subsidiary undertaking that is a body corporate.]

## SCHEDULE 11

Section 77.

### F261 AUDITORS: APPOINTMENT, TENURE...

#### Textual Amendments

**F261** Words in Sch. 11 heading omitted (6.4.2008) by virtue of [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 14\(a\)](#), Sch. 2 (with arts. 6, 11, 12)

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

**C23** Sch. 11 excluded by [S.I. 1986/2168](#), art. 12(a)

### *Appointment*

- 1 (1) The [F262 first auditor] of a building society may be appointed by the directors at any time before the first general meeting of the building society following the end of the society’s first financial year [F263 and an auditor] so appointed shall hold office until the conclusion of that meeting.
- (2) If the directors fail to exercise their powers under sub-paragraph (1) above those powers may be exercised by the building society in general meeting.

#### Textual Amendments

**F262** Words in Sch. 11 para. 1(1) substituted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), art. 1(2), [Sch. 2 para. 8\(a\)\(i\)](#)



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**F263** Words in Sch. 11 para. 1(1) substituted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), art. 1(2), [Sch. 2 para. 8\(a\)\(ii\)](#)

- 2 The directors, or the building society in general meeting, may fill any casual vacancy in the office of auditor; but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.
- 3 (1) If at any annual general meeting of a building society no [<sup>F264</sup>auditor is] appointed or re-appointed, the [<sup>F265</sup>appropriate authority] may appoint a person to fill the vacancy; and the society shall, within one week of the power of the [<sup>F265</sup>appropriate authority] becoming exercisable, [<sup>F266</sup>give notice to the FCA and, if the society is a PRA-authorised person, to the PRA] of that fact.
- (2) If a building society fails to give the notice required by sub-paragraph (1) above the society shall be liable on summary conviction—
- (a) to a fine not exceeding level 3 on the standard scale, and
  - (b) in the case of a continuing offence, to an additional fine not exceeding £40 for every day during which the offence continuesX;
- and so shall any officer who is also guilty of the offence.

#### Textual Amendments

- F264** Words in Sch. 11 para. 3(1) substituted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), art. 1(2), [Sch. 2 para. 8\(b\)](#)
- F265** Words in Sch. 11 para. 3(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 55\(2\)\(a\)](#) (with Sch. 12)
- F266** Words in Sch. 11 para. 3(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 55\(2\)\(b\)](#) (with Sch. 12)

<sup>F267</sup>3A .....

#### Textual Amendments

- F267** Sch. 11 para. 3A omitted (with effect in accordance with reg. 1(4) of the amending S.I.) by virtue of [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), [2\(6\)\(a\)](#)

- [<sup>F268</sup>3B(1) This paragraph applies to the appointment of an auditor or auditors under section 77, where the building society has an audit committee.
- (2) Before an appointment to which this paragraph applies is made—
- (a) the audit committee of the building society must make a recommendation to the directors in connection with the appointment, and
  - (b) the directors must propose an auditor or auditors for appointment <sup>F269</sup>...
- (3) Before the audit committee makes a recommendation or the directors make a proposal under sub-paragraph (2), the committee<sup>F270</sup>... must carry out a selection procedure in accordance with Article 16(3) of the Audit Regulation.
- (4) The audit committee must in its recommendation—

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- (a) identify its first and second choice candidates for appointment, [<sup>F271</sup>drawn from those auditors who have participated in a selection procedure under sub-paragraph (3),]
- (b) give reasons for the choices so identified,
- (c) state that—
  - (i) the recommendation is free from influence by a third party, and
  - (ii) no contractual term of the kind mentioned in [<sup>F272</sup>Article 16(6) of the Audit Regulation] has been imposed on the building society.

[<sup>F273</sup>(5) The directors must include in their proposal—

- (a) the recommendation made by the audit committee in connection with the appointment, and
  - (b) if the proposal of the directors departs from the preference of the audit committee—
    - (i) a recommendation for a candidate or candidates for appointment drawn from those auditors who have participated in a selection procedure under sub-paragraph (3), and
    - (ii) the reasons for not following the audit committee’s recommendation.
- (6) Where the audit committee recommends re-appointment of the society’s existing auditor or auditors, and the directors are in agreement, sub-paragraphs (3) and (4) (a) and (b) do not apply.]

#### **Textual Amendments**

- F268** Sch. 11 paras. 3A-3C inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 4 para. 8(a)** (with reg. 1(6))
- F269** Words in Sch. 11 para. 3B(2)(b) omitted (with effect in accordance with reg. 1(4) of the amending S.I.) by virtue of [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(b)(i)**
- F270** Words in Sch. 11 para. 3B(3) omitted (with effect in accordance with reg. 1(4) of the amending S.I.) by virtue of [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(b)(ii)**
- F271** Words in Sch. 11 para. 3B(4)(a) inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(b)(iii)**
- F272** Words in Sch. 11 para. 3B(4)(c) substituted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(b)(iv)**
- F273** Sch. 11 para. 3B(5)(6) substituted for Sch. 11 para. 3B(5)-(7) (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(b)(v)**

- 3C (1) This paragraph applies to the appointment of an auditor or auditors under section 77, where the building society does not have an audit committee.
- (2) Before an appointment to which this paragraph applies is made the directors must propose an auditor or auditors for appointment.

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(3) Before the directors make a proposal under sub-paragraph (2), they must carry out a selection procedure in accordance with Article 16(3) of the Audit Regulation [F274, from which their proposed auditor or auditors must be drawn] .

[F275(4) Sub-paragraph (3) does not apply in relation to a proposal to re-appoint the society’s existing auditor or auditors.]]

#### Textual Amendments

- F268** Sch. 11 paras. 3A-3C inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 4 para. 8(a)** (with reg. 1(6))
- F274** Words in Sch. 11 para. 3C(3) inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(c)(i)**
- F275** Sch. 11 para. 3C(4) substituted for Sch. 11 para. 3C(4)-(6) (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(c)(ii)**

[F2763D(1) A person who has been, or will have been, auditor of a building society in respect of every financial year comprised in the maximum engagement period may not be appointed as auditor of the society in respect of any financial year which begins within the period of 4 years beginning with the day after the last day of the last financial year of the maximum engagement period.

(2) A person who is a member of the same network as the auditor mentioned in sub-paragraph (1) may not be appointed as auditor of the society in respect of any financial year which begins within the period of 4 years mentioned in that sub-paragraph.

(3) In this paragraph “network” means an association of persons, other than a firm, co-operating in audit work by way of—

- (a) profit-sharing;
- (b) cost-sharing;
- (c) common ownership, control or management;
- (d) common quality control policies and procedures;
- (e) common business strategy; or
- (f) use of a common name.

#### Textual Amendments

- F276** Sch. 11 paras. 3D, 3E inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(d)**

[ (1) If—

[F2773DA. (a) a building society appoints, or purports to appoint, an auditor or auditors, and (b) the appointment or purported appointment is made in breach of paragraph 3B, 3C or 3D (requirements applying to appointment of auditors),

the appropriate authority may appoint another auditor or auditors in place of the auditor or auditors referred to in paragraph (a).

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- (2) The breach of paragraph 3B, 3C or 3D does not invalidate any report made under this Part by the auditor or auditors on the building society's annual reports or accounts before the auditor or auditors are replaced under sub-paragraph (1) of this paragraph.
- (3) But where the breach in question is a breach of paragraph 3D, sections 1248 and 1249 of the Companies Act 2006 (Secretary of State's power to require second audit for companies) apply as if—
- (a) the building society were a company;
  - (b) references to the Secretary of State were to the appropriate audit authority;
  - (c) references to the registrar of companies were to the FCA and, if the society is a PRA-authorised person, to the PRA;
  - (d) the auditor was not an appropriate person, or the auditors were not appropriate persons, for the period during which the audit was conducted;
  - (e) section 1248(9) was omitted.
- (4) Within one week of becoming aware of the breach of paragraph 3B, 3C or 3D, the building society must give notice to the appropriate authority that the power under sub-paragraph (1) of this paragraph has become exercisable.
- (5) If the building society fails to give the notice required by sub-paragraph (4), the society shall be liable on summary conviction—
- (a) to a fine not exceeding level 3 on the standard scale; and
  - (b) in the case of a continuing offence, to an additional fine not exceeding £40 for every day during which the offence continues;
- and so shall any officer who is also guilty of the offence.]

#### Textual Amendments

- F276** Sch. 11 paras. 3D, 3E inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(d)**
- F277** Sch. 11 para. 3DA inserted (with effect in accordance with reg. 2(1) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 1 para. 3** (with reg. 2(6)(7))

- 3E. (1) Where a person is auditor of a building society in respect of consecutive financial years, the maximum engagement period of the person as auditor of the society—
- (a) begins with the first of those years (see the appropriate entry in the first column of the following Table), and
  - (b) ends with the financial year specified in the corresponding entry in the second column of the Table:

<b>First financial year of the maximum engagement period</b>	<b>Last financial year of the maximum engagement period</b>
A financial year of the society beginning before 17 June 1994	The last financial year of the society to begin before 17 June 2020.
A financial year of the society beginning—	The last financial year of the society to begin before 17 June 2023.
(a) on or after 17 June 1994, and	
(b) before 17 June 2003	

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**First financial year of the maximum engagement period**

A financial year of the society beginning—  
(a) on or after 17 June 2003, and  
(b) before 17 June 2016

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**Last financial year of the maximum engagement period**

*No qualifying selection procedure*  
Where neither the first financial year of the maximum engagement period nor any subsequent financial year is one in respect of which the auditor has been appointed following the carrying out of a qualifying selection procedure, the later of—

(a) the last financial year of the society to begin before 17 June 2016, and  
(b) the last financial year of the society to begin within the period of 10 years beginning with the first day of the first financial year of the maximum engagement period.

*No qualifying selection procedure within 10 years*

Where the last day of the last financial year of the society to begin within the period of 10 years beginning with the first day of the last financial year of the society in respect of which the auditor was appointed following a qualifying selection procedure is before 17 June 2016—

(a) the last financial year of the society to begin before 17 June 2016, unless  
(b) the auditor is appointed following a qualifying selection procedure for the first financial year of the society to begin on or after 17 June 2016, in which case it is the last financial year of the society to begin within the period of 20 years beginning with the first day of the first financial year of the maximum engagement period.

*Qualifying selection procedure within 10 years*

In any other case, the earlier of—  
(a) the last financial year of the society to begin within the period of 10 years beginning with the first day of the last financial year of the society in respect of which the auditor was appointed following a qualifying selection procedure, and  
(b) the last financial year of the society to begin within the period of 20 years beginning with the first day of the

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**First financial year of the  
maximum engagement period**

A financial year of the society beginning on or after 17 June 2016

**Last financial year of the  
maximum engagement period**

first financial year of the maximum engagement period.

The earlier of—

- (a) the last financial year of the society to begin within the period of 10 years beginning with the first day of the last financial year of the society in respect of which the auditor was appointed following a qualifying selection procedure, and
  - (b) the last financial year of the society to begin within the period of 20 years beginning with the first day of the first financial year of the maximum engagement period.
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- (2) Where the first financial year of the maximum engagement period begins on or after 17 June 2003, the maximum engagement period may be extended by a period of no more than 2 years with the approval of the competent authority.
- (3) Such approval may be given by the competent authority only if it is satisfied that exceptional circumstances exist.
- (4) Where the competent authority gives its approval as mentioned in sub-paragraph (2)
  - (a) the second column of the Table in sub-paragraph (1) has effect with the necessary modifications, and
  - (b) the first appointment to be made after the end of the period as so extended must be made following a qualifying selection procedure.
- (5) In this paragraph “qualifying selection procedure” means—
  - (a) in the case of an appointment in respect of a financial year beginning on or after 17 June 2016 made after the Statutory Auditors and Third Country Auditors Regulations 2017 come into force—
    - (i) if the society has an audit committee, a selection procedure that complies with the requirements of paragraph 3B(3) and (4)(a) and (b), and
    - (ii) if the society does not have an audit committee, a selection procedure that complies with the requirements of Article 16(3) of the Audit Regulation;
  - (b) in any other case, a selection procedure that substantially meets the requirements of Article 16(2) to (5) of the Audit Regulation [<sup>F278</sup>as it had effect immediately before IP completion day], having regard to the circumstances at the time (including whether the society had an audit committee).]

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### Textual Amendments

- F276** Sch. 11 paras. 3D, 3E inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(d)**
- F278** Words in Sch. 11 para. 3E(5)(b) inserted (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **38** (as amended by [S.I. 2020/523](#), regs. 1(2), **14(i)**); 2020 c. 1, Sch. 5 para. 1(1)

- 4 (1) A resolution at a general meeting of a building society—
- (a) appointing as auditor a person other than a retiring auditor; or
  - (b) filling a casual vacancy in the office of auditor; or
  - (c) reappointing as auditor a retiring auditor who was appointed by the directors to fill a casual vacancy; or
  - (d) removing an auditor before the expiration of his term of office,
- shall not be effective unless notice of the intention to move it has been given to the society not less than twenty-eight days before the meeting at which it is moved.
- (2) A building society shall give to its members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting, or, if that is not practicable, shall give them notice of the resolution, not less than twenty-one days before the meeting, either by advertisement in a newspaper having an appropriate circulation or in any other way allowed by the rules of the society.
- (3) On receipt of notice of such an intended resolution as is mentioned above the society shall forthwith send a copy of it—
- (a) to the person proposed to be appointed or removed, as the case may be;
  - (b) in a case within sub-paragraph (1)(a), to the retiring auditor; and
  - (c) where, in a case within sub-paragraph (1)(b) or (c), the casual vacancy was caused by the resignation of an auditor, to the auditor who resigned.
- (4) Where notice is given of such a resolution as is mentioned in sub-paragraphs (1)(a) or (d) and the retiring auditor, or (as the case may be) the auditor proposed to be removed, makes with respect to the intended resolution representations, in writing to the society (not exceeding a reasonable length) and requests their notification to the members, the society shall (unless the representations are received by it too late to do so)—
- (a) in any notice of the resolution given to members, state the fact of the representations having been made, and
  - (b) send a copy of the representations to every member to whom notice of the meeting is or has been sent.
- (5) if a copy of such representations is not sent out as required by sub-paragraph (4) above because it was received too late or because of the society's default, the auditor may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting.
- (6) The building society or any person claiming to be aggrieved may, within fourteen days of the receipt by the society of any representations made to it under sub-paragraph (4) above, apply in accordance with sub-paragraph (7) or (8) below to—
- (a) the High Court, or
  - (b) the [<sup>F279</sup>appropriate authority] ,

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for an order that copies of the representations need not or, as the case may be, shall not be sent out nor the representations read out at the meeting.

- (7) An application under this sub-paragraph is an application to the High Court on the ground that the auditor is abusing the rights conferred by sub-paragraph (4) above to secure needless publicity for defamatory matter, and if the court is satisfied that the auditor is so abusing those rights it may by order direct that copies of the representations need not be sent out nor the representations read out at the meeting; and the court may further order the society's costs on the application to be paid in whole or in part by the auditor notwithstanding that he is not a party to the application.
- (8) An application under this sub-paragraph is an application to the [<sup>F280</sup>appropriate authority] on the ground that the sending out of copies of or the reading out at the meeting of the representations would be likely to diminish substantially the confidence in the society of investing members of the public and if the [<sup>F280</sup>appropriate authority] is satisfied that the sending out of copies of the representations or the reading of them would have that effect it shall by order direct that copies of the representations shall not be sent out nor the representations read at the meeting.
- (9) The building society shall—
- (a) if the High Court makes an order under sub-paragraph (7) above or the [<sup>F281</sup>appropriate authority] makes an order under sub-paragraph (8) above, send within fourteen days of the decision a statement setting out the effect of the order to the persons mentioned in sub-paragraph (4)(b) above; and
  - (b) if not, either send a copy of the written representations made under sub-paragraph (4) above to those persons or cause the representations to be read out at the meeting.

[<sup>F282</sup>(9A) Sub-paragraphs (9B) and (9C) apply where—

- (a) a copy of representations is required to be sent under sub-paragraph (4)(b) or (9)(b); or
- (b) a statement is required to be sent under sub-paragraph (9)(a).

(9B) Where a copy of representations or a statement is required to be sent to a member—

- (a) it may be sent to him electronically only if it is sent to an electronic address notified by the member for the purpose; but
- (b) the requirement to send it shall also be treated as satisfied if the conditions set out in sub-paragraph (9C) are satisfied.

(9C) The conditions of this sub-paragraph are satisfied in the case of a copy of representations or a statement if—

- (a) the society and the member have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
- (b) the agreement applies to the representations or statement in question;
- (c) the member is notified<sup>F283</sup> ... of—
  - (i) the publication of the copy of the representations or the statement on a web site,
  - (ii) the address of that web site,
  - (iii) the place on that web site where the representations or statement may be accessed, and how it may be accessed,



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and where the notification concerns the publication of a statement required to be sent by sub-paragraph (9)(a), the member is notified within the period specified in that paragraph; and

- (d) the copy of the representations or the statement is published continuously on that web site throughout the period beginning with the date on which notification is given in accordance with paragraph (c) and ending with the conclusion of the meeting.]

(10) If default is made in complying with sub-paragraph (4) or (9) above the building society shall be liable—

- (a) on conviction on indictment to a fine; or
- (b) on summary conviction to a fine not exceeding the statutory maximum and, in the case of a continuing offence, to a fine not exceeding [<sup>F284</sup>one-tenth of the greater of £5,000 or the amount corresponding to level 4 on the standard scale for summary offences] for every day during which the offence continues;

and so shall any officer who is also guilty of the offence.

[<sup>F285</sup>(10A) Where, in a case in which sub-paragraph (9A)(b) is relied on for compliance with a requirement of sub-paragraph (4) or (9)—

- (a) a copy of representations or a statement is published on a web site for a part, but not all, of the period mentioned in sub-paragraph (9C)(d), but
- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,

no offence is committed under sub-paragraph (10) by reason of that failure.]

#### Textual Amendments

- F279** Words in Sch. 11 para. 4(6)(b) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 55(3)** (with Sch. 12)
- F280** Words in Sch. 11 para. 4(8) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 55(3)** (with Sch. 12)
- F281** Words in Sch. 11 para. 4(9) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 55(3)** (with Sch. 12)
- F282** Sch. 11 para. 4(9A)-(9C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **22(2)**
- F283** Words in Sch. 11 para. 4(9C)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 14(2)**
- F284** Words in Sch. 11 para. 4(10)(b) substituted (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), **Sch. 3 para. 4(a)** (with reg. 5(1))
- F285** Sch. 11 para. 4(10A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **22(3)**

#### *Qualification and disqualification of auditors*

F2865

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**Textual Amendments**

**F286** Sch. 11 para. 5 repealed (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 2** (with arts. 6, 11, 12)

*[<sup>F287</sup>Tenure*

**Textual Amendments**

**F287** Sch. 11 paras. 5A, 5B and heading inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 4 para. 8(b)** (with reg. 1(6))

<sup>F288</sup>5A . . . . .

**Textual Amendments**

**F288** Sch. 11 paras. 5A, 5B omitted (1.5.2017) by virtue of [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(e)**

*Maximum engagement period: transitional arrangements*

<sup>F288</sup>5B] . . . . .

**Textual Amendments**

**F288** Sch. 11 paras. 5A, 5B omitted (1.5.2017) by virtue of [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(e)**

*Removal of auditors*

- 6 (1) A building society may by resolution in general meeting remove an auditor before the expiration of his term of office, notwithstanding anything in any agreement between it and him.
- (2) Where a resolution removing an auditor is passed at a general meeting of a building society, the society shall within 14 days give notice of that fact to the [<sup>F289</sup>FCA and, if the society is a PRA-authorized person, the PRA] .
- (3) If a building society fails to give the notice required by sub-paragraph (2) above the society shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale and, in the case of a continuing offence, to an additional fine not exceeding £40 for every day during which the offence continues and so shall every officer who is also guilty of the offence.
- (4) Nothing in this paragraph is to be taken as depriving a person removed under it of compensation or damages that may be payable to him in respect of the termination of his appointment as auditor.
- [<sup>F290</sup>(5) An auditor may not be removed from office before the expiration of that auditor's term of office except—

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- (a) by resolution under this paragraph, or
- (b) in accordance with paragraph 6ZA.]

#### Textual Amendments

- F289** Words in Sch. 11 para. 6(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 55(4)** (with Sch. 12)
- F290** Sch. 11 para. 6(5) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 4 para. 8(c)** (with reg. 1(6))

#### *Application to court to remove auditor from office*

- [<sup>F291</sup>6Z(A)] The competent authority may apply to the High Court for an order removing an auditor of a building society from office if the authority considers that there are proper grounds for removing the auditor from office.
- (2) The members of a building society may apply to the High Court for an order removing an auditor of the building society from office if the applicant or applicants consider that there are proper grounds for removing the auditor from office.
  - (3) If the court is satisfied, on hearing an application under sub-paragraph (1), that there are proper grounds for removing the auditor from office, it may make an order removing the auditor from office.
  - (4) If the court is satisfied, on hearing an application under sub-paragraph (2), that—
    - (a) the applicants represent in total—
      - (i) not less than 5% of the voting rights of all the members having a right to vote at a general meeting of the building society, or
      - (ii) not less than 5% in nominal value of the amount standing to the credit of shares in a building society as shown by the latest balance sheet, and
    - (b) there are proper grounds for removing the auditor from office,the court may make an order removing the auditor from office.
  - (5) For the purposes of this paragraph, divergence of opinions on accounting treatments or audit procedures are not to be taken to be proper grounds for removing an auditor from office.]

#### Textual Amendments

- F291** Sch. 11 para. 6ZA inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 4 para. 8(d)** (with reg. 1(6))

#### *[<sup>F292</sup>Removal of auditor on improper grounds*

#### Textual Amendments

- F292** Sch. 11 para. 6A and cross-heading inserted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), arts. 1(2), **6(1)**

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- 6A. (1) Where an auditor of a building society is removed from office [<sup>F293</sup>, other than by order of the High Court made under paragraph 6ZA,] an application may be made to the High Court under this paragraph.
- (2) The persons who may make such an application are—
- (a) any member of the society who was also a member at the time of the removal;
  - [<sup>F294</sup>(b) the FCA; and
  - (c) if the society is a PRA-authorized person, the PRA.]
- (3) If the court is satisfied that the removal was—
- (a) on grounds of divergence of opinion on accounting treatments or audit procedures, or
  - (b) on any other improper grounds,
- it may make such order as it thinks fit for giving relief in respect of the removal.
- (4) The court may, in particular—
- (a) declare that any resolution of the society removing an auditor, or appointing a new auditor in his place, is void;
  - (b) require the directors of the society to re-appoint the auditor until the next general meeting of the society;
  - (c) give directions as to the conduct of the society's affairs in the future.]

#### **Textual Amendments**

**F293** Words in Sch. 11 para. 6A(1) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 4 para. 8(e)** (with reg. 1(6))

**F294** Sch. 11 para. 6A(2)(b)(c) substituted for Sch. 11 para. 6A(2)(b) (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 55(5)** (with Sch. 12)

#### *Resignation of auditors*

- 7 (1) An auditor of a building society may resign his office by depositing a notice to that effect at the principal office of the society; and any such notice operates to bring his term of office to an end on the date on which the notice is deposited, or on such later date as may be specified in it.
- (2) An auditor's notice of resignation shall not be effective unless it contains either—
- (a) a statement to the effect that there are no circumstances connected with his resignation which he considers should be brought to the notice of the members of, or depositors with, the society, or
  - (b) a statement of any such circumstances as are mentioned above.
- (3) Where a notice under this paragraph is deposited at the principal office of a building society it shall within fourteen days send a copy of that notice—
- (a) to the [<sup>F295</sup>FCA and, if the society is a PRA-authorized person, the PRA], and
  - (b) if the notice contains a statement under sub-paragraph (2)(b) above, to every person who under section 76(8) is entitled to receive a copy of the summary financial statement.

