



# Building Societies Act 1986

## 1986 CHAPTER 53

### PART X

#### DISSOLUTION, WINDING UP, MERGERS AND TRANSFER OF BUSINESS

##### *Dissolution and winding up*

#### **86 Modes of dissolution and winding up.**

- (1) A building society—
- (a) may be dissolved by consent of the members, or
  - (b) may be wound up voluntarily or by the court,

in accordance with this Part; and a building society may not, except where it is dissolved by virtue of section 93(5), 94(10) or 97(9), [<sup>F1</sup>or following building society insolvency or building society special administration,] be dissolved or wound up in any other manner.

- (2) A building society which is in the course of dissolution by consent, or is being wound up voluntarily, may be wound up by the court.

#### **Textual Amendments**

- F1** Words in s. 86(1) inserted (29.3.2009) by [The Building Societies \(Insolvency and Special Administration\) Order 2009 \(S.I. 2009/805\)](#), [art. 7](#)

#### **87 Dissolution by consent.**

- (1) A building society may be dissolved by an instrument of dissolution, with the consent (testified by their signature of that instrument) of three-quarters of the members of the society, holding not less than two-thirds of the number of shares in the society.
- (2) An instrument of dissolution under this section shall set out—

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- (a) the liabilities and assets of the society in detail;
  - (b) the number of members, and the amount standing to their credit in the accounting records of the society;
  - (c) the claims of depositors and other creditors, and the provision to be made for their payment;
  - (d) the intended appropriation or division of the funds and property of the society;
  - (e) the names of one or more persons to be appointed as trustees for the purposes of the dissolution, and their remuneration.
- (3) An instrument of dissolution made with consent given and testified as mentioned in subsection (1) above may be altered with the like consent, testified in the like manner.
- (4) The provisions of this Act shall continue to apply in relation to a building society as if the trustees appointed under the instrument of dissolution were the board of directors of the society.
- (5) The trustees, within 15 days of the necessary consent being given and testified (in accordance with subsection (1) above) to—
- (a) an instrument of dissolution, or
  - (b) any alteration to such an instrument,
- shall give notice to the [F<sup>2</sup>FCA and, if the society is a PRA-authorised person, the PRA] of the fact and, except in the case of an alteration to an instrument, of the date of commencement of the dissolution, enclosing a copy of the instrument or altered instrument, as the case may be; and if the trustees fail to comply with this subsection they shall each be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (6) An instrument of dissolution under this section, or an alteration to such an instrument, shall be binding on all members of the society as from the date on which the copy of the instrument or altered instrument, as the case may be, is placed in the public file of the society under subsection (10) below.
- (7) The trustees shall, within 28 days from the termination of the dissolution, give notice to the [F<sup>3</sup>FCA and, if the society is a PRA-authorised person, the PRA] of the fact and the date of the termination, enclosing an account and balance sheet signed and certified by them as correct, and showing the assets and liabilities of the society at the commencement of the dissolution, and the way in which those assets and liabilities have been applied and discharged; and, if they fail to do so they shall each be liable on summary conviction—
- (a) to a fine not exceeding level 2 on the standard scale, and
  - (b) in the case of a continuing offence, to an additional fine not exceeding £10 for every day during which the offence continues.
- (8) Except with the consent of the [F<sup>4</sup>appropriate authority], no instrument of dissolution, or alteration of such an instrument, shall be of any effect if the purpose of the proposed dissolution or alteration is to effect or facilitate the transfer of the society's engagements to any other society [F<sup>5</sup>or the transfer of its business to a company].
- (9) Any provision in a resolution or document that members of a building society proposed to be dissolved shall accept investments in a company or another society (whether in shares, deposits or any other form) in or towards satisfaction of their rights in the dissolution shall be conclusive evidence of such a purpose as is mentioned in subsection (8) above.

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- (10) The [F6FCA] shall keep in the public file of the society any notice or other document received by it under subsection (5) or (7) above and shall record in that file the date on which the notice or document is placed in it.

