
STATUTORY RULES OF NORTHERN IRELAND

2014 No. 40

The Building Society Special Administration
Rules (Northern Ireland) 2014

PART 5

Application of the 1991 Rules

General application

60. The provisions of the 1991 Rules listed in the Table in Rule 63 apply for the purposes of special administration and applications for special administration.

61. For that purpose the Rules apply with—

- (a) the general modifications set out in Rule 62;
- (b) any specific modification set out in the Table in Rule 63; and
- (c) any other necessary modification.

General modifications

62. The general modifications are that—

- (a) a reference to an administrator or liquidator is to be treated as a reference to a building society special administrator;
- (b) a reference to administration or liquidation is to be treated as a reference to building society special administration;
- (c) a reference to a provisional liquidator is to be treated as a reference to a provisional building society special administrator;
- (d) a reference to a winding-up order is to be treated as a reference to a building society special administration order;
- (e) a reference to a petition for a winding-up order is to be treated as a reference to an application for a building society special administration order;
- (f) a reference to insolvency proceedings is to be treated as a reference to building society special administration (or proceedings for special administration);
- (g) a reference to the responsible insolvency practitioner is to be treated as a reference to the building society special administrator or provisional special administrator;
- (h) all references to the Official Receiver are to be ignored;
- (i) all references to the EC regulation or to the appointment of a member State liquidator are to be ignored;
- (j) a reference to the company is to be treated as a reference to the building society;

- (k) a reference to the officers, or to a particular officer, of a company is to be treated as a reference to the officers, or to the corresponding officer, of a building society and as including a person holding himself out as such an officer;
- (l) a reference to a contributory is to be treated as a reference to a contributory within the meaning of these Rules (see Rule 4(1)(d));
- (m) a reference to the registered office of the company is to be treated as a reference to the principal office of the building society;
- (n) a reference to sending or giving a document or notice to, or filing it with, the registrar of companies is to be treated as a reference to sending the document or notice to the FCA for placing on the public file of the building society;
- (o) a reference to a voluntary arrangement under Part II of the 1989 Order is to be treated as a reference to a voluntary arrangement under that Part as applied in relation to building societies by section 90A of, and Schedule 15A to, the Building Societies Act;
- (p) a reference to a paragraph of Schedule B1 to the 1989 Order is to be treated as a reference to that paragraph as applied and modified by section 145 of the Banking Act, by section 90C of the Building Societies Act and by any order made under section 158 of the Banking Act; and
- (q) a reference to the 1989 Order includes a reference to Part 3 of the Banking Act.

Table of applications and specific modifications

63. This Rule contains the Table of applied provisions of the 1991 Rules.

<i>Rule</i>	<i>Subject</i>	<i>Specific modifications</i>
Preparatory steps		
Introductory Provisions 0.1 to 0.7	Interpretation and application	
2.028	Notification and advertisement of administrator's appointment	(1) In paragraph (1), for "newspaper", substitute "manner". (2) Ignore paragraph (2)(a), (b) and (e).
2.029	Notice requiring statement of affairs	
2.030	Verification and filing	
2.031	Limited disclosure	On an application for disclosure under paragraph (4) any of the following may appear and be heard, or make written representations— (a) the special administrator; (b) the Bank of England; and (c) the FCA and where relevant the PRA.
2.032	Release from duty to submit statement of affairs; extension of time	On an application under paragraph (2) for release or extension of time any of the following may appear and be heard, or make written representations— (a) the special administrator; (b) the Bank of England; and (c) the FCA and where relevant the PRA.