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- (4) The building society or any person claiming to be aggrieved may, within fourteen days of the receipt by the society of a notice containing a statement under sub-paragraph (2)(b), apply in accordance with sub-paragraph (5) or (6) below to—
- (a) the High Court; or
  - (b) the [<sup>F296</sup>appropriate authority] ,

for an order that copies of the notice need not or, as the case may be, shall not be sent out.

- (5) An application under this sub-paragraph is an application to the High Court on the ground that the auditor is using the notice to secure needless publicity for defamatory matter, and if the court is satisfied that the auditor is using the notice for that purpose it may by order direct that copies of it need not be sent out; and the court may further order the society's costs on the application to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application.

- (6) An application under this sub-paragraph is an application to the [<sup>F297</sup>appropriate authority] on the ground that the sending out of the notice would be likely to diminish substantially the confidence in the society of investing members of the public; and if the [<sup>F297</sup>appropriate authority] is satisfied that the sending out of the notice would be likely to have that effect it shall by order direct that copies of it shall not be sent out.

- (7) The building society shall, within fourteen days of the decision of the High Court or of the [<sup>F298</sup>appropriate authority] , send to the persons mentioned in sub-paragraph (3) —
- (a) if the court makes an order under sub-paragraph (5) above or the [<sup>F298</sup>appropriate authority] makes an order under sub-paragraph (6), a statement setting out the effect of the order; and
  - (b) if not, a copy of the notice containing the statement under sub-paragraph (2) (b).

[<sup>F299</sup>(7A) Sub-paragraphs (7B) and (7C) apply where—

- (a) the reference to a notice containing a statement under sub-paragraph (2) (b) is required to be sent to a person under sub-paragraph (3)(b) or sub-paragraph (7)(b); or
- (b) a statement is required to be sent under sub-paragraph (7)(a).

(7B) Where a notice or a statement is required to be sent to a person, the notice or statement may be sent to him electronically only if—

- (a) in a case where a person mentioned in sub-paragraph (3)(b) has notified the society of an electronic address for the purpose of this paragraph, it is sent to that address; or
- (b) in a case where no electronic address has been notified for the purpose of this paragraph, it is sent to an electronic address notified by him for the purpose of subsection (8B) of section 76 (electronic address for the reception of summary financial statement for members and depositors).

(7C) The requirement to send a notice or a statement shall also be treated as satisfied if—

- (a) the society and a person mentioned in sub-paragraph (3)(b) have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
- (b) the agreement applies to the notice or statement in question;

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- (c) [<sup>F300</sup>the person] is notified of—
- (i) the publication of the notice or statement on a web site,
  - (ii) the address of that web site, and
  - (iii) the place on that web site where the notice or statement may be accessed, and how it may be accessed; and
- (d) the notice or statement is published on the web site throughout a period of at least 14 days, beginning with the day on which the person is notified in accordance with paragraph (c).]

(8) If default is made in complying with sub-paragraph (3) or sub-paragraph (7) the building society shall be liable—

- (a) on conviction on indictment to a fine; or
- (b) on summary conviction to a fine not exceeding the statutory maximum and, in the case of a continuing offence, to a fine not exceeding [<sup>F301</sup>one-tenth of the greater of £5,000 or the amount corresponding to level 4 on the standard scale for summary offences] for every day during which the offence continues;

and so shall any officer who is also guilty of the offence.

[<sup>F302</sup>(8A) Where, in a case in which sub-paragraph (7C) is relied on for compliance with a requirement under sub-paragraph (3) or (7)—

- (a) a notice or a statement is published for a part, but not all, of the period mentioned in sub-paragraph (7C)(d), but
- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,

no offence is committed under sub-paragraph (8) by reason of that failure.]

#### Textual Amendments

- F295** Words in Sch. 11 para. 7(3)(a) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 55(6)(a)** (with Sch. 12)
- F296** Words in Sch. 11 para. 7(4) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 55(6)(b)** (with Sch. 12)
- F297** Words in Sch. 11 para. 7(6) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 55(6)(b)** (with Sch. 12)
- F298** Words in Sch. 11 para. 7(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. 55(6)(b)** (with Sch. 12)
- F299** Sch. 11 para. 7(7A)-(7C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **23(2)**
- F300** Words in Sch. 11 para. 7(7C)(c) substituted (18.2.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 14(3)**
- F301** Words in Sch. 11 para. 7(8)(b) substituted (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), **Sch. 3 para. 4(b)** (with reg. 5(1))
- F302** Sch. 11 para. 7(8A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **23(3)**

- 8 (1) Where an auditor's notice of resignation contains a statement under paragraph 7(2) (b) above he may also deposit at the principal office of the society a requisition signed

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by him calling on the directors of the society forthwith duly to convene a special general meeting of the society for the purpose of receiving and considering such explanation of the circumstances connected with this resignation as he may wish to place before the meeting.

- (2) Where an auditor's notice of resignation contains such a statement the auditor may request the society to send to its members—
- (a) before the general meeting at which his term of office would otherwise expire or expires, as the case may be; or
  - (b) before any general meeting at which it is proposed to fill the vacancy caused by his resignation,

a statement in writing (not exceeding a reasonable length) of the circumstances connected with his resignation.

- (3) The society shall in that case (unless the statement is received by it too late for it to comply)—
- (a) in any notice of the meeting given to members state the fact of the statement having been made, and
  - (b) send a copy of the statement to every member to whom notice of the meeting is or has been sent.

- [<sup>F303</sup>(3A) Where a copy of a statement is required to be sent to a member under sub-paragraph (3)(b)—
- (a) it may be sent to him electronically only if it is sent to an electronic address notified by the member for the purpose; but
  - (b) the requirement to send it shall also be treated as satisfied if the conditions set out in sub-paragraph (3B) are satisfied.

- (3B) The conditions of this sub-paragraph are satisfied in the case of a copy of a statement if—
- (a) the society and the member have agreed that information which is required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the statement in question;
  - (c) that member is notified <sup>F304</sup>... of—
    - (i) the publication of the statement on a web site,
    - (ii) the address of that web site, and
    - (iii) the place on that web site where the notice may be accessed, and how it may be accessed; and
  - (d) the statement is published continuously on that web site throughout the period beginning with the giving of that notification and ending with the conclusion of the meeting.

- (3C) Where, in a case in which sub-paragraph (3A)(b) is relied on for compliance with a requirement under sub-paragraph (3)(b)—
- (a) a statement is published for a part, but not all, of the period mentioned in subparagraph (3B)(d), but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,

that failure shall not invalidate the proceedings of the meeting.]

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- (4) If the directors of the society do not within 21 days from the date of the deposit of a requisition under this paragraph proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, every director who failed to take all reasonable steps to secure that a meeting was so convened shall be liable—
- (a) on conviction on indictment to a fine; or
  - (b) on summary conviction to a fine not exceeding the statutory maximum.
- (5) If a copy of the statement mentioned in sub-paragraph (2) is not sent out as required by sub-paragraph (3) because it was received too late or because of the society's default, the auditor may (without prejudice to his right to be heard orally) require that the statement be read out at the meeting.
- (6) Copies of a statement need not be sent out and the statement need not be read out at the meeting if—
- (a) on an application made to the High Court by the society or a person aggrieved, the court is satisfied that the rights conferred by this paragraph are being abused to secure needless publicity for defamatory matter; or
  - (b) on an application to the [F305PRA] by the society or a person aggrieved, the [F305PRA] is satisfied that the circulating or reading out of the statement would be likely to diminish substantially the confidence in the society of investing members of the public.
- (7) If the High Court makes an order under sub-paragraph (6)(a) above it may also order the society's costs of the application to be paid by the auditor notwithstanding that he is not a party to the application.
- (8) An auditor who has resigned his office is entitled to attend any such meeting as is mentioned in sub-paragraph (2)(a) or (b) and to receive all notices of, and other communications relating to, any such meeting which any member of the society is entitled to receive, and to be heard at any such meeting which he attends on any part of the business of the meeting which concerns him as former auditor of the society.

#### Textual Amendments

- F303** Sch. 11 para. 8(3A)-(3C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **24**
- F304** Words in Sch. 11 para. 8(3B)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 14(4)**
- F305** Word in Sch. 11 para. 8(6)(b) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 55(7)** (with Sch. 12)

#### *[F306] Duty of auditor to notify appropriate audit authority*

#### Textual Amendments

- F306** Sch. 11 paras. 8A-8C and cross-headings inserted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), arts. 1(2), **6(2)**

- 8A. (1) Where an auditor of a building society ceases for any reason to hold office, he must notify the appropriate audit authority.



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- (2) The notice must—
  - (a) inform the appropriate audit authority that he has ceased to hold office, and
  - (b) if the auditor resigns, be accompanied by a copy of the auditor’s notice of resignation.
- (3) The notice required by this paragraph must also be accompanied by a statement of the reasons for his ceasing to hold office unless—
  - (a) the auditor resigns, and
  - (b) the notice of resignation contains a statement under paragraph 7(2)(b).
- (4) The auditor must comply with this paragraph—
  - (a) if the auditor resigns, at the same time as he deposits his notice of resignation at the principal office of the building society;
  - (b) in any other case, not later than the end of the period of fourteen days beginning with the date on which he ceases to hold office.
- (5) A person ceasing to hold office as auditor who fails to comply with this paragraph commits an offence.
- (6) If that person is a firm an offence is committed by—
  - (a) the firm, and
  - (b) every officer of the firm who is in default.
- (7) A person guilty of an offence under this paragraph is liable—
  - (a) on conviction on indictment, to a fine;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

*Duty of building society to notify appropriate audit authority*

- 8B. (1) Where an auditor ceases to hold office before the end of his term of office, the building society must notify the appropriate audit authority.
- (2) The notice must—
    - (a) inform the appropriate audit authority that the auditor has ceased to hold office, and
    - (b) be accompanied by—
      - (i) a statement by the society of the reasons for his ceasing to hold office, or
      - (ii) if the auditor resigns, and his notice of resignation contains a statement under paragraph 7(2)(b), a copy of that statement.
  - (3) The society must give notice under this paragraph—
    - (a) if the auditor resigns, not later than the end of the period of fourteen days beginning with the date on which the auditor’s notice of resignation is deposited at the society’s principal office;
    - (b) in any other case, not later than the end of the period of fourteen days beginning with the date on which the auditor ceases to hold office.
  - (4) If a building society fails to comply with this paragraph, an offence is committed by—
    - (a) the society, and
    - (b) every officer of the society who is in default.

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- (5) A person guilty of an offence under this paragraph is liable—
- (a) on conviction on indictment, to a fine, and
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

*[<sup>F307</sup>Interpretation]*

**Textual Amendments**

**F307** Sch. 11 para. 8C heading substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 4 para. 8(f)** (with reg. 1(6))

<sup>F308</sup>**[1]** In this Schedule—

“appropriate audit authority” means—

- (a) the Secretary of State, or
- (b) if the Secretary of State has delegated functions under section 1252 of the Companies Act 2006 <sup>F310</sup> to a body whose functions include receiving the equivalent notice under section 522 <sup>F311</sup> or 523 <sup>F312</sup> of that Act, that body;

<sup>F313</sup>“audit committee” means a body which performs—

- (a) the functions referred to in—
  - (i) rule 7.1.3 of the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority under the Financial Services and Markets Act 2000; or
  - (ii) rule 2.4 of the Audit Committee Part of the Rulebook made by the Prudential Regulation Authority under that Act; or
- (b) equivalent functions;

“Audit Regulation” means Regulation 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public interest entities and repealing Commission Decision 2005/989/EC; and

“competent authority” means the Financial Reporting Council Limited <sup>F314</sup>.

<sup>F315</sup>**(1A)** For the purposes of the definition of “audit committee”, references to rules made by the Prudential Regulation Authority or the Financial Conduct Authority are to those rules as they have effect on IP completion day.]

<sup>F316</sup>**(2)** For the purposes of this Schedule, a person is auditor of a building society in respect of a financial year if the auditor is required to report on the accounts of the society for that financial year.]]]

**Textual Amendments**

**F308** Sch. 11 para. 8C substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 4 para. 8(g)** (with reg. 1(6))

**F309** Sch. 11 para. 8C renumbered as Sch. 11 para. 8C(1) (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(f)(i)**

**F310** 2006 c. 46.

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- F311** Section 522 was amended by [S.I. 2015/1732](#).
- F312** Section 523 was amended by section 18 of the Deregulation Act 2015.
- F313** Words in Sch. 11 para. 8C(1) substituted (31.12.2020) by [The Building Societies Legislation \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1187\)](#), regs. 1, [7\(a\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F314** A company registered in England and Wales with number 02486368.
- F315** Sch. 11 para. 8C(1A) inserted (31.12.2020) by [The Building Societies Legislation \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1187\)](#), regs. 1, [7\(b\)](#) (as amended by [S.I. 2020/1301](#), regs. 1, 3, [Sch. para. 4\(c\)](#)); 2020 c. 1, Sch. 5 para. 1(1)
- F316** Sch. 11 para. 8C(2) inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), [2\(6\)\(f\)\(ii\)](#)

- 9 In the application of this Schedule to Scotland, references to the High Court shall be read as references to the Court of Session.

## <sup>F317</sup>SCHEDULE 12

### Textual Amendments

- F317** Sch. 12 repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(2), [Sch. 4](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#) art. 2

## <sup>F334</sup>SCHEDULE 13

### Textual Amendments

- F334** Sch. 13 repealed (1.12.2001) by [S.I. 2001/2617](#) arts. 2(b), 13(2), Sch. 4 (with art. 13(3), Sch. 5); [S.I. 2001/3538](#) art. 2

## SCHEDULE 14

Section 85.

### SETTLEMENT OF DISPUTES

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

- C24** Sch. 14 excluded (*temp.*) by [S.I. 1986/2168](#), [art. 3\(1\)\(4\)](#)

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## PART I

### PROCEEDINGS IN COURT

#### *Jurisdiction of the court*

- 1 (1) No court other than the High Court or, in the case of a building society whose principal office is in Scotland the Court of Session, shall have jurisdiction to hear and determine disputes to which this paragraph applies; and, in this Part of this Schedule, “the court” means the High Court or, as the case may be, the Court of Session.
- (2) This paragraph applies to any dispute—
- (a) between a building society and a member of the society in his capacity as a member, or
  - (b) between a building society and a representative of such a member in that capacity,
- in respect of any rights or obligations arising from the rules of the society or any provision of this Act or any statutory instrument under it.
- (3) Except in the cases referred to in sub-paragraph (5) below, no disputes to which this paragraph applies may be referred to arbitration.
- (4) The court shall not hear and determine any dispute arising out of section 61(8)(a) or [F356 paragraph 20A(10)(a) or 31(4)(a)] of Schedule 2 to this Act.
- (5) The court shall not hear and determine any dispute which is required to be referred to arbitration under paragraph 4 below or which is referred to the [F357 FCA] under paragraph 6 or to an adjudicator under paragraph 7 below except as provided in paragraph 2 below.

#### **Textual Amendments**

**F356** Words in Sch. 14 para. 1(4) 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. 64(1)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxvii)**

**F357** Word in Sch. 14 para. 1(5) substituted (1.4.2013) by **The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)**, art. 1(1), **Sch. 8 para. 56(2)** (with Sch. 12)

- 2 The court may hear and determine a dispute falling within paragraph 1(5) above in any case where, on the application of any person concerned, it appears to the court—
- (a) that application has been made by either party to the dispute to the other party for the purpose of having the dispute settled by arbitration, and
  - (b) that either arbitrators have not been appointed within 40 days of that application or the arbitrators have refused, or have neglected for a period of 21 days, to proceed with the reference or make an award.

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### *Right of [F358 FCA and PRA] to be heard*

#### **Textual Amendments**

**F358** Words in Sch. 14 para. 3 heading substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 56(3)** (with Sch. 12)

- 3
- (1) Any person who institutes proceedings in the court in relation to a dispute to which paragraph 1 above applies shall give notice of the fact and of the matter in dispute to the [F359 FCA and, if the society is a PRA-authorised person, the PRA] .
  - (2) The court shall not proceed to hear a dispute to which paragraph 1 applies until the court is satisfied that the notice required by sub-paragraph (1) above has been given.
  - (3) The [F359 FCA and, if the society is a PRA-authorised person, the PRA] shall be entitled, with the leave of the court, to attend and to be heard at any hearing of a dispute to which paragraph 1 applies.

#### **Textual Amendments**

**F359** Words in Sch. 14 para. 3 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 56(4)** (with Sch. 12)

## **PART II**

### **ARBITRATION**

#### *Circulation of election addresses, resolutions and statements*

- 4
- (1) If the rules of the society so provide, any dispute in respect of a refusal by a building society to send to its members—
    - (a) copies of an election address [F360 or a revised election address], in accordance with section 61(7), or
    - (b) any document required to be sent under [F361 paragraph 20A(1)(b) or 31(1)] of Schedule 2 to this Act,shall, unless the refusal is on one of the grounds specified in sub-paragraph (2) below, be referred to arbitration.
  - (2) Those grounds are—
    - (a) that publicity for the document in question would be likely to diminish substantially the confidence in the society of investing members of the public, or
    - (b) that the rights conferred by section 61(7) or [F362 paragraph 20A(1)(b) or 31(1)] are being abused to seek needless publicity for defamatory matter.

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#### Textual Amendments

- F360** Words in Sch. 14 para. 4(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. 64(2)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvii)**
- F361** Words in Sch. 14 para. 4(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. 64(2)(b)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvii)**
- F362** Words in Sch. 14 para. 4(2) 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. 64(3)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvii)**

#### *<sup>F363</sup> [Calling of special meeting]*

#### Textual Amendments

- F363** Sch. 14 para. 4A and cross-heading preceding it 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. 64(4)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvii)**

- [<sup>F364</sup>4A If the rules of the society so provide, any dispute in respect of a refusal by a building society to call a special meeting required to be called under paragraph 20A(1)(a) of Schedule 2 to this Act shall be referred to arbitration.]

#### Textual Amendments

- F364** Sch. 14 para. 4A and cross-heading preceding it 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. 64(4)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxxvii)**

#### *Procedure on a reference to arbitration*

- 5 (1) This paragraph has effect in relation to an arbitration under paragraph 4(1) above.
- (2) One or more arbitrators shall be appointed in the manner provided for by the rules of the building society; and so shall another arbitrator if an appointed arbitrator dies or refuses to act.
- (3) No arbitrator acting on a reference shall be beneficially interested (whether directly or indirectly) in the funds of the society.
- (4) The rules of the society may provide for the procedure to be followed on a reference to arbitration.
- (5) An award made by arbitrators, or the majority of them, shall be final and binding.
- (6) For the purposes of [<sup>F365</sup>Part I of the Arbitration Act 1996] the rules of the society shall be treated as an arbitration agreement.
- (7) In relation to Scotland, sub-paragraph (6) above shall be omitted.

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**Textual Amendments**

**F365** Words in Sch. 14 Pt. II para. 5(6) substituted (31.1.1997) by 1996 c. 23, s. 107(1), **Sch. 3 para. 47** (with s. 81(2)); S.I. 1996/3146, **art. 3** (with transitional provisions in art. 4, Sch. 2)

*Access to register of members*

- 6 (1) Any dispute as to the rights of a member of a building society under paragraph 15 of Schedule 2 to this Act shall be referred to the [F366FCA] .
- (2) The reference of a dispute to the [F366FCA] under this paragraph shall be treated as a reference to arbitration; and its award shall have the same effect as that of an arbitrator acting in a reference under paragraph 4(1) above.
- [F367(3) The FCA must consult the PRA before making any such award.]

**Textual Amendments**

- F366** Word in Sch. 14 para. 6 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 56(5)(a)** (with Sch. 12)
- F367** Sch. 14 para. 6(3) inserted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 56(5)(b)** (with Sch. 12)

*Disputes cognizable under a scheme*

F3687 . . . . .

**Textual Amendments**

**F368** Sch. 14 para. 7 repealed (1.12.2001) by S.I. 2001/2617 arts. 2(b), 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538 art. 2

*General*

- 8 In this Part of this Schedule, in relation to an arbitration in Scotland, references to an arbitrator shall be read as references to an arbiter.

SCHEDULE 15

Section 90.

APPLICATION OF COMPANIES WINDING UP LEGISLATION TO BUILDING SOCIETIES

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

**C25** Sch. 15 applied (with modifications) (7.4.2010) by The Building Societies (Financial Assistance) Order 2010 (S.I. 2010/1188), arts. 1(2), **9**

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## PART I

### GENERAL MODE OF APPLICATION

- 1 The enactments which comprise the companies winding up legislation (referred to in this Schedule as “the enactments”) are the provisions of—
- (a) Parts IV, VI, VII<sup>F369</sup>, XII and XIII] of the <sup>M16</sup>Insolvency Act 1986, or
- [<sup>F370</sup>(b) Articles 5 to 8 of Part I and Parts V, VII and XI of the Insolvency (Northern Ireland) Order 1989; or]
- and, in so far as they relate to offences under any such enactment, sections 430 and 432 of, and Schedule 10 to, the Insolvency Act 1986 or [<sup>F371</sup>Articles 2(6) and 373 of, and Schedule 7 to, the Insolvency (Northern Ireland) Order 1989].

#### Textual Amendments

**F369** Words substituted by [Companies Act 1989 \(c. 40, SIF 27\)](#), **s. 211(2)(a)** (subject to a saving as referred to in [S.I. 1990/1392](#), **art. 4(a)**)

**F370** Sch. 15 para. 1(b) substituted (N.I.) (1.10.1991) by [S.I. 1989/2405 \(N.I. 19\)](#), **arts. 2(1), 381**, **Sch. 9 Pt. II para. 45(a)(i)**; [S.R. 1991/411](#), **art. 2**

**F371** Words in Sch. 15 para. 1 substituted (N.I.) (1.10.1991) by [S.I. 1989/2405 \(N.I. 19\)](#), **arts. 2(1), 381**, **Sch. 9 Pt. II para. 45(a)(ii)**; [S.R. 1991/411](#), **art. 2**

#### Marginal Citations

**M16** [1986 c. 45](#)

- [<sup>F372</sup>1A. In this Schedule—
- “deposit” means rights of the kind described in—
- (a) paragraph 22 of Schedule 2 to the Financial Services and Markets Act 2000 (deposits); or
- (b) section 1(2)(b) of the Dormant Bank and Building Society Accounts Act 2008 (balances transferred under that Act to authorised reclaim fund); and
- “relevant deposit” means—
- (a) an “eligible deposit” within the meaning given by paragraph 15C(1) of Schedule 6 to the Insolvency Act 1986 (categories of preferential debts) or a deposit of the kind mentioned in paragraph 15BB of that Schedule; or
- (b) an “eligible deposit” within the meaning given by paragraph 21(1) of Schedule 4 to the Insolvency (Northern Ireland) Order 1989 (categories of preferential debts) or a deposit of the kind mentioned in paragraph 20 of that Schedule.]