#### Textual Amendments

- F2** Words in s. 87(5) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 31\(2\)](#) (with Sch. 12)
- F3** Words in s. 87(7) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 31\(3\)](#) (with Sch. 12)
- F4** Words in s. 87(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. 31\(4\)](#) (with Sch. 12)
- F5** Words in s. 87(8) substituted (9.6.1997) by 1997 c. 32, s. 43, [Sch. 7 para. 38](#); S.I. 1997/1427, [art. 2\(k\)\(n\)\(x\)](#)
- F6** Word in s. 87(10) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 31\(5\)](#) (with Sch. 12)

## 88 Voluntary winding up.

- (1) A building society may be wound up voluntarily under the applicable winding up legislation if it resolves by special resolution that it be wound up voluntarily<sup>[F7]</sup>, but a resolution may not be passed if—
- the conditions in section 90D are not satisfied, or
  - the society is in building society insolvency or building society special administration.]

[F8(1A) A resolution under subsection (1) shall have no effect without the prior approval of the court.]

- (2) A copy of any special resolution passed for the voluntary winding up of a building society"shall be sent by the society [F9to the FCA and, if the society is a PRA-  
authorised person, the PRA] within 15 days after it is passed; and the [F10FCA must keep a copy] in the public file of the society.
- (3) A copy of any such resolution shall be annexed to every copy of the memorandum or of the rules issued after the passing of the resolution.
- (4) If a building society fails to comply with subsection (2) or (3) above the society shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale and so shall any officer who is also guilty of the offence.
- (5) For the purposes of this section, a liquidator of the society shall be treated as an officer of it.

#### Textual Amendments

- F7** Words in s. 88(1) inserted (29.3.2009) by [The Building Societies \(Insolvency and Special Administration\) Order 2009 \(S.I. 2009/805\)](#), [art. 4](#)
- F8** S. 88(1A) inserted (29.3.2009) by [The Building Societies \(Insolvency and Special Administration\) Order 2009 \(S.I. 2009/805\)](#), [art. 4](#)
- F9** Words in s. 88(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 32\(a\)](#) (with Sch. 12)

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**F10** Words in s. 88(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 32\(b\)](#) (with Sch. 12)

## 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 <sup>F11</sup>given permission under <sup>F12</sup>Part 4A] of the Financial Services and Markets Act 2000 to accept deposits] and more than three years has expired since it was so registered;
  - <sup>F12</sup>[(e) the society’s permission under Part 4A] of the Financial Services and Markets Act 2000 to accept deposits has been cancelled (and no such permission has subsequently been given to it);]
  - (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—
- <sup>F13</sup>(a) the FCA, after consulting the PRA if the society is a PRA-authorized person,
  - (aa) if the society is a PRA-authorized person, the PRA, after consulting the FCA,]
  - (b) the building society or its directors,
  - (c) any creditor or creditors (including any contingent or any prospective creditor), or
  - (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,
- <sup>F14</sup>(a) . . . . .
  - <sup>F15</sup>(b) the reference to its existing for an illegal purpose includes a reference to its existing after it has ceased to comply with the requirement imposed by section 5(1)(a) (purpose or principal purpose).]
- (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.

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#### Textual Amendments

- F11** S. 89(1)(e) and words in s. 89(1)(d) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, art. 13(1), **Sch. 3 Pt. II, para. 175(a)(i)(ii)** (with art. 13(3), Sch. 5) S.I. 2001/3538, **art. 2(a)**
- F12** Words in s. 89(1) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 33(2)** (with Sch. 12)
- F13** S. 89(2)(a)(aa) substituted for s. 89(2)(a) (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 8 para. 33(3)** (with Sch. 12)
- F14** S. 89(4)(a) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5 and with saving in S.I. 2001/2967, **arts. 1(2), 9(1)(c)**); S.I. 2001/3538, **art. 2(1)**
- F15** S. 89(4)(b) 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. 39**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxiii)**

#### [<sup>F16</sup>89A. Building society insolvency as alternative order

- (1) On a petition for a winding up order or an application for an administration order in respect of a building society the court may, instead, make a building society insolvency order (under section 94 of the Banking Act 2009 as applied by section 90C below).
- (2) A building society insolvency order may be made under subsection (1) only—
  - (a) on the application of the [<sup>F17</sup>appropriate authority] made with the consent of the Bank of England, or
  - (b) on the application of the Bank of England.]