Rule	Subject	Specific modifications
2.033	Expenses of statement of affairs	
Special administrator's proposals and creditors' meetings		
2.034	<i>Administrator's proposals</i>	<i>Rule 2.034 is not applied – but equivalent provision is made by Part 3 of these Rules.</i>
2.035	Meetings to consider administrator's proposals	(1) Rule 2.035 applies in the Objective 2 Stage. (2) The FCA, and where relevant the PRA, and the FSCS are added to the list in paragraph (2) of persons entitled to notice.
2.036	Creditors' meetings generally	The FCA, and where relevant the PRA, and FSCS are added to the list in paragraph (3) of persons to whose convenience the special administrator is to have regard.
2.037	Chairman at meetings	
2.038	Meeting requisitioned by creditors	Treat the reference to the administrator's statement of proposals as a reference to the special administrator's statement of proposals in accordance with Rule 29.
2.039	Entitlement to vote	
2.040	Admission and rejection of claims	
2.041	Secured creditors	
2.042	Holder of negotiable instruments	
2.043	Hire-purchase, conditional sale and chattel leasing agreements	
2.044	Resolutions	
2.045	Minutes	
2.046	Revision of the administrator's proposals	In paragraph (2)(c) ignore the reference to the person making the appointment.
2.047	Notice to creditors	
2.048	<i>Reports to creditors</i>	<i>Rule 2.048 is not applied – but equivalent provision is made by Part 3 of these Rules.</i>
2.049	Correspondence instead of creditors' meetings	
2.050	Venue and conduct of company meeting	In paragraph (5) the reference to a general meeting of the company summoned under the company's articles of association, and in accordance with the applicable provisions of the Companies Act, has effect as a reference to a general meeting of the society summoned under the society's rules, and in

Rule	Subject	Specific modifications
		accordance with the applicable provisions of the Building Societies Act.
Creditors' committee		
2.051	Constitution of committee	<i>(A creditors' committee cannot be established until the Objective 2 Stage – see the modifications for the application of paragraphs 51 to 59 of Schedule B1 to the 1989 Order in Table 1 in section 145 of the Banking Act.)</i>
2.052	Formalities of establishment	
2.053	Functions and meetings of the committee	
2.054	The chair at meetings	
2.055	Quorum	
2.056	Committee-members' representatives	
2.057	Resignation	
2.058	Termination of membership	
2.059	Removal	
2.060	Vacancies	
2.061	Procedure at meetings	
2.062	Resolutions of creditors' committee by post	
2.063	Information from administrator	
2.064	Expenses of members	
2.065	Members dealing with the society	In respect of any application to set aside a transaction under paragraph (3)— (a) notice of the application shall be given to the FCA and where relevant the PRA; and (b) the FCA and where relevant the PRA may appear and be heard.
2.066	Formal defects	
Process of administration		
2.067	Disposal of charged property	If an application is made during the Objective 1 Stage, then in addition to the requirements of Rule 2.067— (a) the special administrator shall notify the Bank of England of the time and place of the hearing; (b) the Bank of England may appear; and

Rule	Subject	Specific modifications
		(c) if an order is made the special administrator shall send a copy to the Bank of England as soon as is reasonably practicable.
2.068	Expenses of the administration	In addition to the matters listed in Rule 2.068(1), expenses in connection with provisional special administration are payable in the following order of priority— (a) the cost of any security provided by the provisional special administrator takes priority equally with security provided by the special administrator; and (b) the remuneration of the provisional special administrator ranks next; and (c) any deposit lodged on an application for the appointment of a provisional special administrator ranks next.
2.069	Distributions to creditors: introduction	In paragraphs (1) and (2) references to creditors include references to shareholding members. <i>(Distributions in the case of building society special administration following transfer to a bridge bank under section 12(2) of the Banking Act and during the Objective 1 Stage require the Bank of England's consent – see the modification for the application of paragraph 66 of Schedule B1 to the 1989 Order in Table 1 in section 145 of the Banking Act.)(1)</i>
2.070	Debts of insolvent company to rank equally	“Debts” do not include amounts owing from the society to a member in respect of shares.
2.071	Supplementary provisions as to dividend	
2.072	Division of unsold assets	
2.073	Proving a debt	
2.074	Claim established by affidavit	
2.075	Costs of proving	
2.076	Administrator to allow inspection of proofs	
2.077	New administrator appointed	
2.078	Admission and rejection of proofs for dividend	