#### Textual Amendments

**F372** Sch. 15 para. 1A inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), **arts. 1(2), 32(2)** (with art. 3)

- 2 Subject to the following provisions of this Schedule, the enactments apply to the winding up of building societies as they apply to the winding up of companies limited by shares and [<sup>F373</sup>registered under the Companies Act 2006 in England and Wales or Scotland or (as the case may be) in Northern Ireland.]



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### Textual Amendments

**F373** Words in Sch. 15 para. 2 substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 87(11)(a)** (with art. 10)

- 3 (1) The enactments shall, in their application to building societies, have effect with the substitution—
- (a) for “company” of “building society”<sup>F374</sup>(except as otherwise specified in paragraphs 33B and 55G below) ;
  - (b) for “the registrar of companies” or “the registrar” of “<sup>F375</sup>Financial Conduct Authority” ;
  - (c) for “the articles” of “the rules” ; and
  - (d) for “registered office” of “principal office” .
- (2) In the application of the enactments to building societies—
- <sup>F376</sup>(aa) every reference to a company registered in Scotland shall have effect as a reference to a building society whose principal office is situated in Scotland;]
  - <sup>F377</sup>[(aa) every reference to a company registered in Scotland shall have effect as a reference to a building society whose registered office is situated in Scotland;]
  - <sup>F378</sup>(ab) a reference to the debts of a company includes a reference to sums due to shareholding members of a building society in respect of deposits;]
  - (a) every reference to the officers, or to a particular officer, of a company shall have effect as a reference to the officers, or to the corresponding officer, of the building society and as including a person holding himself out as such an officer; and
  - <sup>F379</sup>[(b) every reference to an administrative receiver shall be omitted.]

### Textual Amendments

- F374** Words in Sch. 15 para. 3(1)(a) inserted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(3)(a)**
- F375** Words in Sch. 15 para. 3(1)(b) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 57(2)** (with Sch. 12)
- F376** Sch 15 para. 3(2)(aa) inserted (1.12.2001) by [S.I. 2001/3649](#) arts. 1, 200(1)
- F377** Sch. 15 para. 3(2)(aa) inserted (17.8.2001 for specified purposes, 1.12.2001 in so far as not already in force) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 209(b)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2**
- F378** Sch. 15 para. 3(2)(ab) inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **32(3)** (with art. 3)
- F379** Sch. 15 para. 3(2)(b) substituted (1.12.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 65**; [S.I. 1997/2668](#), art. 2, **Sch. Pt. I(j)(1)(xix)**

- 4 (1) Where any of the enactments as applied to building societies requires a notice or other document to be sent to the <sup>F380</sup>FCA , it shall have effect as if it required the <sup>F380</sup>FCA to keep the notice or document in the public file of the society concerned and to record in that file the date on which the notice or document is placed in it.

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- (2) Where any of the enactments, as so applied, refers to the registration, or to the date of registration, of such a notice or document, that enactment shall have effect as if it referred to the placing of the notice or document in the public file or (as the case may be) to the date on which it was placed there.

#### Textual Amendments

**F380** Word in Sch. 15 para. 4 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), [art. 1\(1\)](#), [Sch. 8 para. 57\(3\)](#) (with Sch. 12)

- 5 Any enactment which specifies a money sum altered by order under section 416 of the <sup>M17</sup>Insolvency Act 1986, or, as the case may be, [<sup>F381</sup>Article 362 of the Insolvency (Northern Ireland) Order 1989], (powers to alter monetary limits) applies with the effect of the alteration.

#### Textual Amendments

**F381** Words in Sch. 15 para. 5 substituted (N.I.) (1.10.1991) by [S.I. 1989/2405 \(N.I. 19\)](#), [arts. 2\(1\), 381](#), [Sch. 9 Pt. II para. 45\(b\)](#); [S.R. 1991/411](#), [art. 2](#)

#### Marginal Citations

**M17** 1986 c. 45.

## PART II

### MODIFIED APPLICATION OF INSOLVENCY ACT 1986

#### PARTS IV [<sup>F382</sup>, [<sup>F383</sup>6, 7,] 12 AND 13][<sup>F383</sup> AND SCHEDULE 10]

#### Textual Amendments

**F382** Words in Sch. 15 Pt. II heading substituted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), [regs. 1\(2\), 2\(3\)\(b\)](#)

**F383** Words in Sch. 15 Pt. II heading inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), [regs. 1\(3\), 2\(2\)\(a\)](#)

#### *Preliminary*

- 6 In this Part of this Schedule, Part IV of the Insolvency Act 1986 is referred to as “Part IV”; and that Act is referred to as “the Act”.
- [<sup>F384</sup>6ZA. Parts 4, 6, 7 and 12 of, and Schedule 10 to, the Act, in their application to building societies, have effect without the amendments of those Parts and that Schedule made by—

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- (a) section 122 of the Small Business, Enterprise and Employment Act 2015 (abolition of requirements to hold meetings: company insolvency);
- (b) section 124 of that Act (ability for creditors to opt not to receive certain notices: company insolvency); and
- (c) Part 1 of Schedule 9 to that Act (sections 122 to 125: further amendments).]

#### Textual Amendments

**F384** Sch. 15 para. 6ZA inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **2(2)(b)**

- [<sup>F385</sup>6A. In the following provisions of the Act a reference to the creditors, general creditors or unsecured creditors of a company includes a reference to every shareholding member of the building society to whom a sum due from the society in relation to the member's shareholding is due in respect of a deposit—
- (a) subsection (1) of section 143 (general functions of liquidator in winding up by the court);
  - (b) subsection (3) of section 149 (debts due from contributory to company);
  - (c) subsection (4) of section 168 (supplementary powers (England and Wales));
  - (d) subsection (2)(b) of section 175 (preferential debts (general provision));
  - (e) subsection (1) of section 176ZA (payment of expenses of winding up (England and Wales)); <sup>F386</sup> ...
  - (f) subsections (3)(b) and (5)(a) of section 176A (share of assets for unsecured creditors);
  - [ subsection (1)(e) of section 391O (direct sanctions orders);
  - <sup>F387</sup>(g)
  - (h) subsection (5) of section 391Q (direct sanctions order: conditions); and
  - (i) subsection (3)(e) of section 391R (direct sanctions direction instead of order).]]

#### Textual Amendments

**F385** Sch. 15 para. 6A inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **33(2)** (with art. 3)

**F386** Word in Sch. 15 para. 6A omitted (7.4.2017) by virtue of [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(3)(c)**

**F387** Sch. 15 para. 6A(g)-(i) inserted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(3)(c)**

#### *Members of a building society as contributories in winding up*

- 7 (1) Section 74 (liability of members) of the Act is modified as follows.
- (2) In subsection (1), the reference to any past member shall be omitted.

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- (3) Paragraphs (a) to (d) of subsection (2) shall be omitted; and so shall subsection (3).
- [<sup>F388</sup>(3A) In paragraph (f) of subsection (2) the reference to a sum due to a member of the company by way of dividends, profits or otherwise does not include a sum due to a shareholding member of a building society in respect of a deposit.]
- (4) The extent of the liability of a member of a building society in a winding up shall not exceed the extent of his liability under paragraph 6 of Schedule 2 to this Act.

#### Textual Amendments

**F388** Sch. 15 para. 7(3A) inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **33(3)** (with art. 3)

- 8 Sections 75 to 78 and 83 in Chapter I of Part IV (miscellaneous provisions not relevant to building societies) do not apply.
- 9 (1) Section 79 (meaning of “contributory”) of the Act does not apply.
- (2) In the enactments as applied to a building society, “contributory”—
- (a) means every person liable to contribute to the assets of the society in the event of its being wound up, and
  - (b) for the purposes of all proceedings for determining, and all proceedings prior to the determination of, the persons who are to be deemed contributories, includes any person alleged to be a contributory, and
  - (c) includes persons who are liable to pay or contribute to the payment of—
    - (i) any debt or liability of the building society being wound up, or
    - (ii) any sum for the adjustment of rights of members among themselves, or
    - (iii) the expenses of the winding up;
- but does not include persons liable to contribute by virtue of a declaration by the court under section 213 (imputed responsibility for fraudulent trading) or section 214 (wrongful trading) of the Act.

#### *Voluntary winding up*

- 10 (1) Section 84 of the Act does not apply.
- (2) In the enactments as applied to a building society, the expression “resolution for voluntary winding up” means a resolution passed under section 88(1) of this Act.
- 11 In subsection (1) of section 101 (appointment of liquidation committee) of the Act, the reference to functions conferred on a liquidation committee by or under that Act shall have effect as a reference to its functions by or under that Act as applied to building societies.
- 12 (1) Section 107 (distribution of property) of the Act does not apply; and the following applies in its place.
- (2) Subject to the provisions of Part IV relating to preferential payments, a building society’s property in a voluntary winding up shall be applied in satisfaction of the society’s liabilities to creditors <sup>F389</sup> . . . pari passu and, subject to that application, in accordance with the rules of the society.

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- [<sup>F390</sup>(3) In sub-paragraph (2) the reference to the society’s liabilities to creditors includes a reference to the society’s liabilities to shareholding members of the society in respect of deposits which are not relevant deposits.]

#### Textual Amendments

- F389** Words in Sch. 15 para. 12(2) repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(2), [Sch. 4](#) (with art. 13(3), [Sch. 5](#)); [S.I. 2001/3538](#), [art. 2](#)
- F390** Sch. 15 para. 12(3) inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), [33\(4\)](#) (with art. 3)

- 13 Sections 110 and 111 (liquidator accepting shares, etc. as consideration for sale of company property) of the Act do not apply.
- 14 Section 116 (saving for certain rights) of the Act shall also apply in relation to the dissolution by consent of a building society as it applies in relation to its voluntary winding up.

#### *Winding up by the court*

- 15 In sections 117 (High Court and county court jurisdiction) and 120 (Court of Session and sheriff court jurisdiction) of the Act, each reference to a company’s share capital paid up or credited as paid up shall have effect as a reference to the amount standing to the credit of shares in a building society as shown by the latest balance sheet.
- [<sup>F391</sup>16(1) Section 122 (circumstances in which company may be wound up by the court) of the Act does not apply in relation to a building society whose principal office is situated in England and Wales.
- (2) Section 122 has effect in relation to a building society whose principal office is situated in Scotland as if subsection (1) were omitted.]

#### Textual Amendments

- F391** Sch. 15 para. 16 substituted (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), [2](#)

- 17 Section 124 (application for winding up) of the Act does not apply.
- 18 (1) In section 125 (powers of court on hearing of petition) of the Act, subsection (1) applies with the omission of the words from “but the court” to the end of the subsection.
- (2) The conditions which the court may impose under section 125 of the Act include conditions for securing—
- (a) that the building society be dissolved by consent of its members under section 87, or
  - (b) that the society amalgamates with, or transfers its engagements to, another building society under section 93 or 94, or
  - (c) that the society transfers its business to a company under section 97,
- and may also include conditions for securing that any default which occasioned the petition be made good and that the costs, or in Scotland the expenses, of the

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proceedings on that petition be defrayed by the person or persons responsible for the default.

- 19 Section 126 (power of court, between petition and winding up order, to stay or restrain proceedings against company) of the Act has effect with the omission of subsection (2).
- 20 If, before the presentation of a petition for the winding up by the court of a building society, an instrument of dissolution under section 87 is placed in the society’s public file, section 129(1) (commencement of winding up by the court) of the Act shall also apply in relation to the date on which the instrument is so placed and to any proceedings in the course of the dissolution as it applies to the commencement date for, and proceedings in, a voluntary winding up.
- 21 (1) Section 130 of the Act (consequences of winding-up order) shall have effect with the following modifications.
- (2) Subsections (1) and (3) shall be omitted.
- (3) A building society shall, within 15 days of a winding-up order being made in respect of it, give notice of the order [<sup>F392</sup>to the FCA and, if the society is a PRA-authorized person, the PRA] ; and the [<sup>F393</sup>FCA must] keep the notice in the public file of the society.
- (4) If a building society fails to comply with sub-paragraph (3) above, it shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale; and so shall any officer who is also guilty of the offence.

#### **Textual Amendments**

**F392** Word in Sch. 15 para. 21(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 57\(4\)\(a\)](#) (with Sch. 12)

**F393** Word in Sch. 15 para. 21(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 57\(4\)\(b\)](#) (with Sch. 12)

- 22 Section 140 (appointment of liquidator by court in certain circumstances) of the Act does not apply.
- 23 In the application of sections 141(1) and 142(1) (liquidation committees), of the Act to building societies, the references to functions conferred on a liquidation committee by or under that Act shall have effect as references to its functions by or under that Act as so applied.
- [<sup>F394</sup>23A. Section 143 (general functions of liquidator in winding up by the court) of the Act has effect as if after subsection (1) there were inserted—
- “(1A) Subject to the provisions of Part 4 relating to preferential payments, a building society’s property in the winding up shall be applied in satisfaction of the society’s liabilities to creditors *pari passu* and, subject to that application, in accordance with the rules of the society.
- (1B) In subsection (1A) the reference to the society’s liabilities to creditors includes a reference to the society’s liabilities to shareholding members of the society in respect of deposits which are not relevant deposits.”]

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**Textual Amendments**

**F394** Sch. 15 para. 23A inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **33(5)** (with art. 3)

24 The conditions which the court may impose under section 147 (power to stay or sist winding up) of the Act shall include those specified in paragraph 18(2) above.

25 Section 154 (adjustment of rights of contributories) of the Act shall have the effect with the modification that any surplus is to be distributed in accordance with the rules of the society.

<sup>F395</sup>26 .....

**Textual Amendments**

**F395** Sch. 15 para. 26 repealed (1.10.2007) by [The Companies Act 2006 \(Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#), art. 1(3) (a), Sch. 4 para. 49(1), **Sch. 5** (with art. 12, Sch. 4 para. 49(2))

*Winding up: general*

27 Section 187 (power to make over assets to employees) of the Act does not apply.

28 (1) In section 201 (dissolution: voluntary winding up) of the Act, subsection (2) applies without the words from “and on the expiration” to the end of the subsection and, in subsection (3), the word “However” shall be omitted.

(2) Sections 202 to 204 (early dissolution) of the Act do not apply.

29 In section 205 (dissolution: winding up by the court) of the Act, subsection (2) applies with the omission of the words from “and, subject” to the end of the subsection; and in subsections (3) and (4) references to the Secretary of State shall have effect as references to the [<sup>F396</sup>appropriate authority] .

**Textual Amendments**

**F396** Words in Sch. 15 para. 29 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 57(5)** (with Sch. 12)

*Penal provisions*

30 Sections 216 and 217 of the Act (restriction on re-use of name) do not apply.

31 (1) Sections 218 and 219 (prosecution of delinquent officers) of the Act do not apply in relation to offences committed by members of a building society acting in that capacity.

(2) Sections 218(5) of the Act and subsections (1) and (2) of section 219 of the Act do not apply.

(3) The references in subsections (3) and (4) of section 219 of the Act to the Secretary of State shall have effect as references to the [<sup>F397</sup>FCA] ; and the reference in

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subsection (3) to subsection 218 of the Act shall have effect as a reference to that section as supplemented by paragraph 32 below.

**Textual Amendments**

**F397** Word in Sch. 15 para. 31 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 57(6)** (with Sch. 12)

- 32 (1) Where a report is made to the prosecuting authority (within the meaning of section 218) under section 218(4) of the Act, in relation to an officer of a building society, he may, if he thinks fit, refer the matter to the [<sup>F398</sup>FCA] for further enquiry.
- (2) On such a reference to it the [<sup>F398</sup>FCA] shall exercise its power under section 55(1) of this Act to appoint one or more investigators to investigate and report on the matter.
- (3) An answer given by a person to a question put to him in exercise of the powers conferred by section 55 on a person so appointed may be used in evidence against the person giving it.

**Textual Amendments**

**F398** Word in Sch. 15 para. 32 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 57(7)** (with Sch. 12)

*[<sup>F399</sup>Protection of supplies*

**Textual Amendments**

**F399** Sch. 15 para. 32A and cross-heading inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 12 para. 2** (with ss. 2(2), 5(2), 14(4))

- 32A Section 233B of the Act (protection of supplies of goods and services) does not apply.]

*Preferential debts*

- 33 Section 387 (meaning in Schedule 6 of “the relevant date”) of the Act applies with the omission of subsections (2) and (4) to (6).

*[<sup>F400</sup>Insolvency practitioners: their qualification and regulation*

**Textual Amendments**

**F400** Sch. 15 paras. 33A, 33B and cross-heading inserted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(3)(d)**

- 33A. Section 390 of the Act (persons not qualified to act as insolvency practitioners) has effect as if for subsection (2) there were substituted—



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“(2) A person is not qualified to act as an insolvency practitioner in relation to a building society at any time unless at that time the person is fully authorised to act as an insolvency practitioner or partially authorised to act as an insolvency practitioner only in relation to companies.”.

- 33B. (1) In the following provisions of the Act, in a reference to authorisation or permission to act as an insolvency practitioner in relation to (or only in relation to) companies, the reference to companies has effect without the modification in paragraph 3(1)(a) above—
- (a) sections 390A and 390B(1) and (3) (authorisation of insolvency practitioners); and
  - (b) sections 391O(1)(b) and 391R(3)(b) (court sanction of insolvency practitioners in public interest cases).
- (2) In sections 391Q(2)(b) (direct sanctions order: conditions) and 391S(3)(e) (power for Secretary of State to obtain information) of the Act the reference to a company has effect without the modification in paragraph 3(1)(a) above.]

### [<sup>F401</sup>PART III

#### MODIFIED APPLICATION OF INSOLVENCY (NORTHERN IRELAND) ORDER 1989

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##### Textual Amendments

**F401** Sch. 15 paras. 34-55E substituted (N.I.) (1.10.1991) for Sch. 15 paras. 34-55 by S.I. 1989/2405 (N.I. 19), arts. 2(1), 381, **Sch. 9 Pt. II para. 45(c)**; S.R. 1991/411, **art. 2**

### PARTS V [<sup>F402</sup>, 11 AND 12]

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##### Textual Amendments

**F402** Words in Sch. 15 Pt. III heading substituted (7.4.2017) by [The Deregulation Act 2015](#), the [Small Business, Enterprise and Employment Act 2015](#) and the [Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(3)(e)**

#### *Preliminary*

- 34 In this Part of this Schedule, Part V of the Insolvency (Northern Ireland) Order 1989 is referred to as “Part V”, that Order is referred to as “the Order” and references to “Articles” are references to Articles of that Order.

[<sup>F403</sup>34A. In the following provisions a reference to the creditors, general creditors or unsecured creditors of a company includes a reference to every shareholding member of the building society to whom a sum due from the society in relation to the member’s shareholding is due in respect of a deposit—

- (a) paragraph (1) of Article 121 (general functions of liquidator in winding up by the High Court);
- (b) paragraph (3) of Article 127 (debts due from contributory to company);

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- (c) paragraph (4) of Article 143 (supplementary powers);
- (d) paragraph (2)(b) of Article 149 (preferential debts (general provision));
- (e) paragraph (1) of Article 150ZA (payment of expenses of winding up); <sup>F404</sup>...
- (f) paragraphs (3)(b) and (5)(a) of Article 150A (share of assets for unsecured creditors);
- [ paragraph (1)(e) of Article 350O (direct sanctions orders);
- <sup>F405</sup>(g)
- (h) paragraph (5) of Article 350Q (direct sanctions order: conditions); and
- (i) paragraph (3)(e) of Article 350R (direct sanctions direction instead of order).]]

#### Textual Amendments

**F403** Sch. 15 para. 34A inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **34(2)** (with art. 3)

**F404** Word in Sch. 15 para. 34A omitted (7.4.2017) by virtue of [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(3)(f)**

**F405** Sch. 15 para. 34A(g)-(i) inserted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(3)(f)**

#### *Members of a building society as contributories in winding up*

- 35 (1) Article 61 (liability of members) is modified as follows.
- (2) In paragraph (1), the reference to any past member shall be omitted.
- (3) Sub-paragraphs (a) to (d) of paragraph (2) shall be omitted; and so shall paragraph (3).
- [ In sub-paragraph (f) of paragraph (2) the reference to a sum due to a member of the <sup>F406</sup>(3A) company by way of dividends, profits or otherwise does not include a sum due to a shareholding member of a building society in respect of a deposit.]
- (4) The extent of the liability of a member of a building society in a winding up shall not exceed the extent of his liability under paragraph 6 of Schedule 2 to this Act.

#### Textual Amendments

**F406** Sch. 15 para. 35(3A) inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **34(3)** (with art. 3)

- 36 Articles 62 to 65 and 69 in Chapter I of Part V (miscellaneous provisions not relevant to building societies) do not apply.
- 37 In the enactments as applied to a building society, “contributory”—
- (a) means every person liable to contribute to the assets of the society in the event of its being wound up, and

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- (b) for the purposes of all proceedings for determining, and all proceedings prior to the determination of, the persons who are to be deemed contributories, includes any person alleged to be a contributory, and
- (c) includes persons who are liable to pay or contribute to the payment of—
  - (i) any debt or liability of the building society being wound up, or
  - (ii) any sum for the adjustment of rights of members among themselves, or
  - (iii) the expenses of the winding up;but does not include persons liable to contribute by virtue of a declaration by the Court under Article 177 (imputed responsibility for fraudulent trading) or Article 178 (wrongful trading).

#### *Voluntary winding up*

- 38 (1) Article 70 does not apply.
- (2) In the enactments as applied to a building society, the expression “resolution for voluntary winding up” means a resolution passed under section 88(1) of this Act.
- 39 In paragraph (1) of Article 87 (appointment of liquidation committee), the reference to functions conferred on a liquidation committee by or under the Order shall have effect as a reference to its functions by or under the Order as applied to building societies.
- 40 (1) Article 93 (distribution of property) does not apply; and the following applies in its place.
- (2) Subject to the provisions of Part V relating to preferential payments, a building society’s property in a voluntary winding up shall be applied in satisfaction of the society’s liabilities to creditors (including any liability resulting from the variation to the liquidator’s duty effected by section 28 or 31 of this Act) *pari passu* and, subject to that application, in accordance with the rules of the society.
- [ In sub-paragraph (2) the reference to the society’s liabilities to creditors includes a<sup>F407</sup>(3) reference to the society’s liabilities to shareholding members of the society in respect of deposits which are not relevant deposits.]

#### **Textual Amendments**

**F407** Sch. 15 para. 40(3) inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **34(4)** (with art. 3)

- 41 Articles 96 and 97 (liquidator accepting shares, etc, as consideration for sale of company property) do not apply.
- 42 Article 101 (saving for certain rights) shall also apply in relation to the dissolution by consent of a building society as it applies in relation to its voluntary winding up.
- #### *Winding up by the High Court*
- 43 Article 102 (circumstances in which company may be wound up by the High Court) does not apply.
- 44 Article 104 (application for winding up) does not apply.

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- 45 (1) In Article 105 (powers of High Court on hearing of petition), paragraph (1) applies with the omission of the words from “but the Court” to the end of the paragraph.
- (2) The conditions which the High Court may impose under Article 105 include conditions for securing—
- (a) that the building society be dissolved by consent of its members under section 87, or
  - (b) that the society amalgamates with, or transfers its engagements to, another building society under section 93 or 94, or
  - (c) that the society transfers its business to a company under section 97,
- and may also include conditions for securing that any default which occasioned the petition be made good and that the costs of the proceedings on that petition be defrayed by the person or persons responsible for the default.
- 46 Article 106 (power of High Court, between petition and winding-up order, to stay or restrain proceedings against company) has effect with the omission of paragraph (2).
- 47 If, before the presentation of a petition for the winding up by the High Court of a building society, an instrument of dissolution under section 87 is placed in the society’s public file, Article 109(1) (commencement of winding up by the High Court) shall also apply in relation to the date on which the instrument is so placed and to any proceedings in the course of the dissolution as it applies to the commencement date for, and proceedings in, a voluntary winding up.
- 48 (1) Article 110 (consequences of winding-up order) shall have effect with the following modifications.
- (2) Paragraphs (1) and (3) shall be omitted.
- (3) A building society shall, within 15 days of a winding-up order being made in respect of it, give notice of the order [<sup>F408</sup>to the FCA and, if the society is a PRA-authorized person, the PRA] ; and [<sup>F409</sup>the FCA must] keep the notice in the public file of the society.
- (4) If a building society fails to comply with sub-paragraph (3) above, it shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale; and so shall any officer who is also guilty of the offence.