#### Textual Amendments

- F16** S. 89A inserted (29.3.2009) by The Building Societies (Insolvency and Special Administration) Order 2009 (S.I. 2009/805), **art. 5**
- F17** Words in s. 89A(2)(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. 34** (with Sch. 12)

#### 90 Application of winding up legislation to building societies.

- (1) In this section “the companies winding up legislation” means the enactments applicable in relation to England and Wales, Scotland or Northern Ireland which are specified in paragraph 1 of Schedule 15 to this Act (including any enactment which creates an offence by any person arising out of acts or omissions occurring before the commencement of the winding up).
- (2) In its application to the winding up of a building society, by virtue of section 88(1) or 89(1), the companies winding up legislation shall have effect with the modifications effected by Parts I to III of Schedule 15 to this Act; and the supplementary provisions of Part IV of that Schedule shall also have effect in relation to such a winding up.
- (3) In sections 37, 88, 89 and 103, “the applicable winding up legislation” means the companies winding up legislation as so modified.

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**Modifications etc. (not altering text)**

**C1** S. 90(3) excluded by [S.I. 1986/2168](#), [art. 11](#)

**[<sup>F18</sup>90A Application of other companies insolvency legislation to building societies.**

For the purpose of—

- (a) enabling voluntary arrangements to be approved in relation to building societies,
- (b) enabling administration orders to be made in relation to building societies, and
- (c) making provision with respect to persons appointed in England and Wales [<sup>F19</sup>, Scotland] or Northern Ireland as receivers and managers [<sup>F20</sup>, or receivers,] of building societies' property,

the enactments specified in paragraph 1(2) of Schedule 15A to this Act shall apply in relation to building societies with the modifications specified in that Schedule.]

**Textual Amendments**

**F18** S. 90A inserted (1.12.1997) by [1997 c. 32, s. 39\(1\)](#); [S.I. 1997/2668, art. 2, Sch. Pt. 1\(i\)](#)

**F19** Word in s. 90A(c) inserted (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), [3\(a\)](#)

**F20** Words in s. 90A(c) inserted (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), [3\(b\)](#)

**Modifications etc. (not altering text)**

**C2** S. 90A applied (with modifications) (7.4.2010) by [The Building Societies \(Financial Assistance\) Order 2010 \(S.I. 2010/1188\)](#), arts. 1(2), [10](#) (as amended (with application in accordance with art. 1(4) of the amending S.I.) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), art. 1(1)(2), [5\(2\)](#))

**[<sup>F21</sup>90B Power to alter priorities on dissolution and winding up**

- (1) The Treasury may by order make provision for the purpose of ensuring that, on the winding up, or dissolution by consent, of a building society, any assets available for satisfying the society's liabilities to creditors or to shareholders are applied in satisfying those liabilities *pari passu*.
- (2) Liabilities to creditors do not include—
  - (a) liabilities in respect of subordinated deposits;
  - (b) liabilities in respect of preferential debts;
  - (c) any other category of liability which the Treasury specifies in the order for the purposes of this paragraph.
- (3) Liabilities to shareholders do not include liabilities in respect of deferred shares.
- (4) A preferential debt is a debt which constitutes a preferential debt for the purposes of any of the enactments specified in paragraph 1 of Schedule 15 to this Act (or which would constitute such a debt if the society were being wound up).
- (5) An order under this section may—

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- (a) make amendments of this Act;
  - (b) make different provision for different purposes;
  - (c) make such consequential, supplementary, transitional and saving provision as appears to the Treasury to be necessary or expedient.
- (6) The power to make an order under this section is exercisable by statutory instrument but no such order may be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.]

