



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

2007 CHAPTER 26

4 Transfers to subsidiaries: distribution of funds

- (1) An order under section 3 may provide for this section to have effect.
- (2) Subsection (3) applies if the terms of a transfer to which the order applies include provision for part of the funds of the transferor or the mutual society of which the transferee is a subsidiary (the holding mutual) to be distributed in consideration of the transfer among the members of—
 - (a) the transferor,
 - (b) the holding mutual, or
 - (c) both the transferor and the holding mutual.
- (3) The provision for the distribution must be authorised as follows—
 - (a) it must not exceed the limits prescribed by order under subsection (4), and the distribution must be approved (in the case of the transferor) by the transfer resolution or (in the case of the holding mutual) by a resolution of such description as the Treasury specifies by order;
 - (b) if the provision for a distribution exceeds the prescribed limits, it must be approved by each of the resolutions mentioned in paragraph (a).
- (4) The Treasury must by order authorise distributions of funds to members by mutual societies participating (directly or through a subsidiary) in transfers to which an order mentioned in subsection (1) applies, subject to limits specified by or determined in accordance with the order.
- (5) A transfer resolution is—
 - (a) in relation to a building society, each of the resolutions required pursuant to paragraph 30 of Schedule 2 to the Building Societies Act 1986 (c. 53);
 - (b) in relation to a friendly society, the resolution required by section 86(2)(b) of the Friendly Societies Act 1992 (c. 40);

Changes to legislation: There are currently no known outstanding effects for the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, Section 4. (See end of Document for details)

[^{F1}(c) in relation to a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014, the resolution required by section 112 of that Act.]

(6) Expressions used in this section and in section 3 have the same meaning as in that section.

(7) Subsections (4) to (7) of that section apply to an order under this section as they apply to an order under that section.

Textual Amendments

F1 S. 4(5)(c) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 115](#) (with [Sch. 5](#))

Commencement Information

I1 S. 4 in force at 16.1.2009 by [S.I. 2009/36](#), [art. 2](#)

Changes to legislation:

There are currently no known outstanding effects for the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, Section 4.