#### **Textual Amendments**

**F408** Words in Sch. 15 para. 48(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 57(8)(a)** (with Sch. 12)

**F409** Words in Sch. 15 para. 48(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 57(8)(b)** (with Sch. 12)

- 49 Article 119 (appointment of liquidator by High Court in certain circumstances) does not apply.
- 50 In the application of Article 120(1) (liquidation committee) to building societies, the references to functions conferred on a liquidation committee by or under the Order shall have effect as references to its function by or under the Order as so applied.

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[  
F410 50A. Article 121 (general functions of liquidator in winding up by the High Court) of the Order has effect as if after paragraph (1) there were inserted—

“(1A) Subject to the provisions of Part V relating to preferential payments, a building society’s property in the winding up shall be applied in satisfaction of the society’s liabilities to creditors *pari passu* and, subject to that application, in accordance with the rules of the society.

(1B) In paragraph (1A) the reference to the society’s liabilities to creditors includes a reference to the society’s liabilities to shareholding members of the society in respect of deposits which are not relevant deposits.”]

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**Textual Amendments**

**F410** Sch. 15 para. 50A inserted (1.1.2015) by [The Banks and Building Societies \(Depositor Preference and Priorities\) Order 2014 \(S.I. 2014/3486\)](#), arts. 1(2), **34(5)** (with art. 3)

51 The conditions which the High Court may impose under Article 125 (power to stay winding up) shall include those specified in paragraph 45(2) above.

52 Article 132 (adjustment of rights of contributories) shall have effect with the modification that any surplus is to be distributed in accordance with the rules of the society.

F411 53 . . . . .

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**Textual Amendments**

**F411** Sch. 15 para. 53 repealed (1.10.2007) by [The Companies Act 2006 \(Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#), art. 1(3) (a), Sch. 4 para. 49(1), **Sch. 5** (with art. 12, Sch. 4 para. 49(2))

*Winding up: general*

54 Article 158 (power to make over assets to employees) does not apply.

55 (1) In Article 166 (dissolution: voluntary winding up), paragraph (2) applies without the words from “and on the expiration” to the end of the paragraph and, in paragraph (3), the word “However” shall be omitted.

(2) Articles 167 and 168 (early dissolution) do not apply.

55A In Article 169 (dissolution: winding up by the High Court) paragraph (1) applies with the omission of the words from “and, subject” to the end of the paragraph; and in paragraphs (2) and (3) references to the Department shall have effect as references to the [F412 appropriate authority] .

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**Textual Amendments**

**F412** Words in Sch. 15 para. 55A substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 57(9)** (with Sch. 12)

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*Penal provisions*

- 55B Articles 180 and 181 (restriction on re-use of name) do not apply.
- 55C (1) Articles 182 and 183 (prosecution of delinquent officers) do not apply in relation to offences committed by members of a building society acting in that capacity.
- (2) Article 182(4) and paragraphs (1) and (2) of Article 183 do not apply.
- (3) The references in paragraphs (3) and (5) of Article 183 to the Department shall have effect as references to the <sup>F413</sup>FCA ; and the reference in paragraph (3) to Article 182 shall have effect as a reference to that Article as supplemented by paragraph 55D below.

**Textual Amendments**

**F413** Word in Sch. 15 para. 55C substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 57(10)** (with Sch. 12)

- 55D (1) Where a report is made to the prosecuting authority (within the meaning of Article 182) under Article 182(3), in relation to an officer of a building society, he may, if he thinks fit, refer the matter to the <sup>F414</sup>FCA for further enquiry.
- (2) On such a reference to it the <sup>F414</sup>FCA shall exercise its power under section 55(1) of this Act to appoint one or more investigators to investigate and report on the matter.
- (3) An answer given by a person to a question put to him in exercise of the powers conferred by section 55 on a person so appointed may be used in evidence against the person giving it.

**Textual Amendments**

**F414** Word in Sch. 15 para. 55D substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 57(11)** (with Sch. 12)

<sup>F415</sup>*Protection of supplies*

**Textual Amendments**

**F415** [Sch. 15 para. 55DA](#) and cross-heading inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 13 para. 2** (with ss. 2(2), 5(2), 18(4))

- 55DA Article 197B (protection of supplies of goods and services) does not apply.]

*Preferential debts*

- 55E Article 347 (meaning in Schedule 4 of “the relevant date”) applies with the omission of paragraphs (2) and (4) to (6).]

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### *[<sup>F416</sup>Insolvency practitioners: their qualification and regulation*

#### **Textual Amendments**

**F416** Sch. 15 paras. 55F, 55G and cross-heading inserted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(3)(g)**

55F. Article 349 (persons not qualified to act as insolvency practitioners) has effect as if for paragraph (2) there were substituted—

“(2) A person is not qualified to act as an insolvency practitioner in relation to a building society at any time unless at that time the person is fully authorised to act as an insolvency practitioner or partially authorised to act as an insolvency practitioner only in relation to companies.”.

55G. (1) In the following provisions of the Order, in a reference to authorisation or permission to act as an insolvency practitioner in relation to (or only in relation to) companies, the reference to companies has effect without the modification in paragraph 3(1)(a) above—

- (a) Articles 349A and 349B(1) and (3) (authorisation of insolvency practitioners); and
- (b) Articles 350O(1)(b) and 350R(3)(b) (court sanction of insolvency practitioners in public interest cases).

(2) In Articles 350Q(2)(b) (direct sanctions order: conditions) and 350S(3)(e) (power for Department to obtain information) the reference to a company has effect without the modification in paragraph 3(1)(a) above.]

## **PART IV**

### **DISSOLUTION OF BUILDING SOCIETY WOUND UP (ENGLAND AND WALES, SCOTLAND AND NORTHERN IRELAND)**

56 (1) Where a building society has been wound up voluntarily, it is dissolved as from 3 months from the date of the placing in the public file of the society of the return of the final meetings of the society and its creditors made by the liquidator under—

- (a) section 94 or (as the case may be) 106 of the <sup>M18</sup>Insolvency Act 1986 (as applied to building societies), or on such other date as is determined in accordance with section 201 of that Act, or
- (b) Article [<sup>F417</sup>80 or (as the case may be) 92 of the Insolvency (Northern Ireland) Order 1989](as so applied), or on such other date as is determined in accordance with that Article,

as the case may be.

(2) Where a building society has been wound up by the court, it is dissolved as from 3 months from the date of the placing in the public file of the society of—

- (a) the liquidator’s notice under section 172(8) of the <sup>M19</sup>Insolvency Act 1986 (as applied to building societies) [<sup>F418</sup>or, as the case may be, Article 146(7) of the

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Insolvency (Northern Ireland) Order 1989 (as applied to building societies)],  
 or

- (b) the notice of the completion of the winding up from the official receiver or the <sup>F419</sup>official receiver for Northern Ireland],

or on such other date as is determined in accordance with section 205 of that Act <sup>F420</sup>or Article 169 of that Order], as the case may be.

#### Textual Amendments

- F417** Words in Sch. 15 para. 56(1)(b) substituted (N.I.) (1.10.1991) by [S.I. 1989/2405 \(N.I. 19\)](#), arts. 2(1), 381, [Sch. 9 Pt. II para. 45\(d\)\(i\)](#); [S.R. 1991/411](#), art. 2
- F418** Words in Sch. 15 para. 56(2)(a) inserted (N.I.) (1.10.191) by [S.I. 1989/2405 \(N.I. 19\)](#), arts. 2(1), 381, [Sch. 9 Pt. II para. 45\(d\)\(ii\)](#); [S.R. 1991/411](#), art. 2
- F419** Words in Sch. 15 para. 56(2)(b) substituted (N.I.) (1.10.1991) by [S.I. 1989/2405 \(N.I. 19\)](#), arts. 2(1), 381, [Sch. 9 Pt. II para. 45\(d\)\(iii\)](#); [S.R. 1991/411](#), art. 2
- F420** Words in Sch. 15 para. 56(2) inserted (N.I.) (1.10.1991) by [S.I. 1989/2405 \(N.I. 19\)](#), arts. 2(1), 381, [Sch. 9 Pt. II para. 45\(d\)\(iv\)](#); [S.R. 1991/411](#), art. 2

#### Marginal Citations

- M18** 1986 c. 45  
**M19** 1986 c. 45.

57<sup>F421</sup>(1) Sections 1012 to 1023 and 1034 of the Companies Act 2006 (property of dissolved company) apply in relation to the property of a dissolved building society (whether dissolved under section 87 or following its winding up) as they apply in relation to the property of a dissolved company.]

(2) Paragraph 3(1) above shall apply to those sections for the purpose of their application to building societies.

<sup>F422</sup>(3) Any reference in those sections to restoration to the register shall be read as a reference to the effect of an order under section 91 of this Act.]

#### Textual Amendments

- F421** Sch. 15 para. 57(1) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), [Sch. 1 para. 87\(11\)\(b\)\(i\)](#) (with art. 10)
- F422** Sch. 15 para. 57(3) substituted for Sch. 15 para. 57(3)(4) (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), [Sch. 1 para. 87\(11\)\(c\)](#) (with art. 10)

#### *Insolvency rules and fees: England and Wales and Scotland*

58 (1) Rules may be made under section 411 of the Insolvency Act for the purpose of giving effect, in relation to building societies, to the provisions of the applicable winding up legislation.

(2) An order made by the competent authority under section 414 of the Insolvency Act 1986 may make provision for fees to be payable under that section in respect of



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proceedings under the applicable winding up legislation and the performance by the official receiver or the Secretary of State of functions under it.

*Insolvency rules and fees: Northern Ireland*

- 59 (1) Rules may be made under [<sup>F423</sup>Article 359 of the Insolvency (Northern Ireland) Order 1989] for the purpose of giving effect in relation to building societies, to the provisions of the applicable winding up legislation.
- [<sup>F424</sup>(2) An order made by the Department of Economic Development under Article 361 of the Insolvency (Northern Ireland) Order 1989 may make provision for fees to be payable under that Article in respect of proceedings under the applicable winding-up legislation and the performance by the official receiver for Northern Ireland or that Department of functions under it.]

**Textual Amendments**

**F423** Words in Sch. 15 para. 59(1) substituted (N.I.) (1.10.1991) by S.I.1989/2405 (N.I. 19), arts. 2(1), 381, **Sch. 9 Pt. II para. 45(e)(i)**; S.R. 1991/411, **art. 2**

**F424** Sch. 15 para. 59(2) substituted (N.I.) (1.10.1991) by S.I. 1989/2405 (N.I. 19), arts. 2(1), 381, **Sch. 9 Pt. II para. 45(e)(ii)**; S.R. 1991/411, **art. 2**

[<sup>F425</sup>SCHEDULE 15A

APPLICATION OF OTHER COMPANIES INSOLVENCY LEGISLATION TO BUILDING SOCIETIES

**Textual Amendments**

**F425** Sch. 15A inserted (1.12.1997) by 1997 c. 32, s. 39(2), **Sch. 6**; S.I. 1997/2668, art. 2, **Sch. Pt. I(i)**

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

**C26** Sch. 15A amendment to earlier affecting provision SI 2010/1188 art. 11 (with application in accordance with art. 1(4) of the amending S.I.) by **The Building Societies (Floating Charges and Other Provisions) Order 2016 (S.I. 2016/679)**, art. 1(1)(2), **5(3)**

**C27** Sch. 15A: amendment to earlier affecting provision S.I. 2010/1188, **arts. 1(2)**, 11 (1.4.2013) by **The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)**, arts. 1(1), 2(c), **Sch. 11 para. 018(05)(d)** (with Sch. 12)

**C28** Sch. 15A applied (with modifications) (7.4.2010) by **The Building Societies (Financial Assistance) Order 2010 (S.I. 2010/1188)**, arts. 1(2), **11** (as amended (1.4.2013) by **The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)**, arts. 1(1), 2(c), **Sch. 11 para. 18(5)(d)** (with Sch. 12) and (with application in accordance with art. 1(4) of the amending S.I.) by **The Building Societies (Floating Charges and Other Provisions) Order 2016 (S.I. 2016/679)**, art. 1(1)(2), **5(3)**)

**PART I**

GENERAL MODE OF APPLICATION

- 1 (1) Subject to the provisions of this Schedule, the enactments specified in sub-paragraph (2) below (referred to in this Schedule as “the enactments”) apply in

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relation to building societies as they apply in relation to companies limited by shares and <sup>F426</sup>registered under the Companies Act 2006 in England and Wales or Scotland or (as the case may be) in Northern Ireland.]

(2) The enactments referred to in sub-paragraph (1) above are—

- (a) Parts I <sup>F427</sup>...<sup>F428</sup>, II, <sup>F429</sup>and 3, section 176ZB (in Part 4), and]] VI, VII, XII and XIII, section 434 and Part XVIII of the <sup>M20</sup>Insolvency Act 1986, or
- (b) <sup>F430</sup>Part I, Part II <sup>F431</sup>..., Parts III,]IV, VII, XI and XII and Article 378 of the <sup>M21</sup>Insolvency (Northern Ireland) Order 1989,

and, in so far as they relate to offences under any such enactment, sections 430 and 432 of, and Schedule 10 to, the <sup>M22</sup>Insolvency Act 1986 or Article 2(6) and 373 of, and Schedule 7 to, the <sup>M23</sup>Insolvency (Northern Ireland) Order 1989.

#### Textual Amendments

- F426** Words in Sch. 15A para. 1(1) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 87(12)(a)** (with art. 10)
- F427** Words in Sch. 15A para. 1(2)(a) omitted (26.6.2020) by virtue of [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 3 para. 34** (with ss. 2(2), 5(2))
- F428** Words in Sch. 15A para. 1(2)(a) substituted (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(2)(a)**
- F429** Words in Sch. 15A para. 1(2)(a) substituted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(4)(a)**
- F430** Words in Sch. 15A para. 1(2)(b) substituted (2.2.2004) by [The Insolvency \(Northern Ireland\) Order 2002 \(S.I. 2002/3152\)](#), art. 1(3), **Sch. 2 para. 14(2)**; S.R. 2003/545, art. 2 (subject to S.R. 2003/546, arts. 2-7)
- F431** Words in Sch. 15A para. 1(2)(b) omitted (26.6.2020) by virtue of [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 7 para. 30** (with ss. 2(2), 5(2))

#### Marginal Citations

- M20** 1986 c.45.  
**M21** S.I. 1989/2405 (N.I.19).  
**M22** 1986 c.45.  
**M23** S.I. 1989/2405 (N.I.19).

2 (1) The enactments shall, in their application to building societies, have effect with the substitution—

<sup>F432</sup>(aa) [ every reference to a company registered in Scotland shall have effect as a reference to a building society whose principal office is situated in Scotland;]

<sup>F433</sup>(aa) [ every reference to a company registered in Scotland shall have effect as a reference to a building society whose registered office is situated in Scotland;]

- (a) for “company” of “ building society ”<sup>F434</sup>(except as otherwise specified in paragraphs 27H and 54 below) ] ;
- (b) for “the registrar of companies” or “the registrar” of “ <sup>F435</sup>Financial Conduct Authority ] ”;
- (c) for “the articles” of “ the rules ”; and

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(d) for “registered office” of “ principal office ”.

(2) In the application of the enactments to building societies—

- (a) every reference to the officers, or to a particular officer, of a company shall have effect as a reference to the officers, or to the corresponding officer, of the building society and as including a person holding himself out as such an officer; and
- (b) every reference to an administrative receiver <sup>F436</sup>, other than a reference in section 29(2), 72A or 251 of the Insolvency Act 1986 or in Article 5(1) or 59A of the Insolvency (Northern Ireland) Order 1989,] shall be omitted.

#### Textual Amendments

**F432** Sch. 15A para. 2(2)(aa) inserted (1.12.2001) by [S.I. 2001/3649](#) arts. 1, 200(2)

**F433** Sch. 15A para. 2(2)(aa) inserted (17.8.2001 for certain purposes, 1.12.2001 in so far as not already in force) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 210(b)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2**

**F434** Words in Sch. 15A para. 2(1)(a) inserted (7.4.2017) by [The Deregulation Act 2015](#), the [Small Business, Enterprise and Employment Act 2015](#) and the [Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(4)(b)**

**F435** Words in Sch. 15A para. 2(1)(b) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(2)** (with Sch. 12)

**F436** Words in Sch. 15A para. 2(2)(b) inserted (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(2)(b)**

- 3
- (1) Where any of the enactments as applied to building societies requires a notice or other document to be sent to the <sup>F437</sup>FCA], it shall have effect as if it required the <sup>F437</sup>FCA] to keep the notice or document in the public file of the society concerned and to record in that file the date on which the notice or document is placed in it.
  - (2) Where any of the enactments, as so applied, refers to the registration, or to the date of registration, of such a notice or document, that enactment shall have effect as if it referred to the placing of the notice or document in the public file or (as the case may be) to the date on which it was placed there.

[ Any reference in any of the enactments, as so applied, to the register shall have effect <sup>F438</sup>(3) as a reference to the public file.]

#### Textual Amendments

**F437** Word in Sch. 15A para. 3(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(3)** (with Sch. 12)

**F438** Sch. 15A para. 3(3) inserted (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(2)(c)**

- 4
- (1) Rules may be made under section 411 of the <sup>M24</sup>Insolvency Act 1986 or, as the case may be, Article 359 of the <sup>M25</sup>Insolvency (Northern Ireland) Order 1989 for the purpose of giving effect, in relation to building societies, to the provisions of the enactments.

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- (2) An order made by the competent authority under section 414 of the Insolvency Act 1986 may make provision for fees to be payable under that section in respect of proceedings under the enactments and the performance by the official receiver or the Secretary of State of functions under them.
- (3) An order made by the Department of Economic Development under Article 361 of the Insolvency (Northern Ireland) Order 1989 may make provision for fees to be payable under that Article in respect of proceedings under the enactments and the performance by the official receiver or that Department of functions under them.

#### Marginal Citations

- M24** 1986 c.45.  
**M25** S.I. 1989/2405 (N.I.19).

- 5 Any enactment which specifies a money sum altered by order under section 416 of the Insolvency Act 1986, or, as the case may be, Article 362 of the Insolvency (Northern Ireland) Order 1989, (powers to alter monetary limits) applies with the effect of the alteration.
- [5A In this Schedule—  
“deposit” and “relevant deposit” have the meaning given by paragraph 1A of Schedule 15; and  
“scheme manager” has the same meaning as in the Financial Services and Markets Act 2000.]

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

- C29** Sch. 15A para. 5A substituted (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), 4(2)(d)

## PART II

### MODIFIED APPLICATION OF [F439PARTS I TO III][F440], 6, 7, 12 AND 13] OF INSOLVENCY ACT 1986

#### Textual Amendments

- F439** Words in Sch. 15A Pt. II heading substituted (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), 4(3)(a)
- F440** Words in Sch. 15A Pt. II heading substituted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), 2(3)(a)

#### *Preliminary*

- 6 In this Part of this Schedule, the <sup>M26</sup>Insolvency Act 1986 is referred to as “the Act”.

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#### Marginal Citations

M26 1986 c.45.

- [<sup>F441</sup>6A. Parts 1, 3, 6, 7 and 12 of the Act, in their application to building societies, have effect without the amendments of those Parts made by—
- (a) section 122 of the Small Business, Enterprise and Employment Act 2015 (abolition of requirements to hold meetings: company insolvency);
  - (b) section 124 of that Act (ability for creditors to opt not to receive certain notices: company insolvency); and
  - (c) Part 1 of Schedule 9 to that Act (sections 122 to 125: further amendments).]

#### Textual Amendments

F441 Sch. 15A para. 6A inserted (13.3.2018) by [The Small Business, Enterprise and Employment Act 2015 \(Consequential Amendments, Savings and Transitional Provisions\) Regulations 2018 \(S.I. 2018/208\)](#), regs. 1(3), **2(3)(b)**

#### *Voluntary arrangements*

- 7 Section 1 of the Act (proposals for voluntary arrangements) has effect as if—
- (a) it required any proposal under Part I of the Act to be so framed as to enable a building society to comply with the requirements of this Act; and
  - (b) any reference to debts included a reference to liabilities owed to the holders of shares in a building society.
- 8 In section 2 (procedure where nominee is not liquidator or administrator) and section 3 (summoning of meetings) of the Act as applied to a building society, any reference to a meeting of the society is a reference to—
- (a) a meeting of both shareholding and borrowing members of the society; and
  - (b) a meeting of shareholding members alone.
- [<sup>F442</sup>and subsection (1) of section 2 shall have effect with the omission of the words from “and the directors” to the end.]

#### Textual Amendments

F442 Words in Sch. 15A para. 8 inserted (1.1.2003) by [2000 c. 39, s. 2, Sch. 2 Pt. II para. 14\(3\)](#); [S.I. 2002/2711, art. 2](#) (subject to [arts. 3-5](#))

- [<sup>F443</sup>8A In subsection (2) of section 4A of the Act (approval of arrangement) as applied to a building society, paragraph (b) and the word “or” immediately preceding that paragraph are omitted.]

#### Textual Amendments

F443 Sch. 15A para. 8A inserted (1.1.2003) by [2000 c. 39, s. 2, Sch. 2 Pt. II para. 14\(3\)](#); [S.I. 2002/2711, art. 2](#) (subject to [arts. 3-5](#))

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- 9 In section 6 of the Act (challenge of decisions) as applied to a building society, “contributory”—
- (a) means every person liable to contribute to the assets of the society in the event of its being wound up, and
  - (b) for the purposes of all proceedings for determining, and all proceedings prior to the determination of, the persons who are to be deemed contributories, includes any person alleged to be a contributory, and
  - (c) includes persons who are liable to pay or contribute to the payment of—
    - (i) any debt or liability of the building society being wound up, or
    - (ii) any sum for the adjustment of rights of members among themselves, or
    - (iii) the expenses of the winding up;
 but does not include persons liable to contribute by virtue of a declaration by the court under section 213 (imputed responsibility for fraudulent trading) or section 214 (wrongful trading) of the Act.
- [<sup>F444</sup>9A In section 7A of the Act (prosecution of delinquent officers) as applied to a building society—
- (a) in subsection (2), for paragraphs (i) and (ii) there is substituted “ the [<sup>F445</sup>FCA] ”,
  - (b) subsections (3) to (7) are omitted,
  - (c) in subsection (8), for “Secretary of State” there is substituted “ [<sup>F445</sup>FCA] ”.]