(1) S.I. 2009/805 modifies the application of paragraph 66 of Schedule B1

Rule	Subject	Specific modifications
2.079	Appeal against decision on proof	In respect of any application under Rule 2.079(1) or (3)— (a) notice of the application shall be given to the FCA and where relevant the PRA and, during the Objective 1 Stage, the Bank of England; and (b) the FCA and where relevant the PRA, and the Bank of England during the Objective 1 Stage, may appear and be heard.
2.080	Withdrawal or variation of proof	
2.081	Expunging of proof by the court	In respect of any application under Rule 2.081(1)(b)— (a) notice of the application shall be given to the FCA and where relevant the PRA and, during the Objective 1 Stage, the Bank of England; and (b) the FCA and where relevant the PRA, and the Bank of England during the Objective 1 Stage, may appear and be heard.
Quantification of claims		
2.082	Estimate of quantum	
2.083	Negotiable instruments, etc.	
2.084	Secured creditors	
2.085	Discounts	
2.086	Mutual credit and set-off	In addition to the matters listed in Rule 2.086(2)(a) to (e), “mutual dealings” does not include any mutual dealings between the society and a creditor who is also a shareholding member of the society in respect of shares held by that person in the society. Where the conditions in paragraph (1) of Rule 49 of the 2012 Rules are met, Rule 2.086 applies with the modifications set out in Rule 49 in addition to the modifications set out above.
2.087	Debt in foreign currency	
2.088	Payments of a periodical nature	
2.089	Interest	
2.090	Debt payable at future time	
2.091	Value of security	

Rule	Subject	Specific modifications
2.092	Surrender for non-disclosure	
2.093	Redemption by administrator	
2.094	Test of security's value	
2.095	Realisation of security by creditor	
2.096	Notice of proposed distribution	<p>(1) The notice in Rule 2.096(1) shall also be given where the special administrator is proposing to make a distribution to shareholding members.</p> <p>(2) The notice in Rule 2.096(1) shall state, where applicable, that the distribution is to shareholding members of the society.</p> <p>(3) The following are added to the list of those entitled to receive notice under Rule 2.096(2)(a)—</p> <ul style="list-style-type: none"> (a) the FCA and where relevant the PRA; (b) the FSCS; (c) shareholding members of the society; and (d) during the Objective 1 Stage of a special administration following transfer to a bridge bank under section 12(2) of the Banking Act, the Bank of England. <p>(4) In Rule 2.096(4)(a) the reference to a distribution to creditors includes, where appropriate, a distribution to shareholding members.</p>
2.097	Admission or rejection of proofs	
2.098	Declaration of dividend	In Rule 2.098(1) the reference to one or more classes of creditor includes a reference to one or more classes of shareholding member.
2.099	Notice of declaration of dividend	<p>(1) The following are added to the list of those entitled to receive notice under Rule 2.099(1)—</p> <ul style="list-style-type: none"> (a) the FCA and where relevant the PRA; (b) the FSCS; (c) shareholding members of the society; and (d) during the Objective 1 Stage of a special administration following transfer to a bridge bank under section 12(2) of the Banking Act, the Bank of England.

Rule	Subject	Specific modifications
		<p>(2) In the case of special administration following transfer to a bridge bank under section 12(2) of the Banking Act and during the Objective 1 Stage, the particulars required by Rule 2.099(2) include details of any payment made from a scheme under a resolution fund order.</p> <p>(3) The particulars required by Rule 2.099(2) include, where appropriate, details of any distribution to shareholding members.</p>
2.100	Payment of dividends and related matters	In Rule 2.100(2) the reference to any creditor includes a reference to any shareholding member.
2.101	Notice of no dividend or no further dividend	<p>(1) The special administrator shall copy any notice under Rule 2.101 to—</p> <ul style="list-style-type: none"> (a) the FCA and where relevant the PRA; (b) the FSCS; and (c) the Bank of England, in a case where it consented to a distribution under Rule 2.069 (as applied). <p>(2) In Rule 2.101 the reference to creditors includes a reference to shareholding members.</p>
2.102	Proof altered after payment of dividend	
2.103	Secured creditors	
2.104	Disqualification from dividend	<p>In respect of any application for disqualification under Rule 2.104—</p> <ul style="list-style-type: none"> (a) notice of the application shall be given to the FCA and where relevant the PRA; and (b) the FCA and where relevant the PRA may appear and be heard.
2.105	Assignment of right to dividend	
2.106	Debt payable at future time	The “relevant date” is the date of the special administration order.
The special administrator		
2.107	Fixing of remuneration	<p>(1) In the Objective 1 Stage the Bank of England shall fix the special administrator’s remuneration in accordance with Rule 2.107(2).</p> <p>(2) In the Objective 2 Stage, Rule 2.107 applies (but pending action under</p>

