



Building Societies Act 1986

1986 CHAPTER 53

PART X

DISSOLUTION, WINDING UP, MERGERS AND TRANSFER OF BUSINESS

Transfer of business to commercial company

[^{F1}102C Consequences of false declaration.

- (1) Where it is shown, in relation to a person who has made a statutory declaration to a society purporting to comply with section 102B(5), that, at the time the declaration is made, he is not a trustee account holder in relation to the account in question, then—
 - (a) a distribution shall not be made to him in pursuance of section 102B if it is so shown before the distribution is made;
 - (b) if a distribution is made to him, he shall be liable—
 - (i) to repay to the society's successor any funds, and to surrender to it any shares or rights to any shares, which he may have received as the holder of that account,
 - (ii) if any shares or rights to any shares are not surrendered, to pay the successor an amount equal to the relevant value of those shares or rights.
- (2) Where subsection (1)(b) applies in relation to a person, he shall also be liable to pay to the successor interest (at the rate applicable to judgment debts or, as respects Scotland, to decrees of the Court of Session)—
 - (a) on any funds which he is liable to repay to the successor under sub-paragraph (i) of subsection (1)(b),
 - (b) on the relevant value of any shares or rights which are surrendered under that sub-paragraph, and
 - (c) on any amount payable under subsection (1)(b)(ii),as from the day on which he received the funds, shares or rights until subsection (1)(b) is complied with in relation thereto.

Changes to legislation: *Building Societies Act 1986, Section 102C is up to date with all changes known to be in force on or before 23 July 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (3) In subsections (1) and (2) “relevant value”, in relation to any shares or rights to any shares, means the market value of those shares on the first day on which they are quoted on the Stock Exchange Daily Official List, and section 272 of the ^{M1}Taxation of Chargeable Gains Act 1992 shall apply for the purposes of this subsection.
- (4) Where the successor receives any payment in circumstances where subsection (1)(b) applies, the amount of the payment shall be treated as settlement of a debt due to the successor and accordingly not as an amount due to members of the society.

^{F2F3}(5)

^{F2}(6)]

Textual Amendments

- F1** Ss. 102B-102D inserted (21.3.1997 with application as mentioned in s. 2(2) of the amending Act) by 1997 c. 41, s. 1(1)
- F2** S. 102C(5)(6) repealed (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 2** (with art. 10)
- F3** S. 102C(5) repealed (1.10.2009) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), **Sch. 16**; [S.I. 2008/2860](#), art. 4, **Sch. 1 Pt. 1** (with [arts. 78Sch. 2](#)) (which transitional provisions in Sch. 2 are amended (1.10.2009) by [S.I. 2009/2476](#), arts. 1(3), 2(3)(4) and by [S.I. 2009/1802](#), arts. 1, 18, Sch.)

Modifications etc. (not altering text)

- C1** Ss. 97-102D: 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
- C2** Ss. 97-102D applied (with modifications) (5.3.2009) by [The Mutual Societies \(Transfers\) Order 2009 \(S.I. 2009/509\)](#), arts. 1(2), **3-18**
- C3** Ss. 97-102D excluded by 2009 c. 1, s. 84D(6) (as inserted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), arts. 1, **2(3)**)

Marginal Citations

- M1** 1992 c. 12.

Changes to legislation:

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

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

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