

1987 No. 426

BUILDING SOCIETIES

The Building Societies Act 1986 (Meetings) (Transitional Provisions) Order 1987

Made - - - - 13th March 1987

Coming into force 18th March 1987

The Treasury, in exercise of the powers conferred on them by section 121 of the Building Societies Act 1986(a), and of all other powers enabling them in that behalf, hereby make the following Order:

Citation and commencement

1. This Order may be cited as the Building Societies Act 1986 (Meetings) (Transitional Provisions) Order 1987 and shall come into force on 18th March 1987.

Interpretation

2. In this Order—

“the Act” means the Building Societies Act 1986;

“transitional meeting”, in relation to a society, means a meeting of the society held before its rules in effect—

(a) contain all the alterations required by paragraph 3(1)(b) or directed under paragraph 4(2) of Schedule 20 to the Act (which contains transitional provisions), or

(b) where they do not contain all those alterations, contain alterations which—

(i) have been made for the purpose of conformity with the Act, and

(ii) provide for the giving of notices of, and voting at, meetings of that society; and

“society” means a building society.

Notices of and voting at meetings

3.—(1) Notwithstanding the provisions of paragraph 22 (which sets out the persons entitled to receive notices of meetings of a society) and 34 (which sets out the declaration required to be made in proxy and ballot forms) of Schedule 2 to the Act—

(a) the proceedings at a transitional meeting of a society notice of which has, subject to paragraph (2) below, been given to the requisite recipients shall not be invalidated by omission to give notice to any person other than the requisite recipients; and

(b) a member's vote, or appointment of a proxy to vote instead of him, at a transitional meeting of a society shall not be invalidated by failure to make that declaration where the relevant document issued to him by the society and used by him omits to incorporate a form of that declaration for completion by the member.

(2) In determining for the purposes of paragraph (1) above whether notice of a transitional meeting of a society has been given to the requisite recipients, accidental omission to give notice of that meeting to, or non-receipt of notice by, any requisite recipient shall be disregarded.

(3) In this Article—

“the relevant document” is a document containing the requisite particulars issued for use as a voting paper or, as the case may be, for use as an instrument for the appointment of a proxy;

“the requisite particulars” are the particulars which would have been required to be included in the relevant document if the Act had not come into force; and

“the requisite recipients” are those to whom the society would have been required to send notice of a meeting of the society if the Act had not come into force and, where the notice of the meeting includes notice of the intention to move a resolution as a borrowing members’ resolution, those to whom paragraph 22 of Schedule 2 to the Act requires notice of the meeting to be sent as borrowing members.

Meetings of societies

4. In determining whether a society has, in relation to any transitional meeting, complied with Part III of Schedule 2 to the Act (which deals with meetings), any failure to comply shall be disregarded where that failure—

- (i) results from compliance with rules of the society continued in effect by Article 3 (dealing with rules) of the Building Societies Act 1986 (Rules and Miscellaneous Provisions) Order 1986(a), or
- (ii) is an omission to which Article 3(1) above applies.

Michael Neubert

Peter Lloyd

13th March 1987

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order applies to transitional meetings of a building society, transitional meetings being those held before its rules on notice of meetings and voting at meetings conform with the Building Societies Act 1986. Article 3 provides that voting and other proceedings at such meetings of a society will be valid provided that—

- (a) the society sends notice to those to whom it would have been required to send notice had the 1986 Act not come into force and (where relevant) to borrowing members; and
- (b) the voting papers and instruments of proxy include the particulars which they would have been required to include had the 1986 Act not come into force.

Article 4 provides that failure, in a transitional meeting, to comply with the 1986 Act meetings provisions is to be disregarded where the society has complied with rules still in effect (or any failure is one to which Article 3 applies).

Certain rules relating to meetings under previous legislation were continued in effect by Article 3(2) of the Building Societies Act 1986 (Rules and Miscellaneous Transitional Provisions) Order 1986 (S.I. 1986/2168).

(a) S.I. 1986/2168.

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