



Building Societies Act 1986

1986 CHAPTER 53

PART X

DISSOLUTION, WINDING UP, MERGERS AND TRANSFER OF BUSINESS

Dissolution and winding up

89 Winding up by court: grounds and petitioners

- (1) A building society may be wound up under the applicable winding up legislation by the court on any of the following grounds in addition to the grounds referred to or specified in section 37(1), that is to say, if—
 - (a) the society has by special resolution resolved that it be wound up by the court;
 - (b) the number of members is reduced below ten;
 - (c) the number of directors is reduced below two;
 - (d) being a society registered as a building society under this Act or the repealed enactments, the society has not been granted authorisation under section 9 or been authorised under any corresponding enactment and more than three years has expired since it was so registered;
 - (e) the society has had its authorisation revoked under section 43 and has not been reauthorised thereafter;
 - (f) the society exists for an illegal purpose;
 - (g) the society is unable to pay its debts ; or
 - (h) the court is of the opinion that it is just and equitable that the society should be wound up.
- (2) Except as provided by subsection (3) below, section 37 or the applicable winding up legislation, a petition for the winding up of a building society may be presented by—
 - (a) the Commission,
 - (b) the building society or its directors,
 - (c) any creditor or creditors (including any contingent or any prospective creditor), or

Status: This is the original version (as it was originally enacted).

- (d) any contributory or contributories,
or by all or any of those parties, together or separately.
- (3) A contributory may not present a petition unless either—
 - (a) the number of members is reduced below ten, or
 - (b) the share in respect of which he is a contributory has been held by him, or has devolved to him on the death of a former holder and between them been held, for at least six months before the commencement of the winding up.
- (4) For the purposes of this section, in relation to a building society,—
 - (a) the reference to authorisation under an enactment corresponding to section 9 is a reference to authorisation granted or deemed to have been granted under—
 - (i) in Great Britain, regulation 5 of the Building Societies (Authorisation) Regulations 1981, and
 - (ii) in Northern Ireland, regulation 5 of the Building Societies (Authorisation) Regulations (Northern Ireland) 1982, and
 - (b) the reference to its existing for an illegal purpose includes a reference to its existing after its purpose or principal purpose has ceased to be that required by section 5(1) for the establishment of a building society under this Act.
- (5) In this section, " contributory " has the same meaning as in paragraph 9(2) or, as the case may be, paragraph 37(2) of Schedule 15 to this Act.