#### Textual Amendments

**F444** Sch. 15A para. 9A inserted (1.1.2003) by 2000 c. 39, s. 2, **Sch. 2 Pt. II para. 14(4)**; S.I. 2002/2711, **art. 2** (subject to arts. 3-5)

**F445** Word in Sch. 15A para. 9A substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), **art. 1(1)**, **Sch. 8 para. 58(4)** (with Sch. 12)

#### *Administration orders*

- 10 (1) Section 8 of the Act (power of court to make administration order) has effect as if it included provision that, where—
- (a) an application for an administration order to be made in relation to a building society is made by the [<sup>F446</sup>FCA or the PRA] (with or without other parties); and
  - (b) the society has defaulted in an obligation to pay any sum due and payable in respect of any deposit or share,
- the society shall be deemed for the purposes of subsection (1) to be unable to pay its debts.
- (2) In subsection (3) of that section, paragraph (c) and, in subsection (4) of that section, the words from “nor where” to the end are omitted.

#### Textual Amendments

**F446** Words in Sch. 15A para. 10 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), **art. 1(1)**, **Sch. 8 para. 58(5)** (with Sch. 12)

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- 11 (1) Subsection (1) of section 9 of the Act (application for administration order) as applied to a building society has effect as if—
- (a) it enabled an application to the court for an administration order to be by petition presented, with or without other parties, by the [<sup>F447</sup>FCA or the PRA] or by a shareholding member entitled under section 89(3) of this Act to petition for the winding up of the society; and
  - (b) the words from “or by the clerk” to “on companies)” were omitted.
- (2) In subsection (2)(a) of that section as so applied, the reference to any person who has appointed, or is or may be entitled to appoint, an administrative receiver of the society is a reference to the Commission (unless it is a petitioner).
- (3) Subsection (3) of that section, and in subsection (4) of that section, the words “Subject to subsection (3),” are omitted.

#### Textual Amendments

**F447** Words in Sch. 15A para. 11 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 58\(5\)](#) (with Sch. 12)

- 12 In section 10 of the Act (effect of application for administration order), the following are omitted, namely—
- (a) in subsection (2), paragraphs (b) and (c); and
  - (b) subsection (3).
- 13 In section 11 of the Act (effect of administration order), the following are omitted, namely—
- (a) in subsection (1), paragraph (b) and the word “and” immediately preceding that paragraph;
  - (b) in subsection (3), paragraph (b);
  - (c) in subsection (4), the words “an administrative receiver of the company has vacated office under subsection (1)(b), or”; and
  - (d) subsection (5).
- 14 In subsection (1) of section 12 of the Act (notification of administration order), the reference to every invoice, order for goods or business letter is a reference to every statement of account, order for goods or services, business letter or advertisement.
- 15 Subsection (3) of section 13 of the Act (appointment of administrator) has effect as if it enabled an application for an order under subsection (2) of that section to be made by the [<sup>F448</sup>FCA or the PRA] .

#### Textual Amendments

**F448** Words in Sch. 15A para. 15 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 58\(5\)](#) (with Sch. 12)

- 16 (1) Subject to sub-paragraph (2) below, section 14 of the Act (general powers of administrator) has effect as if it required the administrator of a building society, in exercising his powers under that section—
- (a) to ensure compliance with the provisions of this Act; and

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(b) not to appoint to be a director any person who is not a fit and proper person to hold that position.

(2) Sub-paragraph (1)(a) above does not apply in relation to section 5, 6 or 7 of this Act  
 F449 . . . .

(3) In subsection (4) of that section as applied to a building society, the reference to any power conferred by the Act or [F450the Companies Acts] or by [F451the company’s articles] is a reference to any power conferred by this Act or by the society’s memorandum or rules.

F452(4) . . . . .

**Textual Amendments**

**F449** Words in Sch. 15 para. 16(2) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

**F450** Words in Sch. 15A para. 16(3) substituted (1.10.2009) by **The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009** (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 87(12)(b)(i)** (with art. 10)

**F451** Words in Sch. 15A para. 16(3) substituted (1.10.2009) by **The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009** (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 87(12)(b)(ii)** (with art. 10)

**F452** Sch. 15A para. 16(4) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

17 (1) Subject to sub-paragraph (3) below, paragraph 16 of Schedule 1 to the Act (powers of administrators) as applied to a building society has effect as if it conferred power to transfer liabilities in respect of deposits with or shares in the society.

(2) No transfer under that paragraph shall be a transfer of engagements for the purposes of Part X of this Act.

(3) No transfer under that paragraph which, apart from sub-paragraph (2) above, would be a transfer of engagements for the purposes of that Part shall be made unless it is approved by the court, or by meetings summoned under section 23(1) or 25(2) of the Act (as modified by paragraph 21 or 23 below).

F453 18 . . . . .

**Textual Amendments**

**F453** Sch. 15A para. 18 omitted (26.3.2015) by virtue of **Financial Services (Banking Reform) Act 2013 (c. 33)**, s. 148(5), **Sch. 9 para. 4(2)(a)**; S.I. 2015/428, art. 2

19 (1) Section 17 of the Act (general duties of administrator) has effect as if, instead of the requirement imposed by subsection (3), it required the administrator of a building society to summon a meeting of the society’s creditors if—

- (a) he is requested, in accordance with the rules, to do so by 500 of the society’s creditors, or by one-tenth, in number or value, of those creditors, or
- (b) he is directed to do so by the court.

(2) That section also has effect as if it required the administrator of a building society to summon a meeting of the society’s shareholding members if—



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- (a) he is requested, in accordance with the rules, to do so by 500 of the society's shareholding members, or by one-tenth, in number, of those members, or
- (b) he is directed to do so by the court.

<sup>F454</sup>20 .....

**Textual Amendments**

**F454** Sch. 15A para. 20 omitted (26.3.2015) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(5), [Sch. 9 para. 4\(2\)\(b\)](#); S.I. 2015/428, art. 2

- 21 (1) Subsection (1) of section 23 of the Act (statement of proposals) as applied to a building society has effect as if—
- (a) the reference to the [<sup>F455</sup>Financial Conduct Authority] included a reference to the [<sup>F456</sup>scheme manager];
  - (b) the reference to all creditors included a reference to all holders of shares in the society; and
  - (c) the reference to a meeting of the society's creditors included a reference to a meeting of holders of shares in the society.
- (2) In subsection (2) of that section as so applied, references to members of the society do not include references to holders of shares in the society.

**Textual Amendments**

**F455** Words in Sch. 15A para. 21(1)(a) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 58\(7\)](#) (with Sch. 12)

**F456** Words in Sch. 15A para. 21(1)(a) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), [Sch. 3 Pt. II para. 210\(h\)\(i\)\(ii\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), art. 2

- 22 Section 24 of the Act (consideration of proposals by creditors' meeting) as applied to a building society has effect as if any reference to a meeting of creditors included a reference to a meeting of holders of shares in the society.
- 23 (1) Section 25 of the Act (approval of substantial revisions) as applied to a building society has effect as if—
- (a) subsection (2) required the administrator to send a statement in the prescribed form of his proposed revisions to the [<sup>F457</sup>[<sup>F458</sup>FCA, to the PRA] and to the scheme manager]; and
  - (b) the reference in that subsection to a meeting of creditors included a reference to a meeting of holders of shares in the society.
- (2) In subsection (3) of that section as so applied, references to members of the society do not include references to holders of shares in the society.

**Textual Amendments**

**F457** Words in Sch. 15A para. 23(1)(a) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), [Sch. 3 Pt. II para. 210\(i\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), art. 2

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**F458** Words in Sch. 15A para. 23(1)(a) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(6)** (with Sch. 12)

24 Subsection (1) of section 27 of the Act (protection of interests of creditors and members) has effect—

- (a) as if it enabled the [<sup>F459</sup>[<sup>F460</sup>FCA, the PRA] or the scheme manager] to apply to the court by petition for an order under that section; and
- (b) in relation to an application by the [<sup>F461</sup>[<sup>F460</sup>FCA, the PRA] or the scheme manager], as if the words “(including at least himself)” were omitted.

#### Textual Amendments

**F459** Words in Sch. 15A para. 24(a) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 210(j)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2**

**F460** Words in Sch. 15A para. 24 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(8)** (with Sch. 12)

**F461** Words in Sch. 15A para. 24(b) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 210(k)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2**

#### *Receivers and managers*

25 In section 38 of the Act (receivership accounts), “prescribed” means prescribed by regulations made by statutory instrument by the [<sup>F462</sup>Treasury].

#### Textual Amendments

**F462** Word in Sch. 15A para. 25 substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 210(l)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2**

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

**C30** Sch. 15A para. 25: Functions of Building Societies Commission transferred (1.12.2001) to the Treasury by [S.I. 2001/2617](#) arts. 2(b), 4(1), Sch. 1 Pt. III; [S.I. 2001/2617](#), **art. 2**

26 In subsection (1) of section 39 of the Act (notification that receiver or manager appointed), the reference to every invoice, order for goods or business letter is a reference to every statement of account, order for goods or services, business letter or advertisement.

[<sup>F463</sup>27 Subsection (3) of section 40 of the Act (payment of debts out of assets subject to floating charge), as applied to a building society, has effect as if the reference to general creditors included a reference to shareholding members of the society in respect of deposits which are not relevant deposits.

#### Textual Amendments

**F463** Sch. 15A paras. 27-27F substituted for Sch. 15A para. 27 (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(3)(b)**

27A. Sections 42 to 49 of the Act (administrative receivers) are omitted.

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**Textual Amendments**

**F463** Sch. 15A paras. 27-27F substituted for Sch. 15A para. 27 (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(3)(b)**

- 27B. Subsection (1) of section 51 of the Act (power to appoint receiver), as applied to a building society, has effect as if for the words “an incorporated company (whether a company registered under the Companies Act 2006 or not)” there were substituted “a building society”.

.....

**Textual Amendments**

**F463** Sch. 15A paras. 27-27F substituted for Sch. 15A para. 27 (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(3)(b)**

- 27C. Subsection (3) of section 59 of the Act (priority of debts), as applied to a building society, has effect as if the reference to ordinary creditors included a reference to shareholding members of the society in respect of deposits which are not relevant deposits.

.....

**Textual Amendments**

**F463** Sch. 15A paras. 27-27F substituted for Sch. 15A para. 27 (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(3)(b)**

- 27D. Subsection (1) of section 67 of the Act (report by receiver), as applied to a building society, has effect as if—
- (a) the reference to the Financial Conduct Authority included a reference to the scheme manager; and
  - (b) in paragraph (d) the reference to other creditors included a reference to shareholding members of the society in respect of deposits which are not relevant deposits.

.....

**Textual Amendments**

**F463** Sch. 15A paras. 27-27F substituted for Sch. 15A para. 27 (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(3)(b)**

- 27E. Subsection (1) of section 70 of the Act (interpretation for Chapter 2), as applied to a building society, has effect as if—
- (a) in the definition of “company” for the words “an incorporated company (whether or not a company registered under the Companies Act 2006)” there were substituted “a building society”; and
  - (b) the definition of “the register” were omitted.

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#### Textual Amendments

**F463** Sch. 15A paras. 27-27F substituted for Sch. 15A para. 27 (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(3)(b)**

- 27F. Chapter 4 of Part 3 of the Act (prohibition of appointment of administrative receiver), as applied to a building society, has effect as if—
- (a) in section 72A (floating charge holder not to appoint administrative receiver)—
    - (i) in subsections (1) and (2) the word “qualifying” and in subsection (3) the definition of “holder of a qualifying floating charge in respect of a company’s property” were omitted; and
    - (ii) subsections (4)(a), (5) and (6) were omitted; and
  - (b) sections 72B to 72H (exceptions to prohibition) were omitted.]

#### Textual Amendments

**F463** Sch. 15A paras. 27-27F substituted for Sch. 15A para. 27 (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(3)(b)**

### *[<sup>F464</sup>Protection of supplies*

#### Textual Amendments

**F464** Sch. 15A para. 27FA and cross-heading inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 12 para. 3** (with ss. 2(2), 5(2), 14(4))

- 27FA Section 233B of the Act (protection of supplies of goods and services) is omitted.]

### *[<sup>F465</sup>Insolvency practitioners: their qualification and regulation*

#### Textual Amendments

**F465** Sch. 15A paras. 27G-27I and cross-heading inserted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(4)(d)**

- 27G. Section 390 of the Act (persons not qualified to act as insolvency practitioners) has effect as if for subsection (2) there were substituted—
- “(2) A person is not qualified to act as an insolvency practitioner in relation to a building society at any time unless at that time the person is fully authorised to act as an insolvency practitioner or partially authorised to act as an insolvency practitioner only in relation to companies.”.

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- 27H. (1) In the following provisions of the Act, in a reference to authorisation or permission to act as an insolvency practitioner in relation to (or only in relation to) companies the reference to companies has effect without the modification in paragraph 2(1)(a) above—
- (a) sections 390A and 390B(1) and (3) (authorisation of insolvency practitioners); and
  - (b) sections 391O(1)(b) and 391R(3)(b) (court sanction of insolvency practitioners in public interest cases).
- (2) In sections 391Q(2)(b) (direct sanctions order: conditions) and 391S(3)(e) (power for Secretary of State to obtain information) of the Act the reference to a company has effect without the modification in paragraph 2(1)(a) above.
- 27I. In sections 391O, 391Q and 391R of the Act a reference to the creditors of a company includes a reference to every shareholding member of the building society to whom a sum due from the society in relation to the member’s shareholding is due in respect of a deposit.]

### PART III

#### MODIFIED APPLICATION OF PARTS II, III<sup>F466</sup>, 4 AND 12] OF INSOLVENCY (NORTHERN IRELAND) ORDER 1989

##### Textual Amendments

**F466** Words in Sch. 15A Pt. III heading substituted (7.4.2017) by [The Deregulation Act 2015](#), the [Small Business, Enterprise and Employment Act 2015](#) and the [Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), 2(4)(e)

##### *Preliminary*

- 28 In this Part of this Schedule, the <sup>M27</sup>Insolvency (Northern Ireland) Order 1989 is referred to as “the Order”.

##### Marginal Citations

**M27** [S.I. 1989/2405 \(N.I.19\)](#).

##### *Voluntary arrangements*

- 29 Article 14 of the Order (proposals for voluntary arrangements) has effect as if—
- (a) it required any proposal under Part II of the Order to be so framed as to enable a building society to comply with the requirements of this Act; and
  - (b) any reference to debts included a reference to liabilities owed to the holders of shares in a building society.
- 30 In Article 15 (procedure where nominee is not liquidator or administrator) and Article 16 (summoning of meetings) of the Order as applied to a building society, any reference to meetings of the society is a reference to—

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- (a) a meeting of both shareholding and borrowing members of the society; and
- (b) a meeting of shareholding members alone.

[<sup>F467</sup>and paragraph (1) of Article 15 shall have effect with the omission of the words from “and the directors” to the end.]

#### Textual Amendments

**F467** Words in Sch. 15A para. 30 inserted (NI) (2.2.2004) by [The Insolvency \(Northern Ireland\) Order 2002 \(S.I. 2002/3152\)](#), art. 1(3), **Sch. 2 para. 14(3)**; S.R. 2003/545, art. 2 (subject to S.R. 2003/546, arts. 2-7)

[<sup>F468</sup>30A In paragraph (2) of Article 17A of the Order (approval of arrangement) as applied to a building society, sub-paragraph (b) and the word “or” immediately preceding that sub-paragraph are omitted.]

#### Textual Amendments

**F468** Sch. 15A para. 30A inserted (NI) (2.2.2004) by [The Insolvency \(Northern Ireland\) Order 2002 \(S.I. 2002/3152\)](#), art. 1(3), **Sch. 2 para. 14(3)**; S.R. 2003/545, art. 2 (subject to S.R. 2003/546, arts. 2-7)

31 In Article 19 of the Order (challenge of decisions) as applied to a building society, “contributory”—

- (a) means every person liable to contribute to the assets of the society in the event of its being wound up, and
- (b) for the purposes of all proceedings for determining, and all proceedings prior to the determination of, the persons who are to be deemed contributories, includes any person alleged to be a contributory, and
- (c) includes persons who are liable to pay or contribute to the payment of—
  - (i) any debt or liability of the building society being wound up, or
  - (ii) any sum for the adjustment of rights of members among themselves, or
  - (iii) the expenses of the winding up;

but does not include persons liable to contribute by virtue of a declaration by the High Court under Article 177 (imputed responsibility for fraudulent trading) or Article 178 (wrongful trading) of the Order.

[<sup>F469</sup>31A In Article 20A of the Order (prosecution of delinquent officers) as applied to a building society—

- (a) in paragraph (2) for the words “the Department”, in each place where they occur, there are substituted the words “ [<sup>F470</sup>each of the Financial Conduct Authority and the Prudential Regulation Authority] ”,
- (b) paragraphs (3) to (7) are omitted,
- (c) in paragraph (8)—
  - (i) after the words “Northern Ireland” there are inserted the words “or the [<sup>F471</sup>Financial Conduct Authority or the Prudential Regulation Authority] ”, and
  - (ii) after the words “Northern Ireland” and the words “the Director”, in the second place where they occur, there are inserted the words “or the [<sup>F471</sup>Financial Conduct Authority or the Prudential Regulation Authority] ”,

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- (d) in paragraph (9) after the words “for Northern Ireland” there are inserted the words “or the [<sup>F471</sup>Financial Conduct Authority or the Prudential Regulation Authority] ”.]

#### Textual Amendments

- F469** Sch. 15A para. 31A inserted (NI) (2.2.2004) by [The Insolvency \(Northern Ireland\) Order 2002 \(S.I. 2002/3152\)](#), art. 1(3), **Sch. 2 para. 14(4)**; [S.R. 2003/545](#), art. 2 (subject to [S.R. 2003/546](#), arts. 2-7)
- F470** Words in Sch. 15A para. 31A(a) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(9)(a)** (with Sch. 12)
- F471** Words in Sch. 15A para. 31A(c)(d) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(9)(b)** (with Sch. 12)

#### Administration orders

- 32 (1) Article 21 of the Order (power of High Court to make administration order) has effect as if it included provision that, where—
- (a) an application for an administration order to be made in relation to a building society is made by the [<sup>F472</sup>FCA or the PRA] (with or without other parties); and
- (b) the society has defaulted in an obligation to pay any sum due and payable in respect of any deposit or share,
- the society shall be deemed for the purposes of paragraph (1) to be unable to pay its debts.
- (2) In paragraph (3) of that Article, sub-paragraph (c) and, in paragraph (4) of that Article, the words from “nor where” to the end are omitted.

#### Textual Amendments

- F472** Words in Sch. 15A para. 32(1)(a) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(10)** (with Sch. 12)

- 33 (1) Paragraph (1) of Article 22 of the Order (application for administration order) as applied to a building society has effect as if—
- (a) it enabled an application to the High Court for an administration order to be by petition presented, with or without other parties, by the [<sup>F473</sup>FCA, by the PRA] or by a shareholding member entitled under section 89(3) of this Act to petition for the winding up of the society; and
- (b) the words from “or by the chief clerk” to “on companies”, in the second place where they occur, were omitted.
- (2) In paragraph (2)(a) of that Article as so applied, the reference to any person who has appointed, or is or may be entitled to appoint, an administrative receiver of the society is a reference to the [<sup>F474</sup>FCA or, as the case may be, the PRA] (unless it is a petitioner).
- (3) Paragraph (3) of that Article, and in paragraph (4) of that Article, the words “Subject to paragraph (3),” are omitted.

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#### Textual Amendments

- F473** Words in Sch. 15A para. 33(1)(a) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(11)(a)** (with Sch. 12)
- F474** Words in Sch. 15A para. 33(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(11)(b)** (with Sch. 12)

- 34 In Article 23 of the Order (effect of application for administration order), the following are omitted, namely—
- (a) in paragraph (2), sub-paragraphs (b) and (c); and
  - (b) paragraph (3).
- 35 In Article 24 of the Order (effect of administration order), the following are omitted, namely—
- (a) in paragraph (1), sub-paragraph (b) and the word “and” immediately preceding that sub-paragraph;
  - (b) in paragraph (3), sub-paragraph (b);
  - (c) in paragraph (4), the words “an administrative receiver of the company has vacated office under paragraph (1)(b), or”; and
  - (d) paragraph (5).
- 36 In paragraph (1) of Article 25 of the Order (notification of administration order), the reference to every invoice, order for goods or business letter is a reference to every statement of account, order for goods or services, business letter or advertisement.
- 37 Paragraph (3) of Article 26 of the Order (appointment of administrator) has effect as if it enabled an application for an order under paragraph (2) of that Article to be made by [<sup>F475</sup>the FCA and the PRA] .

#### Textual Amendments

- F475** Words in Sch. 15A para. 37 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 58(12)** (with Sch. 12)

- 38 (1) Subject to sub-paragraph (2) below, Article 27 of the Order (general powers of administrator) has effect as if it required the administrator of a building society, in exercising his powers under that Article—
- (a) to ensure compliance with the provisions of this Act; and
  - (b) not to appoint to be a director any person who is not a fit and proper person to hold that position.
- (2) Sub-paragraph (1)(a) above does not apply in relation to section 5, 6 or 7 of this Act <sup>F476</sup>  
 . . . .
- (3) In paragraph (4) of that Article as applied to a building society, the reference to any power conferred by the Order or [<sup>F477</sup>the Companies Acts] or by [<sup>F478</sup>the company’s articles] is a reference to any power conferred by this Act or by the society’s memorandum or rules.

<sup>F479</sup>(4) . . . . .



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**Textual Amendments**

- F476** Words in Sch. 15A para. 38(2) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F477** Words in Sch. 15A para. 38(3) substituted (1.10.2007) by [The Companies Act 2006 \(Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#), art. 1(3)(a), **Sch. 4 para. 50** (with art. 12)
- F478** Words in Sch. 15A para. 38(3) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 87(12)(c)** (with art. 10)
- F479** Sch. 15A para. 38(4) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(b), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

- 39 (1) Subject to sub-paragraph (3) below, paragraph 17 of Schedule 1 to the Order (powers of administrators) as applied to a building society has effect as if it conferred power to transfer liabilities in respect of deposits with or shares in the society.
- (2) No transfer under that paragraph shall be a transfer of engagements for the purposes of Part X of this Act.
- (3) No transfer under that paragraph which, apart from sub-paragraph (2) above, would be a transfer of engagements for the purposes of that Part shall be made unless it is approved by the High Court, or by meetings summoned under Article 35(1) or 37(2) of the Order (as modified by paragraph 43 or 45 below).

**F480** 40 .....

**Textual Amendments**

- F480** Sch. 15A para. 40 omitted (26.3.2015) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(5), **Sch. 9 para. 4(2)(c)**; S.I. 2015/428, art. 2

- 41 (1) Article 29 of the Order (general duties of administrator) has effect as if, instead of the requirement imposed by paragraph (3), it required the administrator of a building society to summon a meeting of the society’s creditors if—
  - (a) he is requested, in accordance with the rules, to do so by 500 of the society’s creditors, or by one-tenth, in number or value, of those creditors, or
  - (b) he is directed to do so by the High Court.
- (2) That Article also has effect as if it required the administrator of a building society to summon a meeting of the society’s shareholding members if—
  - (a) he is requested, in accordance with the rules, to do so by 500 of the society’s shareholding members, or by one-tenth, in number, of those members, or
  - (b) he is directed to do so by the High Court.

**F481** 42 .....

**Textual Amendments**

- F481** Sch. 15A para. 42 omitted (26.3.2015) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(5), **Sch. 9 para. 4(2)(d)**; S.I. 2015/428, art. 2

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- 43 (1) Paragraph (1) of Article 35 of the Order (statement of proposals) as applied to a building society has effect as if—
- (a) the reference to the [<sup>F482</sup>Financial Conduct Authority] included a reference to the [<sup>F483</sup>scheme manager];
  - (b) the reference to all creditors included a reference to all holders of shares in the society; and
  - (c) the reference to a meeting of the society’s creditors included a reference to a meeting of holders of shares in the society.
- (2) In paragraph (2) of that Article as so applied, references to members of the society do not include references to holders of shares in the society.

