
STATUTORY INSTRUMENTS

2016 No. 679

**The Building Societies (Floating Charges
and Other Provisions) Order 2016**

Amendment of the Building Societies (Financial Assistance) Order 2010

5.—(1) The Building Societies (Financial Assistance) Order 2010(1) is amended as follows.

(2) In article 10 (application of other companies insolvency legislation to building societies) for paragraphs (a) and (b) substitute “for “or receivers,”(2) in paragraph (c) there were substituted “receivers or administrative receivers””.

(3) In article 11 (application of other companies insolvency legislation to building societies)—

(a) for paragraph (2) substitute—

“(2) In paragraph 1(2)(a), for “, II, III,”(3) substitute “and II, Chapters I, II and III of Part III, Parts”.

(2A) In paragraph 1(2)(b), for “Parts III, IV” substitute “Part III, Part IV (except Articles 59A to 59J)”.”;

(b) for paragraph (6) substitute—

“(6) For paragraph 27A(4) substitute—

“**27A.** In Chapters I and II of Part III of the Act, as applied to a building society, the following provisions have effect as if a reference to the creditors or unsecured creditors of the society included a reference to the holders of shares in the society—

(a) subsection (1) of section 46 of the Act (information to be given by administrative receiver);

(b) subsection (2) of section 47 of the Act (statement of affairs to be submitted);

(c) subsection (2)(a) and (b) of section 48 of the Act (report by administrative receiver);

(d) subsection (1) of section 65 of the Act (information to be given by receiver);

(e) subsection (2) of section 66 of the Act (building society’s statement of affairs); and

(f) subsection (2)(a) and (b) of section 67 of the Act (report by receiver).

27AA. Subsection (1) of section 48 of the Act, as applied to a building society, has effect as if—

(1) [S.I. 2010/1188](#), as amended by [S.I. 2013/496](#) and [2015/428 \(C. 25\)](#).

(2) These words are inserted in paragraph (c) of section 90A of the Building Societies Act 1986 by article 3(b) of this Order.

(3) These numerals are substituted in paragraph 1(2)(a) of Schedule 15A by article 4(2)(a) of this Order.

(4) Paragraph 27A is substituted by article 4(3)(b) of this Order.

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- (a) the reference to the Financial Conduct Authority included a reference to the scheme manager; and
- (b) in paragraph (d) the reference to other creditors included a reference to shareholding members of the society in respect of deposits which are not relevant deposits.

27AB. Sections 49 and 68 of the Act (committee of creditors), as applied to a building society, have effect as if the reference to the society’s unsecured creditors included a reference to the holders of shares in the society.”.

(6A) Until the coming into force of paragraph 12(3)(b) of Schedule 9 to the Small Business, Enterprise and Employment Act 2015⁽⁵⁾ (“the 2015 Act”), paragraph 27AA (treated as substituted by paragraph (6) above) is to be read as also providing that subsection (2) of section 48 of the Insolvency Act 1986, as applied to a building society, has effect as if the reference to a meeting of the society’s unsecured creditors included a reference to a meeting of holders of shares in the society.

(6B) Until the coming into force of paragraph 13 of Schedule 9 to the 2015 Act⁽⁶⁾, paragraph 27AB (treated as substituted by paragraph (6) above) is to be read as providing that section 49 of the Insolvency Act 1986, as applied to a building society, has effect as if the reference to a meeting of creditors included a reference to a meeting of holders of shares in the society.

(6C) Until the coming into force of paragraph 15 of Schedule 9 to the 2015 Act⁽⁷⁾, paragraph 27AB (treated as substituted by paragraph (6) above) is to be read as providing that section 68 of the Insolvency Act 1986, as applied to a building society, has effect as if the reference to a meeting of creditors included a reference to a meeting of holders of shares in the society.

(6D) Until the coming into force of paragraph 14(3)(b) of Schedule 9 to the 2015 Act⁽⁸⁾, paragraph 27D⁽⁹⁾ has effect as if the existing provision became sub-paragraph (1) and after that sub-paragraph there were inserted—

“(2) Subsection (2) of that section, as so applied, has effect as if the reference to a meeting of the society’s unsecured creditors included a reference to a meeting of the holders of shares in the society.”.

(6E) Omit paragraph 27F⁽¹⁰⁾.”;

- (c) for paragraph (9) substitute—

“(9) For paragraph 50⁽¹¹⁾ substitute—

“**50.** In Part 4 of the Order, as applied to a building society, the following provisions have effect as if a reference to the creditors or unsecured creditors of the society included a reference to the holders of shares in the society—

- (a) paragraph (1) of Article 56 of the Order (information to be given by administrative receiver);
- (b) paragraph (2) of Article 57 of the Order (statement of affairs to be submitted); and

⁽⁵⁾ 2015 c. 26. Paragraph 12(3)(b) of Schedule 9 amends section 48(2) of the Insolvency Act 1986.

⁽⁶⁾ Paragraph 13 of Schedule 9 amends section 49(1) of the Insolvency Act 1986.

⁽⁷⁾ Paragraph 15 of Schedule 9 amends section 68(1) of the Insolvency Act 1986.

⁽⁸⁾ Paragraph 14(3)(b) of Schedule 9 amends section 67(2) of the Insolvency Act 1986.

⁽⁹⁾ Paragraph 27D is substituted by article 4(3)(b) of this Order.

⁽¹⁰⁾ Paragraph 27F is substituted by article 4(3)(b) of this Order.

⁽¹¹⁾ Paragraph 50 is substituted by article 4(4) of this Order.

(c) paragraph (2)(a) and (b) of Article 58 of the Order (report by administrative receiver).

50A. Article 58 of the Order, as applied to a building society, has effect as if—

(a) in paragraph (1)—

(i) the reference to the Financial Conduct Authority included a reference to the scheme manager; and

(ii) in sub-paragraph (d) the reference to other creditors included a reference to shareholding members of the society in respect of deposits which are not relevant deposits; and

(b) in paragraph (2) the reference to a meeting of the society's unsecured creditors included a reference to a meeting of holders of shares in the society.

50AA. Article 59 of the Order (committee of creditors), as applied to a building society, has effect as if the reference to a meeting of creditors included a reference to a meeting of holders of shares in the society.”.

(10) Omit paragraphs 51 and 52(12).”.