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**Textual Amendments**

**F21** S. 90B inserted (20.11.2014) by [Building Societies \(Funding\) and Mutual Societies \(Transfers\) Act 2007 \(c. 26\)](#), **ss. 2, 6(2)**; S.I. 2014/2796, art. 2

**[<sup>F22</sup>90C. Application of bank insolvency and administration legislation to building societies**

- (1) Parts 2 (Bank Insolvency) and 3 (Bank Administration) of the Banking Act 2009 shall apply in relation to building societies with any modifications specified in an order made under section 130 or 158 of that Act and with the modifications specified in subsection (2) below.
- (2) In the application of Parts 2 and 3 of that Act to building societies—
- (a) references to “bank” (except in the term “bridge bank” and the terms specified in paragraphs (b) and (c)) have effect as references to “building society”;
  - (b) references to “bank insolvency”, “bank insolvency order”, “bank liquidation” and “bank liquidator” have effect as references to “building society insolvency”, “building society insolvency order”, “building society liquidation” and “building society liquidator”;
  - (c) references to “bank administration”, “bank administration order” and “bank administrator” have effect as references to “building society special administration”, “building society special administration order” and “building society special administrator”.]

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**Textual Amendments**

**F22** S. 90C inserted (29.3.2009) by [The Building Societies \(Insolvency and Special Administration\) Order 2009 \(S.I. 2009/805\)](#), **art. 2**

**[<sup>F23</sup>90D. Notice to the [<sup>F24</sup>FCA and the PRA] of preliminary steps**

- (1) An application for an administration order in respect of a building society may not be determined unless the conditions below are satisfied.
- (2) A petition for a winding up order in respect of a building society may not be determined unless the conditions below are satisfied.
- (3) A resolution for voluntary winding up of a building society may not be passed unless the conditions below are satisfied.

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- (4) An administrator of a building society may not be appointed unless the conditions below are satisfied.
- (5) Condition 1 is that the [<sup>F25</sup>FCA]<sup>F26</sup>, the Bank of England] and, if the society is a PRA-  
 authorised person, the PRA have] been notified—
- (a) by the applicant for an administration order, that the application has been made,
  - (b) by the petitioner for a winding up order, that the petition has been presented,
  - (c) by the building society, that a resolution for voluntary winding up may be passed, or
  - (d) by the person proposing to appoint an administrator, of the proposed appointment.
- (6) Condition 2 is that a copy of the notice complying with Condition 1 has been filed with the court (and made available for public inspection by the court).
- (7) Condition 3 is that—
- (a) the period of [<sup>F27</sup>7 days] , beginning with the day on which the notice is received, has ended, or
  - <sup>F28</sup>(b) both—
    - (i) the Bank of England has informed the person who gave the notice that it does not intend to exercise a stabilisation power under Part 1 of the Banking Act 2009 in relation to the building society (and condition 5 has been met, if applicable), and
    - (ii) each of the PRA and the Bank of England has informed the person who gave the notice that it does not intend to apply for a building society insolvency order (under section 95 of the Banking Act 2009 as applied by section 90C).]
- (8) Condition 4 is that no application for a building society insolvency order is pending.
- [ Condition 5—
- <sup>F29</sup>(8A) (a) applies only if a resolution instrument has been made under section 12A of the Banking Act 2009 with respect to the building society in the three months ending with the date on which the Bank of England receives the notification under Condition 1, and
- (b) is that the Bank of England has informed the person who gave the notice that it consents to the insolvency procedure to which the notice relates going ahead.]
- (9) Arranging for the giving of notice in order to satisfy Condition 1 can be a step with a view to minimising the potential loss to a building society’s creditors for the purpose of section 214 of the Insolvency Act 1986 (wrongful trading) or Article 178 (wrongful trading) of the Insolvency (Northern Ireland) Order 1989 as applied in relation to building societies by section 90 of, and Schedule 15 to, this Act.
- (10) Where [<sup>F30</sup>the society is a PRA-authorized person and][<sup>F31</sup>notice has been given under Condition 1] —
- <sup>F32</sup>(a) .....
  - (b) the [<sup>F33</sup>PRA] shall inform the person who gave the notice, within the period in Condition 3(a), whether it intends to apply for a building society insolvency order, <sup>F34</sup>...



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- (c) if the Bank of England decides to apply for a building society insolvency order or to exercise a stabilisation power under Part 1 of the Banking Act 2009, the Bank shall inform the person who gave the notice, within the period in Condition 3(a)<sup>F35</sup>; and
- (d) if Condition 5 applies, the Bank of England must, within the period in Condition 3(a), inform the person who gave the notice whether or not it consents to the insolvency procedure to which the notice relates going ahead.]

