



# Building Societies (Funding) and Mutual Societies (Transfers) Act 2007

## 2007 CHAPTER 26

### 2 Power to alter priorities on dissolution and winding up

After section 90A of the Building Societies Act 1986 (c. 53) insert—

#### **“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—
  - (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.

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**Changes to legislation:** There are currently no known outstanding effects for the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, Section 2. (See end of Document for details)

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- (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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**Commencement Information**

**II** [S. 2](#) in force at 20.11.2014 by [S.I. 2014/2796](#), [art. 2](#)

**Changes to legislation:**

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