



Building Societies Act 1986

1986 CHAPTER 53

PART X

DISSOLUTION, WINDING UP, MERGERS AND TRANSFER OF BUSINESS

Mergers

94 Transfer of engagements.

- (1) A building society may, in accordance with this section and Schedule 16 to this Act, transfer its engagements to any extent to another building society which, in accordance with this section and that Schedule, undertakes to fulfil the engagements.
- (2) A building society, in order to transfer its engagements, must resolve to do so by two resolutions, of which one is passed as a [^{F1}shareholding members' resolution] and the other as a borrowing members' resolution in accordance with the applicable provisions of Schedule 2.
- (3) A building society, in order to transfer some but not all of its engagements to its members in respect of shares held by them (with or without other engagements) must, in addition to resolving to transfer the engagements by the two resolutions required by subsection (2) above, resolve to do so by an affected shareholders' resolution.
- (4) For the purposes of this section in its application to a transfer by a society of engagements in respect of some shares in the society, an "affected shareholders' resolution" is a resolution passed by a majority of the holders of those shares who, under the rules of the society, would be entitled to vote on a [^{F1}shareholding members' resolution], disregarding for this purpose any shares of theirs in respect of which the society's engagements are not to be transferred.
- (5) A building society, in order to undertake to fulfil the engagements of another society, must resolve to do so—
 - (a) by two resolutions, of which one is passed as a [^{F1}shareholding members' resolution] and the other as a borrowing members' resolution in accordance with the applicable provisions of Schedule 2; or

Changes to legislation: Building Societies Act 1986, Section 94 is up to date with all changes known to be in force on or before 26 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

- (b) by a resolution of the board of directors, if the [^{F2}appropriate authority] consents to that mode of proceeding.
- (6) The extent of the transfer, as so resolved by the society making and the society taking the transfer, shall be recorded in an instrument of transfer of engagements.
- (7) A transfer of engagements between building societies shall be of no effect unless—
- (a) the transfer is confirmed by the [^{F3}appropriate authority] under section 95; and
 - (b) a registration certificate is issued in respect of the transfer under subsection (8) below.
- (8) Where the [^{F4}appropriate authority] confirms a transfer of engagements between building societies, [^{F5}the FCA must] —
- (a) register a copy of the instrument of transfer of engagements; and
 - (b) issue a registration certificate to the building society taking the transfer;
- and, on such date as is specified in the certificate, the property, rights and liabilities of the society transferring its engagements (whether or not capable of being transferred or assigned) shall, by virtue of this subsection, be transferred to and vested in the society taking the transfer to the extent provided in the instrument of transfer of engagements.
- (9) The [^{F6}FCA] shall keep a copy of the instrument and of the registration certificate issued under subsection (8) above in the public file of the building society taking the transfer.
- (10) Where all its engagements have been transferred, the society shall, by virtue of this subsection, be dissolved on the date specified in the registration certificate; but the transfer effected by subsection (8) above shall be deemed to have been effected immediately before the dissolution.

Textual Amendments

- F1** Words in s. 94(2)(4)(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. 42**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxvi)**
- F2** Words in s. 94(5)(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. 38(2)** (with Sch. 12)
- F3** Words in s. 94(7)(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. 38(3)** (with Sch. 12)
- F4** Words in s. 94(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. 38(4)(a)** (with Sch. 12)
- F5** Words in s. 94(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. 38(4)(b)** (with Sch. 12)
- F6** Word in s. 94(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. 38(5)** (with Sch. 12)

Modifications etc. (not altering text)

- C1** Ss. 93–96 excluded by S.I. 1986/2168, art. 9(2)(b)(3)

Changes to legislation:

Building Societies Act 1986, Section 94 is up to date with all changes known to be in force on or before 26 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 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](#)