[ Where the society is not a PRA-authorised person and <sup>F37</sup>notice has been received <sup>F36</sup>(11) under Condition 1 ]

- <sup>F38</sup>(a) .....
- (b) if the Bank of England decides to apply for a building society insolvency order or to exercise a stabilisation power under Part 1 of the Banking Act 2009, the Bank shall inform the person who gave the notice, within the period in Condition 3(a)<sup>F39</sup>; and
- (c) if Condition 5 applies, the Bank of England must, within the period in Condition 3(a), inform the person who gave the notice whether or not it consents to the insolvency procedure to which the notice relates going ahead.]

[ References in this section to the insolvency procedure to which the notice relates are <sup>F40</sup>(12) to the procedure for the determination, resolution or appointment in question (see subsections (1) to (4)).]

#### Textual Amendments

- F23** Ss. 90D, 90E inserted (29.3.2009) by [The Building Societies \(Insolvency and Special Administration\) Order 2009 \(S.I. 2009/805\)](#), **art. 6**
- F24** Words in s. 90D heading substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), **art. 1(1)**, **Sch. 8 para. 35(6)** (with Sch. 12)
- F25** Words in s. 90D(5) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), **art. 1(1)**, **Sch. 8 para. 35(2)** (with Sch. 12)
- F26** Words in s. 90D(5) inserted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), **arts. 1, 4(2)**
- F27** Words in s. 90D(7)(a) substituted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), **arts. 1, 4(3)(a)**
- F28** S. 90D(7)(b) substituted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), **arts. 1, 4(3)(b)**
- F29** S. 90D(8A) inserted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), **arts. 1, 4(4)**
- F30** Words in s. 90D(10) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), **art. 1(1)**, **Sch. 8 para. 35(4)(a)** (with Sch. 12)
- F31** Words in s. 90D(10) substituted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), **arts. 1, 4(5)(a)**
- F32** S. 90D(10)(a) omitted (10.1.2015) by virtue of [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), **arts. 1, 4(5)(b)**
- F33** Word in s. 90D(10) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), **art. 1(1)**, **Sch. 8 para. 35(4)(b)** (with Sch. 12)
- F34** Word in s. 90D(10)(b) omitted (10.1.2015) by virtue of [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), **arts. 1, 4(5)(c)**
- F35** S. 90D(10)(d) and word inserted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), **arts. 1, 4(5)(d)**

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- F36** S. 90D(11) inserted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 35(5)** (with Sch. 12)
- F37** Words in s. 90D(11) substituted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), arts. 1, **4(6)(a)**
- F38** S. 90D(11)(a) omitted (10.1.2015) by virtue of [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), arts. 1, **4(6)(b)**
- F39** S. 90D(11)(c) and word inserted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), arts. 1, **4(6)(c)**
- F40** S. 90D(12) inserted (10.1.2015) by [The Building Societies \(Bail-in\) Order 2014 \(S.I. 2014/3344\)](#), arts. 1, **4(7)**

## 90E. Disqualification of directors

- (1) In this section “the Disqualification Act” means the Company Directors Disqualification Act 1986.
- (2) In the Disqualification Act—
  - (a) a reference to liquidation includes a reference to building society insolvency and a reference to building society special administration,
  - (b) a reference to winding up includes a reference to making or being subject to a building society insolvency order and a reference to making or being subject to a building society special administration order,
  - (c) a reference to becoming insolvent includes a reference to becoming subject to a building society insolvency order and a reference to becoming subject to a building society special administration order, and
  - (d) a reference to a liquidator includes a reference to a building society liquidator and a reference to a building society special administrator.
- [<sup>F41</sup>(3) For the purposes of the application of section 7A of the Disqualification Act (office-holder’s report on conduct of directors) to a building society which is subject to a building society insolvency order—
  - (a) the “office-holder” is the building society liquidator,
  - (b) the “insolvency date” means the date on which the building society insolvency order is made, and
  - (c) subsections (9) to (11) are omitted.
- (4) For the purposes of the application of that section to a building society which is subject to a building society special administration order—
  - (a) the “office-holder” is the building society special administrator,
  - (b) the “insolvency date” means the date on which the building society special administration order is made, and
  - (c) subsections (9) to (11) are omitted.]
  - (5) In the application of this section to Northern Ireland, references to the Disqualification Act are to the Company Directors Disqualification (Northern Ireland) Order 2002 and [<sup>F42</sup>in subsections (3) and (4)—
    - (a) the reference to section 7A of the Disqualification Act is a reference to Article 10A of that Order (office-holder’s report on conduct of directors), and
    - (b) the reference to subsections (9) to (11) of that section is a reference to paragraphs (9) to (11) of that Article.]]