#### Textual Amendments

- F482** Words in Sch. 15A para. 43 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 8 para. 58\(13\)](#) (with Sch. 12)
- F483** Words in Sch. 15A para. 43(1)(a) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617, arts. 2, 8, 13\(1\), Sch. 3 Pt. II para. 210\(p\)\(i\)\(ii\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538, art. 2](#)

- 44 Article 36 of the Order (consideration of proposals by creditors’ meeting) as applied to a building society has effect as if any reference to a meeting of creditors included a reference to a meeting of holders of shares in the society.
- 45 (1) Article 37 of the Order (approval of substantial revisions) as applied to a building society has effect as if—
- (a) paragraph (2) required the administrator to send a statement in the prescribed form of his proposed [<sup>F484</sup>[<sup>F485</sup>FCA, to the PRA] and to the scheme manager]; and
  - (b) the reference in that paragraph to a meeting of creditors included a reference to a meeting of holders of shares in the society.
- (2) In paragraph (3) of that Article as so applied, references to members of the society do not include references to holders of shares in the society.

#### Textual Amendments

- F484** Words in Sch. 15A para. 45(1)(a) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617, arts. 2, 8, 13\(1\), Sch. 3 Pt. II para. 210\(q\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538, art. 2](#)
- F485** Words in Sch. 15A para. 45(1)(a) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\), art. 1\(1\), Sch. 8 para. 58\(14\)](#) (with Sch. 12)

- 46 Paragraph (1) of Article 39 of the Order (protection of interests of creditors and members) has effect—
- (a) as if it enabled the [<sup>F486</sup>[<sup>F487</sup>FCA, the PRA] or the scheme manager] to apply to the High Court by petition for an order under that section; and
  - (b) in relation to an application by the [<sup>F488</sup>[<sup>F487</sup>FCA, the PRA] or the scheme manager], as if the words “(including at least himself)” were omitted.

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#### Textual Amendments

- F486** Words in Sch. 15A para. 46(a) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 210(r)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**
- F487** Words in Sch. 15A para. 46 substituted (1.4.2013) by **The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496)**, art. 1(1), **Sch. 8 para. 58(15)** (with Sch. 12)
- F488** Words in Sch. 15A para. 46(b) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 210(s)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

#### Receivers and managers

- 47 In Article 48 of the Order (receivership accounts), “prescribed” means prescribed by regulations made by statutory instrument by the [<sup>F489</sup>Treasury].

#### Textual Amendments

- F489** Word in Sch. 15A para. 47 substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 210(t)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

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

- C31** Sch. 15A para. 47: Functions of Building Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617 arts. 2(b), 4(1), Sch. 1 Pt. III; S.I. 2001/3538, **art. 2**

- 48 In paragraph (1) of Article 49 of the Order (notification that receiver or manager appointed), the reference to every invoice, order for goods or business letter is a reference to every statement of account, order for goods or services, business letter or advertisement.

- [<sup>F490</sup>49 Paragraph (3) of Article 50 of the Order (payment of debts out of assets subject to floating charge), as applied to a building society, has effect as if the reference to general creditors included a reference to shareholding members of the society in respect of deposits which are not relevant deposits.

#### Textual Amendments

- F490** Sch. 15A paras. 49-52 substituted for Sch. 15A para. 49 (with application in accordance with art. 1(4) of the amending S.I.) by **The Building Societies (Floating Charges and Other Provisions) Order 2016 (S.I. 2016/679)**, arts. 1(1), **4(4)**

50. Articles 52 to 59 of the Order (administrative receivers) are omitted.

#### Textual Amendments

- F490** Sch. 15A paras. 49-52 substituted for Sch. 15A para. 49 (with application in accordance with art. 1(4) of the amending S.I.) by **The Building Societies (Floating Charges and Other Provisions) Order 2016 (S.I. 2016/679)**, arts. 1(1), **4(4)**

51. Article 59A of the Order (floating charge holder not to appoint administrative receiver), as applied to a building society, has effect as if—
- (a) in paragraph (1) the word “qualifying” were omitted; and
  - (b) paragraphs (2), (3)(a), (4) and (5) were omitted.

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**Textual Amendments**

**F490** Sch. 15A paras. 49-52 substituted for Sch. 15A para. 49 (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(4)**

52. Articles 59B to 59J of the Order (exceptions to prohibition) are omitted.]]

**Textual Amendments**

**F490** Sch. 15A paras. 49-52 substituted for Sch. 15A para. 49 (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), **4(4)**

*[<sup>F491</sup>Protection of supplies*

**Textual Amendments**

**F491** Sch. 15A para. 52A and cross-heading inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), **Sch. 13 para. 3** (with ss. 2(2), 5(2), 18(4))

52A Article 197B of the Order (protection of supplies of goods and services) is omitted.]]

*[<sup>F492</sup>Insolvency practitioners: their qualification and regulation*

**Textual Amendments**

**F492** Sch. 15A paras. 53-55 and cross-heading inserted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(4)(f)**

53. Article 349 of the Order (persons not qualified to act as insolvency practitioners) has effect as if for paragraph (2) there were substituted—

“(2) A person is not qualified to act as an insolvency practitioner in relation to a building society at any time unless at that time the person is fully authorised to act as an insolvency practitioner or partially authorised to act as an insolvency practitioner only in relation to companies.”.

54. (1) In the following provisions of the Order, in a reference to authorisation or permission to act as an insolvency practitioner in relation to (or only in relation to) companies the reference to companies has effect without the modification in paragraph 2(1)(a) above—

- (a) Articles 349A and 349B(1) and (3) (authorisation of insolvency practitioners); and
- (b) Articles 350O(1)(b) and 350R(3)(b) (court sanction of insolvency practitioners in public interest cases).

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- (2) In Articles 350Q(2)(b) (direct sanctions order: conditions) and 350S(3)(e) (power for Department to obtain information) of the Order the reference to a company has effect without the modification in paragraph 2(1)(a) above.
55. In Articles 350O, 350Q and 350R of the Order a reference to the creditors of a company includes a reference to every shareholding member of the building society to whom a sum due from the society in relation to the member's shareholding is due in respect of a deposit.]

## SCHEDULE 16

Sections 93, 94 and 95.

### MERGERS: SUPPLEMENTARY PROVISIONS

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

C32 Sch. 16 excluded by S.I. 1986/2168, art. 9(2)(b)(3)

## PART I

### ISSUE OF STATEMENTS TO MEMBERS

- 1 (1) A building society which desires—
- (a) to amalgamate with one or more other building societies, or
  - (b) to transfer its engagements to another building society, or
  - (c) to undertake to fulfil the engagements of another building society,
- shall, unless the [<sup>F493</sup>appropriate authority] , in the case of a society desirous of undertaking to fulfil another's engagements, has consented under section 94(5) to its proceeding by resolution of the board of directors, send to every member entitled to notice of a meeting of the society a statement concerning the matters specified in sub-paragraph (4) below.
- (2) A building society shall include the statement referred to in sub-paragraph (1) above in or with the notice to be sent to its members of the meeting of the society at which the resolutions require for the approval of the amalgamation or, as the case may be, the transfer are to be moved.
- [<sup>F494</sup>(2A) Where a statement is required to be sent to a member in or with the notice of the meeting under sub-paragraph (2)—
- (a) in a case where notice of the meeting is given to that member electronically in accordance with paragraph 22A of Schedule 2, the statement may be sent to him electronically only if it is sent to the same electronic address, and at the same time, as the notice;
  - (b) in a case where notice of the meeting is given on a web site in accordance with paragraph 22B of Schedule 2, the requirement to send it shall also be treated as satisfied if the conditions set out in sub-paragraph (2B) are satisfied.
- (2B) The conditions of this sub-paragraph are satisfied in the case of a statement if—

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- (a) the society and that member have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the statement in question;
  - (c) at the same time and in the same manner as the society notifies that person of the publication of the notice of the meeting, it notifies him of—
    - (i) the publication of the statement on a web site,
    - (ii) the address of that web site,
    - (iii) the place on that web site where the statement may be accessed, and how it may be accessed; and
  - (d) the statement is published continuously on that web site throughout the period beginning with the giving of that notification and ending with the decision of the [<sup>F493</sup>appropriate authority] whether to confirm the amalgamation or transfer of engagements pursuant to section 95.
- (2C) Where, in a case in which sub-paragraph (2A)(b) above is relied on for compliance with a requirement under sub-paragraph (2)—
- (a) a statement is published for a part, but not all, of the period mentioned in subparagraph (2B)(d), but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,
- that failure shall not invalidate the proceedings of a meeting or prevent the requirements of sub-paragraph (2B) from being treated as fulfilled in relation to section 95(4)(c).]
- (3) No statement shall be sent unless its contents, so far as they concern the matters specified in sub-paragraph (4) below, have been approved by the [<sup>F493</sup>appropriate authority] .
- (4) Those matters are the following, namely—
- (a) the financial position of the building society and that of the other building society or societies participating in the amalgamation or transfer;
  - (b) the interest of the directors of the building society in the amalgamation or transfer of engagements;
  - (c) the compensation or other consideration (if any) proposed to be paid to or in respect of the directors or other officers of the building society and of the other building society or societies participating in the amalgamation or transfer;
  - (d) the payments (if any) to be made to members of the building society and of the other building society or societies participating in the amalgamation or transfer by way of a distribution of funds in consideration of the amalgamation or transfer;
  - (e) the changes (if any) to be made, in connection with the amalgamation or transfer of engagements, in the terms governing outstanding [<sup>F495</sup>loans made by the building society which are secured on land];
  - (f) any other matter which the [<sup>F493</sup>appropriate authority] requires in the case of the particular amalgamation or transfer of engagements.

[<sup>F496</sup>(4A) The PRA must consult the FCA before approving a statement under sub-paragraph (3).]

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F497 (5) .....

(6) Any expression used in this paragraph and in section 96 has the same meaning in this paragraph as in that section.

#### Textual Amendments

- F493** Words in Sch. 16 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 59\(2\)](#) (with Sch. 12)
- F494** Sch. 16 para. 1(2A)-(2C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), [25](#)
- F495** Words in Sch. 16 Pt. I para. 1(4)(e) 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. 66\(1\)\(a\)](#); [S.I. 1997/2668](#), art. 2, [Sch. Pt. II\(w\)\(z\)\(xxxviii\)](#)
- F496** Sch. 16 para. 1(4A) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 59\(3\)](#) (with Sch. 12)
- F497** Sch. 16 Pt. I para. 1(5) repealed (1.12.1997) by 1997 c. 32, ss. 43, 46(2), Sch. 7 para. 66(1)(b), [Sch. 9](#); [S.I. 1997/2668](#), art. 2, [Sch. Pt. I\(j\)\(k\)\(l\)\(xx\)\(o\)\(ix\)](#)

## PART II

### NOTIFICATION OF PROPOSALS FOR MERGER

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

- C33** 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.

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

**C34** Definition applied (1.6.1999) by **S.I. 1999/1215, reg. 3(6)**

*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.
- <sup>F498</sup>(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) 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; and
  - (b) a transfer proposal notification with respect to any transfer proposal so received by it.
- [ Where a merger statement or a transfer proposal notification is required to be sent
- <sup>F499</sup>(2A) to a person in or with the notice of a meeting of the society under sub-paragraph (1) or (2)—
- (a) in a case where notice of a meeting is given electronically to a person in accordance with paragraph 22A of Schedule 2, the merger statement or transfer proposal notification may be sent to him electronically only if it is sent to the same electronic address and at the same time as the notice;
  - (b) in a case where notice of a meeting is given on a web site in accordance with paragraph 22B of Schedule 2, the requirement to send the statement or



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notification shall also be treated as satisfied if the conditions set out in sub-paragraph (2B) are satisfied.

(2B) The conditions of this sub-paragraph are satisfied in the case of a merger statement or transfer proposal notification if—

- (a) the society and that person have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
- (b) the agreement applies to the merger statement or transfer proposal notification in question;
- (c) at the same time and in the same manner as the society notifies that person of the publication of the notice of the meeting, it notifies him of—
  - (i) the publication of the merger statement or transfer proposal notification on a web site,
  - (ii) the address of that web site,
  - (iii) the place on that web site where that statement or notification may be accessed, and how it may be accessed; and
- (d) the statement or notification is published continuously on that web site throughout the period beginning when the person is notified in accordance with paragraph (c) and ending with the conclusion of the meeting.

(2C) Where, in a case in which sub-paragraph (2A)(b) is relied on for compliance with a requirement under sub-paragraph (1) or (2)—

- (a) a statement or notification is published for a part, but not all, of the period mentioned in sub-paragraph (2B)(d), but
- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,

that failure shall not invalidate the proceedings of a meeting or prevent the requirements of sub-paragraph (2B) from being treated as fulfilled in relation to section 95(4)(c).]

(3) In this paragraph and paragraph 5 below—

“transfer proposal” has the same meaning as in Part IA of Schedule 17;  
“transfer proposal notification” means a transfer proposal notification (within the meaning of that Part) required to be sent to members by paragraph 5B(1) of that Schedule.]

#### Textual Amendments

**F498** Sch. 16 Pt. II para. 4(2)(3) substituted for Sch. 16 Pt. II para. 4(2) (1.12.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 66(2)**; S.I. 1997/2668, art. 2, **Sch. Pt. I(j)(l)(xx)**

**F499** Sch. 16 para. 4(2A)-(2C) inserted (20.3.2003) by **The Building Societies Act 1986 (Electronic Communications) Order 2003** (S.I. 2003/404), arts. 1(1), **26(1)**

*Duty to notify [F493 appropriate authority]*

- 5 (1) Where a building society sends a merger statement [F500 or transfer proposal notification] to its members under paragraph 4 above in connection with a meeting of the society, it shall send a copy of the statement [F501 or notification] to the [F502 FCA

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and, if the society is a PRA-authorized person, the PRA] at least 14 days before the date of the meeting.

- (2) The [F503FCA must] keep the copy of a merger statement [F504or transfer proposal notification] received by it from a building society in the public file of that society.

#### Textual Amendments

- F500** Words in Sch. 16 Pt. II para. 5(1) inserted (1.12.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 66(3)(a)**; S.I. 1997/2668, art. 2, **Sch. Pt. 1(j)(I)(xx)**
- F501** Words in Sch. 16 Pt. II para. 5(1) inserted (1.12.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 66(3)(b)**; S.I. 1997/2668, art. 2, **Sch. Pt. 1(j)(I)(xx)**
- F502** Words in Sch. 16 para. 5(1) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 59(4)(a)** (with Sch. 12)
- F503** Words in Sch. 16 para. 5(2) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 59(4)(b)** (with Sch. 12)
- F504** Words in Sch. 16 Pt. II para. 5(2) inserted (1.12.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 66(4)**; S.I. 1997/2668, art. 2, **Sch. Pt. 1(j)(I)(xx)**

#### *Penalty*

- 6 [F505(1)] 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 level 4 on the standard scale; and so shall any officer who is also guilty of the offence.

- [F506(2) Where, in a case in which paragraph 4(2A)(b) is relied on for compliance with a requirement under [F507 paragraph (a) or (b)] of paragraph 4(2)—

- (a) a merger statement or transfer proposal notification is published for a part, but not all, of the period mentioned in sub-paragraph (2B)(d), but
- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,

no offence is committed under this paragraph by reason of that failure.]

#### Textual Amendments

- F505** Sch. 16 para. 6(1) renumbered (20.3.2003) by The Building Societies Act 1986 (Electronic Communications) Order 2003 (S.I. 2003/404), arts. 1(1), **26(2)**
- F506** Sch. 16 para. 6(2) inserted (20.3.2003) by The Building Societies Act 1986 (Electronic Communications) Order 2003 (S.I. 2003/404), arts. 1(1), **26(2)**
- F507** Words in Sch. 16 para. 6(2) substituted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), **3(3)**

### PART III

CONFIRMATION BY [F493 APPROPRIATE AUTHORITY] : PROCEDURE

- 7 An application for confirmation by the [F493 appropriate authority] of an amalgamation or transfer of engagements shall be made in such manner as the [F493 appropriate authority] may [F508 direct].

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### Textual Amendments

**F508** Word in Sch. 16 para. 7 substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 211(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

- 8 (1) Where a building society applies to the [<sup>F493</sup>appropriate authority] for confirmation of an amalgamation or transfer or engagements, the society shall publish notice of the application in any one or more of the London Gazette, the Edinburgh Gazette or the Belfast Gazette, as the [<sup>F493</sup>appropriate authority] directs and, if it so directs, in one or more newspapers.
- (2) A notice published in pursuance of sub-paragraph (1) above shall—
- (a) state that any interested party has the right to make representations to the [<sup>F493</sup>appropriate authority] with respect to the application; and
  - (b) specify a date determined by the [<sup>F493</sup>appropriate authority] before which any written representations or notice of a person's intention to make oral representations must be received by the Commission; and
  - (c) specify a date determined by the [<sup>F493</sup>appropriate authority] as the day on which it intends to hear any oral representations.
- 9 (1) After the date specified in pursuance of paragraph 8(2)(b) above, the [<sup>F493</sup>appropriate authority] shall—
- (a) determine the time and place at which oral representations may be made;
  - (b) give notice of that determination to the building societies participating in the amalgamation or transfer and any persons who have given notice of their intention to make oral representations; and
  - (c) send copies of the written representations received by the [<sup>F493</sup>appropriate authority] to the building societies participating in the amalgamation or transfer.
- (2) The [<sup>F493</sup>appropriate authority] shall allow any building society participating in the amalgamation or transfer an opportunity to comment on the written representations, whether at a hearing or in writing before the expiration of such period as the [<sup>F493</sup>appropriate authority] specifies in a notice to the society.

## SCHEDULE 17

Section 97 and 98.

### TRANSFERS OF BUSINESS: SUPPLEMENTARY PROVISIONS

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

- C35** Sch. 17: power to modify conferred (16.1.2009) by **Building Societies (Funding) and Mutual Societies (Transfers) Act 2007 (c. 26), ss. 3, 6(2)**; S.I. 2009/36, art. 2
- C36** Sch. 17 applied (with modifications) (5.3.2009) by **The Mutual Societies (Transfers) Order 2009 (S.I. 2009/509), arts. 1(2), 3-18**

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<sup>F509</sup> **[PART I**

ISSUE OF STATEMENT OR SUMMARY TO MEMBERS

**Textual Amendments**

**F509** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**

<sup>F510</sup> *Preliminary*

**Textual Amendments**

**F510** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**

<sup>F511</sup><sub>1</sub> In this Part of this Schedule—

“prescribed matters” in relation to any transfer of the business of a building society to its successor, means the matters relating to the transfer, the society, its officers, members or depositors, or the successor, which are prescribed in regulations made under paragraph 5(1) below;

“transfer statement”, in relation to a transfer of business by a building society, means the statement with respect to the transfer which may be sent or handed to members of the society under paragraph 2 below;

“transfer summary”, in relation to a transfer of business by a building society, means the summary of the transfer statement which may be sent to members of the society under that paragraph.

**Textual Amendments**

**F511** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**

<sup>F512</sup> *Duty to send transfer statements or summaries to members*

**Textual Amendments**

**F512** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**

<sup>F513</sup><sub>2</sub> A building society which desires to transfer its business shall, in accordance with this Part of this Schedule, send a transfer statement, or a transfer summary, to every member entitled to notice of a meeting of the society.

**Textual Amendments**

**F513** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**

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

C37 Sch. 17 para. 2 amended (2.3.1998) by S.I. 1998/212, reg. 4, Sch. 2

- <sup>F5143</sup> (1) A transfer statement, in relation to a transfer of business by a building society, shall contain—
- (a) the particulars required, in relation to the prescribed matters, by the regulations made under paragraph 5(1) below, and
  - (b) particulars of any other matters required by the [<sup>F515</sup>appropriate authority]] in the case of the particular transfer,
- with or without other particulars regarding the transfer.
- (2) A transfer summary, in relation to a transfer of business by a building society, shall contain—
- (a) the information required by the regulations made under paragraph 5(2) below, and
  - (b) any other information required by the [<sup>F515</sup>appropriate authority] in the case of the particular transfer,
- with or without other particulars regarding the transfer.

#### Textual Amendments

**F514** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, Sch. Pt. I(e)

**F515** Words in Sch. 17 substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 8 para. 60(2) (with Sch. 12)

- <sup>F5164</sup> (1) Subject to sub-paragraph (3) below, a building society shall, in relation to a transfer of business, include a transfer statement, or a transfer summary, in or with the notice to be sent to its members of the meeting of the society at which the requisite transfer resolutions are to be moved.
- [<sup>F517</sup>(1A) Where a transfer statement or transfer summary is required under sub-paragraph (1) to be sent to a member in or with the notice of the meeting of the society at which the requisite transfer resolutions are to be moved—
- (a) in a case where notice of that meeting is given to that member electronically in accordance with paragraph 22A of Schedule 2, the transfer statement or transfer summary may be sent to him electronically only if it is sent to the same electronic address, and at the same time as the notice;
  - (b) in a case where notice of that meeting is given on a web site in accordance with paragraph 22B of Schedule 2, the requirement to send the statement or summary to that member shall also be treated as satisfied if the conditions set out in sub-paragraph (1B) are satisfied.
- (1B) The conditions of this sub-paragraph are satisfied in the case of a transfer statement or transfer summary if—
- (a) the society and that member have agreed that information which is required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the statement or summary in question;
  - (c) at the same time and in the same manner as the society notifies that member of the publication of the notice of the meeting, it notifies him of—

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- (i) the publication of the statement or summary on a web site,
    - (ii) the address of that web site,
    - (iii) the place on that web site where that statement or summary may be accessed, and how it may be accessed; and
  - (d) the statement or summary is published continuously on that web site throughout the period beginning when the member is notified in accordance with paragraph (a) and ending with the decision of the [<sup>F515</sup>appropriate authority] whether to confirm the transfer pursuant to section 98.
- (1C) Where, in a case in which sub-paragraph (1A)(b) is relied on for compliance with a requirement under sub-paragraph (1)—
- (a) a statement is published for a part, but not all, of the period mentioned in subparagraph (1B)(d), but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,
- the failure shall not invalidate the proceedings of a meeting or prevent the requirements of sub-paragraph (1B) from being treated as fulfilled in relation to section 98.]
- (2) Subject to sub-paragraph (3) below, where a building society sends a transfer summary, a transfer statement—
- (a) shall be handed forthwith and free of charge to any member to whom the summary was sent who asks for such a statement at an office or branch of the society; and
  - (b) shall be sent forthwith and free of charge to any such member who asks for such a statement otherwise than at such an office or branch.
- [<sup>F518</sup>(2A) Where a transfer statement is required to be sent to a member under sub-paragraph (2) (b)—
- (a) it may be sent to him electronically only if it is sent to an electronic address notified by him to the society for the purpose;
  - (b) the requirement to send it shall also be treated as satisfied if the conditions set out in sub-paragraph (2B) are satisfied.
- (2B) The conditions of this sub-paragraph are satisfied in the case of a transfer statement if—
- (a) the society and that member have agreed information which is required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the transfer statement in question;
  - (c) the society notifies the member forthwith, on receiving a request from him for such a statement, of—
    - (i) the publication of the statement on a web site,
    - (ii) the address of that web site,
    - (iii) the place on that web site where the statement may be accessed and how it may be accessed; and
  - (d) that statement is published continuously on that web site for the period beginning with the giving of that notification and ending with the decision of the [<sup>F515</sup>appropriate authority] whether to confirm the transfer pursuant to section 98.

