



# Building Societies Act 1997

## 1997 CHAPTER 32

### PART III

#### ACCOUNTABILITY TO MEMBERS

#### **25 Special meeting on members' requisition.**

After paragraph 20 of Schedule 2 to the 1986 Act there shall be inserted the following paragraph—

#### **Special meeting on members' requisition**

“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.

- (2) A members' requisition is a requisition of not less than the requisite number of members of the society; and that number is 100 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.

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*Changes to legislation: There are currently no known outstanding effects for the Building Societies Act 1997, Section 25. (See end of Document for details)*

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- (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 requisitioner making up the requisite number is deposited at the society's principal office.
- (5) The rules of the society may require a requisitioner—
- (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.
- (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 £25 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 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.

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- (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.
- (12) The Commission 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 Commission may, with the consent of the Treasury, 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 it to be appropriate; and an order under this subsection may make such supplementary, transitional and saving provision as appears to the Commission 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.”

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**Commencement Information**

- II** S. 25 in force at 1.12.1997 by S.I. 1997/2668, art. 2, Sch. Pt. II (subject as mentioned in art. 2(2)-(5) of that S.I.)

**Changes to legislation:**

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