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STATUTORY INSTRUMENTS

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**2010 No. 2581**

The Building Society Insolvency  
(England and Wales) Rules 2010

PART 10

THE LIQUIDATION COMMITTEE

**Application of rules in this Part**

**115.** The rules in this Part apply only in relation to the liquidation committee established after a full payment resolution has been passed.

**Membership of committee**

**116.—**(1) Apply rule 4.152 of the 1986 Rules.

(2) For paragraph (1) substitute—

“(1) Subject to rule 42(2) and (5) of the 2010 Rules, rule 4.154 as applied by rule 118 of the 2010 Rules and rule 4.171 as applied by rule 134 of the 2010 Rules, the liquidation committee shall consist of either three or five creditors of the company, elected by the meeting of creditors held under rule 42 of those Rules.”.

(3) Ignore paragraphs (2), (4) and (7)(1).

**Formalities of establishment**

**117.** Apply rule 4.153 of the 1986 Rules(2).

**Committee established by contributories**

**118.—**(1) Apply rule 4.154 of the 1986 Rules(3).

(2) For paragraph (1) substitute—

“(1) This rule applies where the outcome of the creditors’ meeting summoned by the building society liquidator under rule 42 of the 2010 Rules is, (by virtue of rule 42(2)), that the liquidation committee ceases to exist at the end of the meeting.”.

(3) In paragraph (2), for “that section” substitute “section 141 of the Act”.

(4) In paragraph (4) for “at least 3 and not more than 5”, substitute “three or five”.

**Obligations of liquidator to committee**

**119.** Apply rule 4.155 of the 1986 Rules.

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(1) Paragraph (7) was substituted by [S.I. 2001/3649](#).

(2) Paragraphs (3) and (3A) were substituted by [S.I. 1987/1919](#) and amended by [S.I. 2009/2472](#).

(3) Paragraph (4) was amended by [S.I. 1987/1919](#).

### **Meetings of the committee**

- 120.—(1) Apply rule 4.156 of the 1986 Rules.  
(2) In paragraph (2)(a), after “representative” insert “or the FSCS”.

### **The chair at meetings**

121. Apply rule 4.157 of the 1986 Rules.

### **Quorum**

122. Subject to rule 4.171(6A) of the 1986 Rules as inserted by rule 134(3) of these rules, a meeting of the committee is duly constituted if due notice of it has been given to all the members, and at least two members are present or represented.

### **Committee–members’ representatives**

123. Apply rule 4.159 of the 1986 Rules(4).

### **Resignation**

124. Apply rule 4.160 of the 1986 Rules.

### **Termination of membership**

125. Apply rule 4.161 of the 1986 Rules(5).

### **Removal**

126. Apply rule 4.162 of the 1986 Rules.

### **Vacancy (creditor members)**

127. Apply rule 4.163 of the 1986 Rules.

### **Vacancy (contributory members)**

128. Apply rule 4.164 of the 1986 Rules.

### **Voting rights and resolutions**

129. Apply rule 4.165 of the 1986 Rules. In paragraph (1), leave out “creditor”.

### **Resolutions by post**

- 130.—(1) Apply rule 4.167 of the 1986 Rules(6).  
(2) In paragraph (3), after “committee” insert “or the FSCS”.

### **Liquidator’s reports**

131. Apply rule 4.168 of the 1986 Rules.

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(4) Rule 4.159 was amended by [S.I. 1987/1919](#), [S.I. 2004/584](#) and [S.I. 2009/2472](#).

(5) Paragraph (1) was amended by [S.I. 1987/1919](#).

(6) Paragraph (2) was amended by [S.I. 1987/1919](#).

**Expenses of members, etc.**

132. Apply rule 4.169 of the 1986 Rules(7).

**Dealings by committee—members and others**

133. Apply rule 4.170 of the 1986 Rules(8).

**Composition of committee when creditors paid in full**

134.—(1) Apply rule 4.171 of the 1986 Rules.

(2) In paragraph (6)—

(a) at the beginning, insert “Subject to paragraph (6A) below”;

(b) after “under paragraph (1)” insert “or since the FSCS has ceased to be on the committee”;

(c) at the end, insert “subject to paragraph (6A) below”.

(3) After paragraph (6) insert—

“(6A) The liquidation committee continues to exist and can act so long as it consists of at least the FSCS.”

**Committee’s functions vested in the Secretary of State**

135. Apply rule 4.172 of the 1986 Rules. Ignore paragraph (2).

**Formal defects**

136. Apply rule 4.172A of the 1986 Rules(9).

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(7) Rule 4.169 was amended by [S.I. 2008/737](#).

(8) Paragraphs (2) and (7) were amended by [S.I. 2008/737](#).

(9) Rule 4.172A was inserted by [S.I. 1987/1919](#).