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(2C) Where, in a case in which sub-paragraph (2A)(b) is relied on for compliance with a requirement under sub-paragraph (2)(b)—

- (a) a statement is published for a part, but not all, of the period mentioned in subparagraph (2B)(d), but
- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,

the failure shall not invalidate the proceedings of a meeting or prevent the requirements of sub-paragraph (2B) from being treated as fulfilled in relation to section 98.]

(3) No transfer statement shall be sent or handed to a member unless its contents, so far as they concern the prescribed matters or any matter of which particulars are required to be given under paragraph 3(1)(b) above, have been approved by the [<sup>F515</sup>appropriate authority] .

[<sup>F519</sup>(4) The PRA must consult the FCA before approving a statement under subparagraph (3).]

#### Textual Amendments

**F515** Words in Sch. 17 substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 60\(2\)](#) (with Sch. 12)

**F516** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by [1997 c. 32, s. 30\(3\)](#), [Sch. 5 Pts. I, II](#); [S.I. 1997/2668](#), art. 2, [Sch. Pt. I\(e\)](#)

**F517** Sch. 17 para. 4(1A)-(1C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), [27\(2\)](#)

**F518** Sch. 17 para. 4(2A)-(2C) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), [27\(3\)](#)

**F519** Sch. 17 para. 4(4) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 60\(3\)](#) (with Sch. 12)

<sup>F520</sup>5 (1) The [<sup>F521</sup>Treasury], may make regulations for the purpose of specifying, as prescribed matters, the matters of which transfer statements are to give particulars; and the regulations may also require particulars to be given of any alternatives to the particular transfer which were available to the society making the transfer.

(2) The [<sup>F521</sup>Treasury], may make regulations for the purpose of specifying the information which transfer summaries are to give.

(3) Any power to make regulations under this paragraph is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

#### Textual Amendments

**F520** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by [1997 c. 32, s. 30\(3\)](#), [Sch. 5 Pts. I, II](#); [S.I. 1997/2668](#), art. 2, [Sch. Pt. I\(e\)](#)

**F521** Words in Sch. 17 para. 5(1)(2) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2, 8, 13(1), [Sch. 3 Pt. II para. 212\(b\)](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), art. 2

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

**C38** Sch. 17 para. 5(1) function of Building Societies Commission transferred (1.12.2001) to Treasury by [S.I. 2001/2617](#) arts. 2(b), 4(1), Sch. I Pt. III

<sup>F522</sup>**[PART IA**

NOTIFICATION OF PROPOSALS FOR TRANSFERS OF BUSINESS

**Textual Amendments**

**F522** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by [1997 c. 32, s. 30\(3\)](#), [Sch. 5 Pts. I, II](#); [S.I. 1997/2668, art. 2](#), [Sch. Pt. I\(e\)](#)

<sup>F523</sup>*Preliminary*

**Textual Amendments**

**F523** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by [1997 c. 32, s. 30\(3\)](#), [Sch. 5 Pts. I, II](#); [S.I. 1997/2668, art. 2](#), [Sch. Pt. I\(e\)](#)

<sup>F524</sup>5A In this Part of this Schedule—

“requisite particulars”, in relation to a transfer proposal, means the particulars required by paragraph 5B(2) below to be given in a transfer proposal notification;

“transfer”, in relation to a building society, means a transfer of the whole of its business to a company under section 97;

“transfer proposal”, in relation to a building society, means a proposal in writing by a company for a transfer by the society to the company, with or without terms for the transfer; and “proposer” has a corresponding meaning;

“transfer proposal notification” means a notification containing the requisite particulars of a transfer proposal;

“transfer resolutions”, in relation to a building society, means the resolutions required for the approval of a transfer by the society under section 97.

**Textual Amendments**

**F524** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by [1997 c. 32, s. 30\(3\)](#), [Sch. 5 Pts. I, II](#); [S.I. 1997/2668, art. 2](#), [Sch. Pt. I\(e\)](#)

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

**C39** Definition applied (1.6.1999) by [S.I. 1999/1215](#) reg. 3(6)



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*F525* Duty to notify members

**Textual Amendments**

**F525** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, Sch. Pt. I(e)

- F526* 5B (1) Subject to sub-paragraph (3) below, it shall be the duty of a building society receiving a transfer proposal to send, in accordance with this Part of this Schedule, a transfer proposal notification in respect of the proposal to every member entitled to notice of a meeting of the society.
- (2) A transfer proposal notification must contain the following particulars—
- (a) the fact that a transfer 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 transfer proposal notification 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.

**Textual Amendments**

**F526** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, Sch. Pt. I(e)

- F527* 5C [ A building society shall include in or with every notice of its annual general meeting
- F528* (1) ] a transfer proposal notification with respect to any transfer 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 5B(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 paragraph, a transfer proposal notification with respect to any proposal received, or treated as received, by it after the end of either period.
- [ Where a transfer proposal notification is required under sub-paragraph (1) to be sent
- F529* (2) ] to a member in or with the notice of an annual general meeting of the society—
- (a) in a case where notice of that meeting is given to that member electronically in accordance with paragraph 22A of Schedule 2, the transfer proposal notification may be sent to him electronically only if it is sent to the same electronic address, and at the same time as the notice.
  - (b) in a case where notice of that meeting is given on a website in accordance with paragraph 22B of Schedule 2, the requirement to send it shall also be treated as satisfied if the conditions set out in sub-paragraph (3) are satisfied.
- (3) The conditions of this sub-paragraph are satisfied in the case of a transfer proposal notification if—

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- (a) the society and the member have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
  - (b) the agreement applies to the transfer proposal notification in question;
  - (c) at the same time and in the same manner as the society notifies that person of the publication of the notice of the meeting, it notifies him of—
    - (i) the publication of the transfer proposal notification on a web site,
    - (ii) the address of that web site,
    - (iii) the place on that web site where that notification may be accessed, and how it may be accessed; and
  - (d) the notification is published continuously on that web site throughout the period beginning when the person is notified in accordance with paragraph (c) and ending with the conclusion of the meeting.
- (4) Where, in a case in which sub-paragraph (2)(b) is relied on for compliance with a requirement under sub-paragraph (1)—
- (a) a statement is published for a part, but not all, of the period mentioned in subparagraph (3)(d), but
  - (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,
- the failure shall not invalidate the proceedings of a meeting.]

#### Textual Amendments

- F527** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**
- F528** Sch. 17 para. 5C(1) renumbered (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **28(2)**
- F529** Sch. 17 paras. 5C(2)-(4) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **28(2)**

*<sup>F530</sup>Duty to notify [<sup>F515</sup>appropriate authority]]*

#### Textual Amendments

- F530** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**

- <sup>F531</sup>5D (1) Where a building society sends a transfer proposal notification to its members under paragraph 5C above in connection with a meeting of the society, it shall send a copy of the notification to the [<sup>F532</sup>FCA and, if the society is a PRA-authorized person, the PRA] at least 14 days before the date of the meeting.
- (2) The [<sup>F533</sup>FCA must] keep the copy of a transfer proposal notification received by it from a building society in the public file of that society.

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#### Textual Amendments

- F531** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**
- F532** Words in Sch. 17 para. 5D(1) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 60(4)(a)** (with Sch. 12)
- F533** Words in Sch. 17 para. 5D(2) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 60(4)(b)** (with Sch. 12)

#### <sup>F534</sup>Penalty

#### Textual Amendments

- F534** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**

- <sup>F535</sup>~~F536~~ [5E(1)] If default is made by a building society in complying with paragraph 5C or 5D above, 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.
- [<sup>F537</sup>(2) But no offence is committed under this paragraph, in a case in which paragraph 5C(2) (b) is relied on for compliance with a requirement under paragraph 5C(1), where—
- (a) a transfer proposal notification is published for a part, but not all, of the period mentioned in paragraph 5C(3)(d); and
  - (b) the failure to publish that notification throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid.]

#### Textual Amendments

- F535** Sch. 17 Pts. I, IA substituted for Sch. 17 Pt. I (1.12.1997) by 1997 c. 32, s. 30(3), Sch. 5 Pts. I, II; S.I. 1997/2668, art. 2, **Sch. Pt. I(e)**
- F536** Sch. 17 para. 5E(1) renumbered (20.3.2003) by The Building Societies Act 1986 (Electronic Communications) Order 2003 (S.I. 2003/404), arts. 1(1), **28(3)**
- F537** Sch. 17 para. 5E(2) inserted (20.3.2003) by The Building Societies Act 1986 (Electronic Communications) Order 2003 (S.I. 2003/404), arts. 1(1), **28(3)**

## PART II

CONFIRMATION BY [<sup>F515</sup>APPROPRIATE AUTHORITY] : PROCEDURE

- 6 An application by a building society for confirmation by the [<sup>F515</sup>appropriate authority] of a transfer of its business tschedule 16o a company shall be made in such manner as the [<sup>F515</sup>appropriate authority] may [<sup>F538</sup>direct].

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### Textual Amendments

**F538** Word in Sch. 17 para. 6 substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 212(d)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2**

- 7 (1) Where a building society applies for confirmation of a transfer of its business, the society shall publish a notice of the application in any one or more of the London Gazette, the Edinburgh Gazette or the Belfast Gazette, as the [<sup>F515</sup>appropriate authority] directs and, if it so directs, in one or more newspapers.
- (2) A notice published in pursuance of sub-paragraph (1) above shall—
- (a) state that any interested party has the right to make representations to the [<sup>F515</sup>appropriate authority] with respect to the application;
  - (b) specify a date determined by the [<sup>F515</sup>appropriate authority] before which any written representations or notice of a person's intention to make oral representations must be received by the [<sup>F515</sup>appropriate authority]; and
  - (c) specify a date determined by the [<sup>F515</sup>appropriate authority] as the day on which it intends to hear any oral representations.
- 8 (1) After the date specified in the notice in pursuance of paragraph 7(2)(b) above, the Commission shall—
- (a) determine the time and place at which oral representations may be made;
  - (b) give notice of that determination to the building society making the transfer and any persons who have given notice of their intention to make oral representations; and
  - (c) send copies of the written representations received by the Commission to the building society making the transfer.
- (2) The Commission shall allow the building society making the transfer an opportunity to comment on the written representations, whether at a hearing or in writing, before the expiration of such period as the Commission specifies in a notice to the society.

## SCHEDULE 18

Section 120.

### AMENDMENTS OF ENACTMENTS

#### PART I

#### UNITED KINGDOM

<sup>M28</sup>*Bankers' Books Evidence Act 1879 (c.11)*

### Marginal Citations

**M28** 1879 c. 11.

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**Changes to legislation:** *Building Societies Act 1986* is up to date with all changes known to be in force on or before 24 May 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](#)

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1 In section 9(1) of the Bankers’ Books Evidence Act 1879 (meaning of “bank” and “banker” for purposes of that Act), after paragraph (a) there shall be inserted the following—

“(aa) a building society (within the meaning of the Building Societies Act 1986);”.

*Land Registration Act 1925 (c.21)*

F539<sup>2</sup> .....

**Textual Amendments**

**F539** Sch. 18 para. 2 repealed (13.10.2003) by [Land Registration Act 2002 \(c. 9\)](#), s. 136(2), [Sch. 13](#) (with s. 129, [Sch. 12 para. 1](#)); [S.I. 2003/1725](#), art. 2(1)

*Payment of Wages Act 1960 (c. 37)*

F540<sup>3</sup> .....

**Textual Amendments**

**F540** Sch. 18 para. 3 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 17](#) Group 2

*Trustee Investments Act 1961 (c. 62)*

4 (1) This paragraph amends the <sup>M29</sup>Trustee Investments Act 1961 as follows.

(2) In Part II of Schedule 1 (narrower range investments requiring advice), for paragraph 12 there shall be substituted—

“12 In deposits with a building society within the meaning of the Building Societies Act 1986.”.

(3) In Part III of Schedule 1 (wider range investments), for paragraph 2 there shall be substituted—

“2 In shares in a building society within the meaning of the Building Societies Act 1986.”.

**Marginal Citations**

**M29** 9 & 10 Eliz. 2 c. 62.

*Stock Transfer Act 1963 (c.18)*

5 In section 1(4) of the <sup>M30</sup>Stock Transfer Act 1963 (simplified transfer of certain securities, not to apply to building society securities), for “1962” there shall be substituted “1986”.

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**Marginal Citations**

**M30** 1963 c. 18.

*Industrial and Provident Societies Act 1965 (c.12)*

F5416

**Textual Amendments**

**F541** Sch. 18 para. 6 repealed (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 7](#) (with [Sch. 5](#))

*Income and Corporation Taxes Act 1970 (c.10)*

F5427

**Textual Amendments**

**F542** Sch. 18 para. 7 repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844, [Sch. 31](#)

*Banking and Financial Dealings Act 1971 (c.80)*

8 (1) This paragraph amends the <sup>M31</sup>Banking and Financial Dealings Act 1971 as follows.

(2) In section 2(1) (power to suspend financial dealings on bank holidays) after paragraph (g) there shall be inserted—

“; and

(h) a direction that, subject as aforesaid, no building society shall, on that day, except with permission so granted, effect in the course of its business any transaction or, according as may be specified in the order, a transaction of such kind as may be so specified.”

(3) In section 2(6) after the definition of “authorised dealer in gold” there shall be inserted—

““building society” means a building society within the meaning of the Building Societies Act 1986.”.

**Marginal Citations**

**M31** 1971 c. 80.

*Local Government Act 1972 (c.70)*

9 In Schedule 12A (access to information: exempt information) to the <sup>M32</sup>Local Government Act 1972—

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- (a) in Part II, in paragraph 2(d) for “1962” there shall be substituted “ 1986 ”; and
- (b) in Part III, in paragraph 1(1), after the definition of “protected informant” there shall be inserted the following definition—
  - ““registered”, in relation to information required to be registered under the Building Societies Act 1986, means recorded in the public file of any building society (within the meaning of that Act);”.

**Marginal Citations**

**M32** 1972 c. 70.

*Consumer Credit Act 1974 (c. 39)*

- 10 (1) This paragraph amends the <sup>M33</sup>Consumer Credit Act 1974 as follows.
- (2) In section 16(1) (consumer credit agreement with certain bodies exempt from regulation) the words “or building society” shall be omitted and, after paragraph (f), there shall be inserted the words “, or
    - (g) a building society.”.
  - (3) In section 16(3) (Secretary of State’s duty to consult before making orders), after paragraph (d) there shall be inserted the words “or
    - (e) under subsection (1)(g) without consulting the Building Societies Commission and the Treasury.”.
  - (4) In section 189(1) (definitions), for the definition of “building society” there shall be substituted the following definition—
    - ““building society” means a building society within the meaning of the Building Societies Act 1986;”.

**Marginal Citations**

**M33** 1974 c. 39.

*Solicitors Act 1974 (c.47)*

- 11 (1) This paragraph amends the <sup>M34</sup>Solicitors Act 1974 as follows.
- <sup>F543</sup>(2) .....
  - <sup>F543</sup>(3) .....
  - (4) In section 85 (bank accounts)—
    - (a) after “account with a bank” there shall be inserted “ or a building society ”, and
    - (b) in paragraphs (a) and (b) after “bank” there shall be inserted “ or society ”.
  - (5) In section 87(1) (interpretation), after the definition of “bank” there shall be inserted—

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““building society” means a building society within the meaning of the Building Societies Act 1986; and a reference to an account with a building society is a reference to a deposit account.”.

**Textual Amendments**

**F543** Sch. 18 para. 11(2)(3) repealed (1.1.2010) by [Legal Services Act 2007 \(c. 29\)](#), s. 211(2), **Sch. 23** (with ss. 29, 192, 193); S.I. 2009/3250, art. 2(i)(v)

**Marginal Citations**

**M34** 1974 c. 47.

*Home Purchase Assistance and Housing Corporation Guarantee Act 1978 (c.27)*

[<sup>F544</sup>12 In section 3(1) (building society law) of the <sup>M35</sup>Home Purchase Assistance and Housing Corporation Guarantee Act 1978, after “determining” there shall be added the word “ (a) ” and at the end of that subsection there shall be added the words—  
“(b) the classification of the advance, or any such further advance, for the purposes of Part III of the Building Societies Act 1986.”.]

**Textual Amendments**

**F544** Sch. 18 para. 12 repealed (S.) by [Housing \(Scotland\) Act 1987 \(c. 26, SIF 61\)](#), s. 339, **Sch. 24**

**Marginal Citations**

**M35** 1978 c. 27.

*Banking Act 1979 (c.37)*

<sup>F545</sup>13 .....

**Textual Amendments**

**F545** Sch. 18 para. 13 repealed by [Banking Act 1987 \(c. 22, SIF 10\)](#), s. 108(2), **Sch. 7 Pt. I**

*Charging Orders Act 1979 (c.53)*

14 In section 6(1) (interpretation) of the <sup>M36</sup>Charging Orders Act 1979, in the definition of “building society”, for “1962” there shall be substituted “ 1986 ”.

**Marginal Citations**

**M36** 1979 c. 53.

*Finance Act 1982 (c.39)*

<sup>F546</sup>15 .....



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**Textual Amendments**

**F546** Sch. 18 para. 15 repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844, [Sch. 31](#)

*Companies Act 1985 (c.6)*

**F547** 16 .....

**Textual Amendments**

**F547** Sch. 18 paras. 16, 17 repealed by [Companies Act 1989 \(c. 40, SIF 27\)](#), ss. 211(2)(b), 212, [Sch. 24](#)

*Insolvency Act 1985 (c.65)*

**F548** 17 .....

**Textual Amendments**

**F548** Sch. 18 paras. 16, 17 repealed by [Companies Act 1989 \(c. 40, SIF 27\)](#), ss. 211(2)(b), 212, [Sch. 24](#)

*Housing Act 1985 (c. 68)*

- 18 (1) This paragraph amends the <sup>M37</sup>Housing Act 1985 as follows.
- (2) In section 442(5) (consultations by Secretary of State regarding forms of local authority indemnity agreement) for “Chief Registrar of Friendly Societies” in paragraph (a), there shall be substituted “Building Societies Commission”.
- (3) In section 447 (recognised lending institutions) and in section 448 (recognised savings institutions) for “designated building societies” there shall be substituted “building societies”.
- <sup>F549</sup>(4) For section 450 (modifications of building society law) there shall be substituted the following section—

**“ Modifications of building society law.**

So much of an advance by a building society which is partly financed under section 445 (assistance for first-time buyers) or the corresponding Scottish or Northern Ireland provisions as is so financed shall be treated as not forming part of the advance for the purpose of determining—

- (a) whether the advance, or any further advance made within two years of the date of purchase, is beyond the powers of the society, and
- (b) the classification of the advance, or any such further advance, for the purposes of Part III of the Building Societies Act 1986.” ]

- (5) In section 622 (minor definitions) for the definition of “building society” there shall be substituted—

““building society” means a building society within the meaning of the Building Societies Act 1986”.

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**Textual Amendments**

**F549** Sch. 18 para. 18(4) repealed (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. 46(2), 47(3), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(y)(cc)(xx)**

**Marginal Citations**

**M37** 1985 c. 68.

*Housing Associations Act 1985 (c.69)*

19 (1) This paragraph amends the <sup>M38</sup>Housing Associations Act 1985 as follows.

<sup>F550</sup>(2) .....

(3) In section 84(5) and 86(4) (consultation by Secretary of State regarding building society indemnities) for “Chief Registrar of Friendly Societies” there shall be substituted “ Building Societies Commission ”.

(4) In section 101 (minor definitions), for the definition of “building society” there shall be substituted—

““building society” means a building society within the meaning of the Building Societies Act 1986;”.

**Textual Amendments**

**F550** Sch. 18 para. 19(2) repealed (22.7.2004) by Statute Law (Repeals) Act 2004 (c. 14), **Sch. 1 Pt. 17** Group 2

**Marginal Citations**

**M38** 1985 c. 69.

**PART II**

NORTHERN IRELAND

*Industrial and Provident Societies Act (Northern Ireland) 1969 (c.24 N.I.)*

20 In section 31(b) of the <sup>M39</sup>Industrial and Provident Societies Act (Northern Ireland) 1969 (authorised investments) for “society registered under the Building Societies Act” there shall be substituted “ building society within the meaning of the Building Societies Act 1986. ”.

**Marginal Citations**

**M39** 1969 c. 24 (N.I.).

**Changes to legislation:** *Building Societies Act 1986 is up to date with all changes known to be in force on or before 24 May 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*

*M<sup>40</sup> Payment of Wages Act (Northern Ireland) 1970*

**Marginal Citations**

**M40** 1970 c. 12 (N.I.).

<sup>F551</sup>21 .....

**Textual Amendments**

**F551** Sch. 18 para. 21 repealed by S.I. 1988/796, art. 27(2), **Sch. 5 Pt. II**

*Private Streets (Northern Ireland) Order 1980 (S.I. 1980/1086 (N.I.12))*

- 22 In Article 33 (security not to be deemed prior mortgage under Building Societies Acts) of the <sup>M41</sup>Private Streets (Northern Ireland) Order 1980 for the words from “section 32” where they first occur onwards there shall be substituted “ section 11(2) (d) or (4)(d) of the Building Societies Act 1986 ”.

**Marginal Citations**

**M41** S.I. 1980/1086 (N.I. 12).

*Housing (Northern Ireland) Order 1981 (S.I. 1981/156 (N.I.3))*

- 23 (1) This paragraph amends the <sup>M42</sup>Housing (Northern Ireland) Order 1981 as follows.
- (2) In Article 2(2) (interpretation) after the definition of “building regulations” there shall be inserted—
- ““building society” means a building society within the meaning of the Building Societies Act 1986”.

<sup>F552</sup>[(3) For Article 155 (building society law) there shall be substituted the following section—

**“ Modifications of building society law.**

So much of an advance by a building society which is partly financed under this Part or sections 445 to 449 of the Housing Act 1985 or the Home Purchase Assistance and Housing Corporation Guarantee Act 1978 as is so financed shall be treated as not forming part of the advance for the purpose of determining—

- (a) whether the advance, or any further advance made within two years of the date of purchase, is beyond the powers of the society, and
- (b) the classification of the advance, or any such further advance, for the purposes of Part III of the Building Societies Act 1986.”]

- (4) In Article 155A (exclusion of Restrictive Trade Practices Act 1976), after “Scottish Provisions” there shall be inserted “ (namely, sections 445 to 447 of the Housing

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Act 1985 or the Home Purchase Assistance and Housing Corporation Guarantee Act 1978) ”.

(5) In Article 156(5)(b) (consultations by the Department regarding forms of indemnity agreements) for “Registrar of Friendly Societies for Northern Ireland” there shall be substituted “ Building Societies Commission ”.

(6) For paragraph 1 of Schedule 10 there shall be substituted—

“1 Building Societies.”.

**Textual Amendments**

**F552** Sch. 18 para. 23(3) repealed (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. 46(2), 47(3), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(y)(cc)(xx)**

**Marginal Citations**

**M42** S.I. 1981/156 (N.I. 3).

*Property (Discharge of Mortgage by Receipt)*  
*(Northern Ireland) Order 1983 (S.I. 1983/766 (N.I.9))*

24 In Article 3(10) of the <sup>M43</sup>Property (Discharge of Mortgage by Receipt) (Northern Ireland) Order 1983, after “applies” in the definition of “mortgage” there shall be inserted “ and, subject to paragraph 2(7) of Schedule 4 to the Building Societies Act 1986, does not include a mortgage to which that paragraph 2 applies. ”.

