



Building Societies Act 1986

1986 CHAPTER 53

PART X

DISSOLUTION, WINDING UP, MERGERS AND TRANSFER OF BUSINESS

Transfer of business to commercial company

101 Protective provisions for specially formed successors.

- (1) No company specially formed by a building society to be its successor shall, at any time during the protective period—
 - [^{F1}(a) offer for sale or invite subscription for any shares in or debentures of the company or allot or agree to allot any such shares or debentures with a view to their being offered for sale;]
 - (b) allot or agree to allot any share in or debenture of the company, or
 - (c) register a transfer of shares in or debentures of the company,if the effect of the offer [^{F2}the invitation], the allotment or the registration of the transfer would be that more shares or debentures than the permitted proportion would be held by, or by nominees for, any one person (other than the society).
- (2) The articles of association of the company shall include provision such will secure that the company does not offer [^{F3}, invite subscription for,], allot or register transfers of, shares or debentures in contravention of subsection (1) above and no alteration in those provisions may be made by the company during the protective period.
- (3) Any provision (including any altered provision) of the company's articles of association which is to any extent inconsistent with subsection (1) above shall, to that extent, be void; and any allotment or registration of a transfer of shares or debentures in contravention of that subsection shall be void.
- (4) The Bank of England, if it considers it desirable in the interests of the depositors and potential depositors of a successor to do so, may direct by notice to the successor that this section shall cease to apply to the successor.

Status: Point in time view as at 01/06/1992. This version of this provision has been superseded.

Changes to legislation: Building Societies Act 1986, Section 101 is up to date with all changes known to be in force on or before 05 August 2024. 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)

(5) In subsections (1) to (3) above—

“the permitted proportion”, in relation to shares in or debentures of the company, is 15 per cent. of, in the case of shares, the company’s issued share capital and, in the case of debentures, the total indebtedness of the company on its debentures, as the case may be;

“the protective period” is the period beginning with the date of the company’s incorporation and ending five years after the vesting date; and

“transfer”, in relation to shares or debentures, does not include a transfer to a person to whom the right to any shares or debentures has been transmitted by operation of law;

and any expression used in those subsections and in the ^{M1}Companies Act 1985 or, as regards Northern Ireland, the ^{M2}Companies (Northern Ireland) Order 1986 has the same meaning in those subsections as in that Act or that Order.

Textual Amendments

- F1** S. 101(1)(a) substituted by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), s. 212(2), **Sch. 16 para. 30(a)**
F2 Words inserted by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), s. 212(2), **Sch. 16 para. 30(b)**
F3 Words substituted by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), s. 212(2), **Sch. 16 para. 30(c)**

Marginal Citations

- M1** 1985 c. 6.
M2 S.I. 1986/1032 (N.I.6.)

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