*Changes to legislation: Building Societies Act 1986, Cross Heading: Dissolution and winding up is up to date with all changes known to be in force on or before 02 June 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*

#### Textual Amendments

- F23** Ss. 90D, 90E inserted (29.3.2009) by [The Building Societies \(Insolvency and Special Administration\) Order 2009 \(S.I. 2009/805\)](#), **art. 6**
- F41** S. 90E(3)(4) substituted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(2)(a)**
- F42** Words in s. 90E(5) substituted (7.4.2017) by [The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency \(Amendment\) Act \(Northern Ireland\) 2016 \(Consequential Amendments and Transitional Provisions\) Regulations 2017 \(S.I. 2017/400\)](#), regs. 1(2), **2(2)(b)**

### 91 Power of court to declare dissolution of building society void.

- (1) Where a building society has been dissolved under section 87 or following a winding up, [<sup>F43</sup>building society insolvency or building society special administration,] the High Court or, in relation to a society whose principal office was in Scotland, the Court of Session, may, at any time within 12 years after the date on which the society was dissolved, make an order under this section declaring the dissolution to have been void.
- (2) An order under this section may be made, on such terms as the court thinks fit, on an application by the trustees under section 87 or the liquidator, [<sup>F44</sup>building society liquidator or building society special administrator,] as the case may be, or by any other person appearing to the Court to be interested.
- (3) When an order under this section is made, such proceedings may be taken as might have been taken if the society has not been dissolved.
- (4) The person on whose application the order is made shall, within seven days of its being so made, or such further time as the Court may allow, [<sup>F45</sup>furnish the FCA and, if the society is a PRA-authorized person, the PRA] with a copy of the order; and the [<sup>F46</sup>FCA must keep a copy] in the public file of the society.
- (5) If a person fails to comply with subsection (4) above, he shall be liable on summary conviction—
  - (a) to a fine not exceeding level 3 on the standard scale, and
  - (b) in the case of a continuing offence, to an additional fine not exceeding £40 for every day during which the offence continues.

#### Textual Amendments

- F43** Words in s. 91(1) inserted (29.3.2009) by [The Building Societies \(Insolvency and Special Administration\) Order 2009 \(S.I. 2009/805\)](#), **art. 8(a)**
- F44** Words in s. 91(2) inserted (29.3.2009) by [The Building Societies \(Insolvency and Special Administration\) Order 2009 \(S.I. 2009/805\)](#), **art. 8(b)**
- F45** Words in s. 91(4) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 36(a)** (with Sch. 12)
- F46** Words in s. 91(4) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 36(b)** (with Sch. 12)

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*Changes to legislation: Building Societies Act 1986, Cross Heading: Dissolution and winding up is up to date with all changes known to be in force on or before 02 June 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*

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**[<sup>F47</sup>92 Supplementary.**

Where at any time a building society is being wound up or dissolved by consent, [<sup>F48</sup>or is in building society insolvency or building society special administration,] a borrowing member shall not be liable to pay any amount other than one which, at that time, is payable under the mortgage or other security by which his indebtedness to the society in respect of the loan is secured.]

**Textual Amendments**

- F47** S. 92 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. 40**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xxiv)**
- F48** Words in s. 92 inserted (29.3.2009) by **The Building Societies (Insolvency and Special Administration) Order 2009 (S.I. 2009/805), art. 9**

**Changes to legislation:**

Building Societies Act 1986, Cross Heading: Dissolution and winding up is up to date with all changes known to be in force on or before 02 June 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](#)