**Marginal Citations**

**M43** S.I. 1983/766 (N.I.9).

*Housing (Northern Ireland) Order 1983 (S.I. 1983/1118 (N.I.15))*

25 In Article 3(4) of the <sup>M44</sup>Housing (Northern Ireland) Order 1983, in the definition of “building society” for the words from “1962” onwards there shall be substituted “ 1986 ”.

**Marginal Citations**

**M44** S.I. 1983/1118 (N.I.15).

*Companies (Northern Ireland) Order 1986*

<sup>F553</sup>26 .....

**Textual Amendments**

**F553** Sch. 18 para. 26 repealed (N.I.) (1.10.1991) by S.I. 1989/2404 (N.I. 18), arts. 25(3), 37, **Sch. 5 Pt. I**; S.R. 1991/410, **art. 1(2)**

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## SCHEDULE 19

Section 120.

### REPEALS AND REVOCATIONS

#### PART I

##### REPEALS: GENERAL

Chapter	Short title	Extent of repeal
37 & 38 Vict. c. 42.	The Building Societies Act 1874.	Section 1.  Section 4.  Section 32.
57 & 58 Vict. c. 47.	The Building Societies Act 1894.	Section 8(1).  Section 29.
8 & 9 Eliz. 2 c. 64.	The Building Societies Act 1960.	Section 72.  Section 73(1).  Section 77.  In Schedule 5, the entry relating to paragraph 4 of section 32 of the Building Societies Act 1874.
9 & 10 Eliz. 2 c. 62.	The Trustee Investments Act 1961.	In Part IV of Schedule 1, paragraphs 3A and 7.
10 & 11 Eliz. 2 c. 37.	The Building Societies Act 1962.	The whole Act.
1965 c. 32.	The Administration of Estates (Small Payments) Act 1965.	In Schedules 1 and 3, the entries relating to the Building Societies Act 1962.
69 c. 46.	The Family Law Reform Act 1969.	In Schedule 1, the entry relating to the Building Societies Act 1962.
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 343(5), the words “union or”.
1974 c. 39.	The Consumer Credit Act 1974.	In section 16, in subsection (1) the words “or building society,” and, in subsections (1)(e) and (3)(c), the word “or”.
1974 c. 46.	The Friendly Societies Act 1974.	In Schedule 10, paragraph 9.

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1974 c. 47.	The Solicitors Act 1974.	In section 32, in subsections (1) and (2), the word “banks”.
1974 c. 49.	The Insurance Companies Act 1974. In Schedule 1, the entries relating to	the Building Societies Act 1962.
1978 c. 27.	The Home Purchase Assistance and Housing Corporation Guarantee Act 1978.	In section 3, subsections (2) to (4).
1979 c. 37.	The Banking Act 1979.	In paragraph 6 of Schedule 1, the words from “within” to the end.  In Schedule 6, paragraphs 6, 7, 16, and 17.
1982 c. 50.	The Insurance Companies Act 1982.	In Schedule 5, paragraphs 3 and 5.
1984 c. 28.	The County Courts Act 1984.	In Schedule 2, paragraph 26.
1985 c. 9.	The Companies Consolidation (Consequential Provisions) Act 1985.	In Schedule 2, the entries relating to the Building Societies Act 1962.
1985 c. 58.	The Trustee Savings Banks Act 1985.	In Schedule 1, paragraph 11(2)(a) and so much of that sub-paragraph as relates to the section 59 specified therein.
1985 c. 61.	The Administration of Justice Act 1985.	Section 66.
1985 c. 68.	The Housing Act 1985.	In section 458, the definition of “designated building society”.  In section 459, the entry relating to “designated buildings society”.
1985 c. 69.	The Housing Associations Act 1985.	Sections 63 to 66.  In Section 72, the definitions of “building society”, “Chief Registrar” and “officer”.  In section 73, the entries relating to “building society”, “Chief registrar” and “officer”.
1985 c. 71.	The Housing (Consequential Provisions) Act 1985.	In Schedule 2, paragraphs 5 and 6.

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## PART II

### REVOCATION EXTENDING TO GREAT BRITAIN

Number	Title	Extent of revocation
S.I. 1981/1488.	The Building Societies (Authorisation) Regulations 1981.	The whole Regulations.

## PART III

### REPEALS AND REVOCATIONS EXTENDING ONLY TO NORTHERN IRELAND

Chapter or number	Short title	Extent of repeal or revocation
1967 c. 5 (N.I.).	The Administration of Estates (Small Payments) Act (Northern Ireland) 1967.	In Schedule 1, the entry relating to the Building Societies Act 1874.
1967 c. 31 (N.I.).	The Building Societies Act (Northern Ireland) 1967.	The whole Act.
1969 c. 24 (N.I.).	The Industrial and Provident Societies Act (Northern Ireland) 1969.	In section 101(1), the definition of “Building Societies Acts”.
1969 c. 28 (N.I.).	The Age of Majority Act (Northern Ireland) 1969	In Schedule 1, the entry relating to the Building Societies Act (Northern Ireland) 1967.
1969 c. 31 (N.I.).	The Age of Majority Act (Northern Ireland) 1969.	In Part I of Schedule 1, the entry relating to the Building Societies Act (Northern Ireland) 1967.
1970 c. 18 (N.I.).	The Land Registration Act (Northern Ireland) 1970.	In Schedule 12 the entry relating to the Building Societies Act (Northern Ireland) 1967.
1978 c. 23.	The Judicature (Northern Ireland) Act 1978.	In Schedule 5, in Part II the entry relating to the Building Societies Act (Northern Ireland) 1967.
S.I. 1979/1573 (N.I.12).	The Statutory Rules (Northern Ireland) Order 1979.	In Schedule 4 the entry relating to the Building Societies Act (Northern Ireland) 1967.
1980 c. 25.	The Insurance Companies Act 1980.	In Schedule 3, paragraph 3.

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S.I. 1981/156 (N.I.3).	The Housing (Northern Ireland) Order 1981.	Article 156(6).  In Part II of Schedule 2, the entry relating to the Building Societies Act (Northern Ireland) 1967.
S.R. 1982/155 (N.I.).	The Building Societies (Authorisation) Regulations (Northern Ireland) 1982.	The whole Regulations.
S.I. 1983/776 (N.I.9).	The Property (Discharge of Mortgage by Receipt) (Northern Ireland) Order 1983.	In Article 3(10), in the definition of “mortgage” the words “section 37 of the Building Societies Act (Northern Ireland) 1967”.
S.I. 1983/1118 (N.I.15).	The Housing (Northern Ireland) Order 1983.	In Schedule 10, the entry relating to the Building Societies Act (Northern Ireland) 1967.
1985 c. 71.	The Housing (Consequential Provisions) Act 1985.	In Schedule 2, paragraphs 13, 51(2) and 51(5)(a).
S.I. 1986/1035 (N.I.9).	The Companies Consolidation (Consequential Provisions) (Northern Ireland) Order 1986.	In Part I of Schedule 1, the entry relating to the Building Societies Act (Northern Ireland) 1967.

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## SCHEDULE 20

Section 120.

### TRANSITIONAL AND SAVING PROVISIONS

#### *Preliminary*

- 1 In this Schedule—
- “the commencement date for” any provision of this Act means the date on which that provision comes into operation;
- [<sup>F554</sup>“existing society” means a building society registered at the passing of this Act under the repealed enactments; and
- “existing rules” means the rules of a society in force immediately before the commencement date for section 5.]

#### **Textual Amendments**

**F554** Definitions in Sch. 20 para. 1 repealed (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, 46(2), 47(3), Sch. 7 para. 67(a), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxix)(cc)(xxi)**



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### *Adoption of powers and alteration of rules*

F555<sup>2</sup> .....

#### **Textual Amendments**

**F555** Sch. 20 paras. 2-4, 18 repealed (1.12.1997) by 1997 c. 32, ss. 43, 46(2), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. I(j)(k)(l)(xxi)(o)(x)**

F556<sup>3</sup> .....

#### **Textual Amendments**

**F556** Sch. 20 paras. 2-4, 18 repealed (1.12.1997) by 1997 c. 32, ss. 43, 46(2), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. I(j)(k)(l)(xxi)(o)(x)**

### *Default powers*

F557<sup>4</sup> .....

#### **Textual Amendments**

**F557** Sch. 20 paras. 2-4, 18 repealed (1.12.1997) by 1997 c. 32, ss. 43, 46(2), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. I(j)(k)(l)(xxi)(o)(x)**

### *Registration with existing authorities*

5 A building society which, at the commencement date for section 5, was registered under the <sup>M45</sup>Building Societies Act (Northern Ireland) 1967 or registered or deemed to be registered in Northern Ireland under the enactments repealed by that Act shall be treated, for the purposes of this Act, as registered with the central office immediately before the commencement of that section.

#### **Marginal Citations**

**M45** 1967 c. 31. (N.I.).

### *Authorisation under existing enactments*

6 (1) A building society which, at the commencement date for section 9 is authorised to raise money and accept deposits under—

- (a) the <sup>M46</sup>Building Societies (Authorisation) Regulations 1981, or
- (b) the <sup>M47</sup> Building Societies (Authorisation) Regulations (Northern Ireland) 1982,

shall be treated, whether or not the requirements of subsection (4) of section 9 would be fulfilled in its case, at the commencement of that section as authorised for the purposes of this Act (in particular Part VI).

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- (2) The central office shall record in the public file of each building society to which sub-paragraph (1) above applies the fact that, by virtue of that sub-paragraph, the society is to be treated as authorised for the purposes of this Act.

#### Marginal Citations

**M46** [S.I. 1981/1488](#).

**M47** [S.R. 1982/155](#) (N.I.).

#### *Anticipation of powers: declaratory provision*

[<sup>F558</sup>7 (1) It is hereby declared that every building society has had, as from 19th December 1985, power, for the purposes of any power conferred by this Act on building societies or building societies of its description, to do such things, subject to sub-paragraph (2) below, as are reasonably necessary to enable it—

- (a) to decide whether or not, and to what extent, to exercise (and in the case of an adoptable power to adopt) the power, and
- (b) if it decides to exercise the power, to exercise it as from the date when it becomes exercisable by the society.

(2) Sub-paragraph (1)(b) above does not authorise a society—

- (a) to make contracts, other than conditional contracts, for the acquisition of land, the acquisition of a business or the acquisition of shares in any company if that company offers the public any service or facility within the power,
- (b) to issue invitations to members of the society or the public to apply for any power to be exercised for their benefit, or
- (c) to retain shares in a company which offers the public any service or facility within the power;

and, in this sub-paragraph, “conditional”, in relation to contracts with respect to the exercise of a power, means conditional on the power’s becoming exercisable by the society.

(3) The power conferred by this paragraph, and activities carried on under it, for the purposes of an adoptable power are not to be treated as included in, or in activities comprised in, that adoptable power for the purposes of paragraph 8 of this Schedule.]

#### Textual Amendments

**F558** Sch. 20 paras. 7-13, 15, 17 repealed (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, 46\(2\), 47\(3\)](#), [Sch. 7 para. 67\(b\)](#), [Sch. 9](#); [S.I. 1997/2668](#), art. 2, [Sch. Pt. II\(w\)\(y\)\(z\)\(xxxix\)\(cc\)\(xxi\)](#)

#### *Unlawful anticipation of powers*

[<sup>F559</sup>8 (1) Where a building society adopts any adoptable power under paragraph 2 or 3 above—

- (a) it shall, by virtue of this paragraph, assume an obligation, enforceable as provided in paragraph 9 below, not to exercise that power until the date on which the memorandum of its powers takes effect as respects that power, and

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- (b) it shall send to the central office, with the documents required by paragraph 2(1) or 3(1) above a declaration as respects that power made on behalf of the society which satisfies the requirements of this paragraph.
- (2) The obligation assumed by virtue of this paragraph on the adoption of a power does not extend to the exercise of any power included in the adoptable power which the society has under the law in force at any time before the registration takes effect.
- (3) A declaration, to satisfy the requirements of this paragraph, must be made by the chairman of the board of directors of the society, by one other director and by the chief executive of the society and it must either—
- (a) state that, to the best of the knowledge and belief of the declarants, after due enquiry, the society has not, or has not with the permitted qualification, carried on any activity comprised in the power during the period which began one year before the specified date (or with 1 April 1986, if later) and expired with the date of the meeting at which the power was adopted, or
- (b) state that, to the best of the knowledge and belief of the declarants, after due enquiry, the society, with specified exceptions, has not, or has not with the permitted qualification, carried on any activity comprised in the power during the period which began one year before the specified date (or with 1 April 1986, if later) and expired with the date of the meeting at which the power was adopted.
- (4) The qualification of the statement so required which is permitted is that in so far as the society has, at any time during the said period, carried on any activity comprised in the power to which the statement relates, the society had the power to carry on that activity at that time under the law in force at that time.
- (5) The exceptions to the statement so required must not include activities of the society which constitute significant excesses of its powers during the said period; and a declaration specifying activities as exceptions to the statement so required must also state the opinion of the declarants that the activities are believed not to constitute significant excesses of the society's powers during the period to which the declaration relates.]

#### Textual Amendments

**F559** Sch. 20 paras. 7-13, 15, 17 repealed (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, 46(2), 47(3), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxix)(cc)(xxi)**

#### *Penalty for breach of undertaking*

- [<sup>F560</sup>9 If, in breach of the obligation assumed by virtue of paragraph 8 above, a building society exercises any power to which the obligation extends, then—
- (a) the society shall be liable on conviction on indictment or on summary conviction to a fine not exceeding, on summary conviction, the statutory maximum, and
- (b) every officer of the society who is also guilty of the offence shall be liable, on summary conviction to a fine not exceeding the statutory maximum.]

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#### Textual Amendments

**F560** Sch. 20 paras. 7-13, 15, 17 repealed (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, 46(2), 47(3), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxix)(cc)(xxi)**

#### *Penalty for false declaration*

- [<sup>F561</sup>10] If the statement in a declaration made for the purposes of paragraph 8 above is false, then, any person who made the statement knowing it to be false or reckless as to whether it was true or false shall be liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or both, and
  - (b) on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or both.]

#### Textual Amendments

**F561** Sch. 20 paras. 7-13, 15, 17 repealed (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, 46(2), 47(3), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxix)(cc)(xxi)**

#### *Powers of central office*

- [<sup>F562</sup>11] (1) The central office, on receiving from a building society the declaration required by and the other documents referred to in paragraph 8 above, shall refer to the Commission for its determination the question whether or not the memorandum of the society's powers is to be registered.
- (2) On a reference to the Commission of the question whether or not the memorandum of a society's power is to be registered—
- (a) if the declaration contains the statement specified in paragraph 8(3)(a) above and the Commission has no reasonable cause to believe that the society in question has carried on any activity comprised in the power to which the obligation imposed by paragraph 8 above extends at any time during the period which begin one year before the specified date (or with 1st April 1986, if later) and expired on the date on which it considers the reference, the Commission shall direct the central office to register the memorandum, and
  - (b) in any other case, the Commission may, as it thinks fit, direct the central office to register, or not to register, the memorandum.
- (3) The Commission, in deciding, in a case falling within sub-paragraph (2)(b) above, whether or not to direct the registration of the memorandum of a society's powers may have regard to all the circumstances of the case.
- (4) No registration of a memorandum shall be effected by the central office under paragraph 2(2) or 3(2) above before the expiry of the period of 21 days beginning with the date on which it receives the declaration required by and the other documents referred to in paragraph 8 above.

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- (5) If the central office, in pursuance of a direction of the Commission under sub-paragraph (2) above, refuses registration of the memorandum of a society's powers under sub-paragraph (1) above it shall serve on the society a notice—
- (a) recording its refusal,
  - (b) specifying the activity which is believed to constitute a breach of the society's obligation, and
  - (c) directing the society to make an application to the Commission under section 38 for a determination under that section whether the activity was or was not within the powers of the society at the time specified under sub-paragraph (b) above,
- and shall send a copy of the notice to the Commission.

- (6) The central office shall comply with any direction as regards the registration of the memorandum of the society's powers given to it by the Commission consequent on the Commission's determination of the society's powers under section 38.

- (7) Nothing in the foregoing provisions of this Schedule implies that it is improper for any of the following, that is to say—
- (a) the Chief Registrar or any assistant registrar of the central office,
  - (b) the assistant registrar of friendly societies for Scotland,
  - (c) the registrar of building societies for Northern Ireland, or
  - (d) the Commission,

to give to a building society or building societies generally an indication of the action the Commission might or might not take in exercising its functions under this paragraph; and no decision of the Commission under this paragraph shall be liable to be set aside by reason of the indication having been given.

- (8) In this paragraph "the specified date" has the same meaning as in paragraph 2 or, as the case may be, 3 above.]

#### Textual Amendments

**F562** Sch. 20 paras. 7-13, 15, 17 repealed (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, 46(2), 47(3), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxix)(cc)(xxi)**

#### *Permissible securities for advances*

- [<sup>F563</sup>12(1) Until provision is made by an order under section 10(6) prescribing the descriptions of equitable interests in land which may be taken as security for advances secured on land, building societies may advance money on the security of an equitable interest in land in England and Wales or Northern Ireland in addition to a mortgage of the freehold or leasehold estate where the lease or a related instrument includes provision entitling the leaseholder to acquire a beneficial interest of any extent in the freehold or a greater leasehold interest and the right to acquire that interest is assigned as additional security.

- (2) Until such provision is made, section 17(10) shall have effect with the substitution of a reference to an equitable interest of the description specified in sub-paragraph (1)

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above for the reference to an equitable interest specified in an order under section 10(6).

(3) On the making of the first order under section 10(6) this paragraph shall cease to have effect.]

**Textual Amendments**

**F563** Sch. 20 paras. 7-13, 15, 17 repealed (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, 46(2), 47(3), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxix)(cc)(xxi)**

[<sup>F564</sup>13 Until provision is made by an order under section 12(3) prescribing indemnities given by a local authority as a description of additional security for the purposes of section 11(4)(c), an indemnity given under section 442 of the <sup>M48</sup>Housing Act 1985, under section 31 of the <sup>M49</sup>Tenants’ Rights, Etc. (Scotland) Act 1980 or under Article 156 of the <sup>M50</sup>Housing (Northern Ireland) Order 1981 shall be such a security; and on the making of the first order under section 12(3) this paragraph shall cease to have effect.]

**Textual Amendments**

**F564** Sch. 20 paras. 7-13, 15, 17 repealed (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, 46(2), 47(3), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxix)(cc)(xxi)**

**Marginal Citations**

**M48** 1985 c. 68.  
**M49** 1980 c. 52.  
**M50** S.I. 1981/156 (N.I.3).

*Existing business names*

<sup>F565</sup>14 .....

**Textual Amendments**

**F565** Sch. 20 para. 14 repealed (1.5.1999) by 1997 c. 32, ss. 43, 46(2), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, **art. 2(6), Pt. III**; S.I. 1998/2835, **art. 2**

*Directors in office*

[<sup>F566</sup>15(1) Except as provided in this paragraph, an existing director shall be treated for the purposes of sections 60 and 61 as having been duly elected a director on the date of his appointment as a director or, as the case may be, of his most recent re-appointment to that office before the commencement date.

(2) An existing director who holds office as director by virtue of holding some other position in the society shall, except in a case within sub-paragraph (4) below, be treated for the purposes of sections 60 and 61 as having been duly elected a director at the commencement date.

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**Changes to legislation:** *Building Societies Act 1986 is up to date with all changes known to be in force on or before 24 May 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*

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- (3) If the term of office of an existing director would, in accordance with the terms on which he holds office, expire on an earlier date than is provided for by sub-paragraph (1) above, he shall vacate office on that earlier date.
- (4) An existing director who has attained the normal retirement age, or the compulsory retirement age (if any), as the case may be, before the commencement date shall retire from office at the first annual general meeting of the society after the commencement date.
- (5) If, at the commencement date, an existing director, other than a director falling within sub-paragraph (2) above, has held office since the date of his appointment or most recent re-appointment for a period longer than is provided for in section 60(11)(a), he shall retire from office at the first annual general meeting of the society after the commencement date.
- (6) In this paragraph—  
“the commencement date” means the commencement date for sections 60 and 61;  
“existing director” means any director of a building society in office immediately before the commencement date; and  
“the compulsory retirement age” and “the normal retirement age” have the meanings given in section 60(8).]

**Textual Amendments**

**F566** Sch. 20 paras. 7-13, 15, 17 repealed (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, 46(2), 47(3), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxix)(cc)(xxi)**

*Existing financial years*

<sup>F567</sup>16 . . . . .

**Textual Amendments**

**F567** Sch. 20 para. 16 omitted (18.2.2014) by virtue of **Financial Services (Banking Reform) Act 2013 (c. 33)**, s. 148(2), **Sch. 9 para. 17** (with Sch. 9 para. 18)

*Qualifying assets*

[<sup>F568</sup>17 For the purposes of the application of section 118 by reference to the annual accounts of a building society prepared before the first financial year for which accounts under Part VIII of this Act are prepared, the reference to the total commercial assets of a society shall have effect as a reference to the amount in the last balance sheet prepared under the Building Societies Act 1962 which represents the total assets constituted by mortgage debts outstanding to the society.]

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**Textual Amendments**  
**F568** Sch. 20 paras. 7-13, 15, 17 repealed (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, 46(2), 47(3), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(y)(z)(xxxix)(cc)(xxi)**

*Provision of conveyancing services for building societies*

**F569** 18 .....

**Textual Amendments**  
**F569** Sch. 20 paras. 2-4, 18 repealed (1.12.1997) by 1997 c. 32, ss. 43, 46(2), Sch. 7 para. 67(b), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. I(j)(k)(l)(xx)(o)(x)**

PROSPECTIVE

SCHEDULE 21

Section 124.

PROVISION OF CONVEYANCING SERVICES BY  
RECOGNISED INSTITUTIONS AND PRACTITIONERS

*F570* ...

**Textual Amendments**  
**F570** Sch. 21 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004](#) (c. 14), **Sch. 1 Pt. 17** Group 2

**F570** .....

**F570** .....

**Textual Amendments**  
**F570** Sch. 21 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004](#) (c. 14), **Sch. 1 Pt. 17** Group 2

**F570** .....

**Textual Amendments**  
**F570** Sch. 21 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004](#) (c. 14), **Sch. 1 Pt. 17** Group 2



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F570 .....

**Textual Amendments**

**F570** Sch. 21 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 17](#) Group 2

F570 .....

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F570 .....

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**Textual Amendments**

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**Changes to legislation:**

Building Societies Act 1986 is up to date with all changes known to be in force on or before 24 May 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.

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**Changes and effects yet to be applied to :**

- s. 7(8) words inserted by [2007 c. 26 s. 1\(1\)\(b\)](#)
- s. 35 repealed by [1990 c. 41 Sch. 20](#)
- s. 122(2) repealed (prosp.) by [1998 c. 47 s. 100\(2\)Sch. 15](#)
- s. 124 repealed by [1990 c. 41 Sch. 20](#)
- Sch. 11 para. 5 omitted by [S.I. 2008/948 Sch. 1 para. 14\(b\)](#)
- Sch. 18 para. 18(2) repealed (prosp.) by [1996 c. 52 s. 227Sch. 19 Pt. 14](#)
- Sch. 21 para. 9(f) repealed (EW) (prosp.) by [1996 c. 27 s. 66\(3\)Sch. 10](#)

**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](#)