Rule	Subject	Specific modifications
		paragraphs (3) or (5) arrangements established by the Bank of England in the Objective 1 Stage shall continue to apply).
2.108	Recourse to meeting of creditors	
2.109	Recourse to the court	<p>(1) In respect of remuneration fixed by the Bank of England—</p> <p>(a) Rule 2.109 applies as if references to the creditors' committee were references to the Bank of England; and</p> <p>(b) the court shall have regard to the achievement of Objective 1.</p> <p>(2) In respect of any application under Rule 2.109—</p> <p>(a) notice of the application shall be given to the FCA and where relevant the PRA; and</p> <p>(b) the FCA and where relevant the PRA may appear and be heard.</p>
2.110	Creditors' claim that remuneration is excessive	Rule 2.110 applies only during the Objective 2 Stage.
4.134B and Schedule 4	Remuneration where assets realised on behalf of chargeholder	
Ending administration		
2.111	Final progress reports	<p>(1) The reference to Rule 2.048 is to be treated as a reference to Rule 36.</p> <p>(2) In the case of special administration following transfer to a bridge bank under section 12(2) of the Banking Act the final progress report—</p> <p>(a) shall not be made until the special administrator is satisfied that any payment likely to be made to the building society from a scheme under a resolution fund order has been made; and</p> <p>(b) shall state whether any payment has been received and, if so, its amount.</p>
2.115	Application to court by administrator	<i>Rule 2.115 is not applied – but equivalent provision is made by Part 3 of these Rules</i>
2.119	Moving from administration to dissolution	<i>Rule 2.119 is not applied – but equivalent provision is made by Part 3 of these Rules.</i>
Replacing special administrator		

Status: This is the original version (as it was originally made).

Rule	Subject	Specific modifications
2.120	Grounds for resignation	During the Objective 1 Stage the Bank of England's consent, as well as the court's permission, is required for resignation under paragraph (2).
2.121	Notice of intention to resign	The Bank of England and the FCA and where relevant the PRA are added to the list of those entitled to notice under paragraph (1).
2.122	Notice of resignation	
2.123	Application to court to remove administrator from office	<p><i>(An application may be made during the Objective 1 Stage only with the Bank of England's consent – see the modifications for the application of paragraph 89 of Schedule B1 to the 1989 Order in Table 1 in section 145 of the Banking Act.)</i></p> <p>(1) An application shall state either—</p> <ul style="list-style-type: none"> (a) that the Bank of England has consented to its being made; or (b) that the Objective 1 Stage has ended. <p>(2) The FCA and where relevant the PRA are added to the list of those entitled to notice under paragraph (2).</p>
2.124	Notice of vacation of office on ceasing to be qualified	
2.125	Death of administrator	
2.126	Application to replace	<p>Rule 2.126 is applied during the Objective 2 Stage only (ignoring references to paragraph 96 of Schedule B1 to the 1989 Order).</p> <p><i>(For equivalent provision about application for removal by the Bank of England during the Objective 1 Stage (in accordance with the modifications for the application of paragraph 92 of Schedule B1 to the 1989 Order in Table 1 in section 145 of the Banking Act) see Part 3 of these Rules.)</i></p>
2.127	Notification and advertisement of appointment of replacement administrator	
2.128	Notification and advertisement of appointment of joint administrator	
2.129	Notice to FCA of replacement or addition	
2.130	Administrator's duties on vacating office	

Rule	Subject	Specific modifications
Provisional special administrator (see application of Article 115 of the 1989 Order in Table 2 in section 145 of the Banking Act)		
4.027	<i>Appointment of provisional liquidator</i>	<i>Rule 4.027 is not applied – but equivalent provision is made by Part 3 of these Rules.</i>
4.028	<i>Notice of appointment</i>	<i>Rule 4.028 is not applied – but equivalent provision is made by Part 3 of these Rules.</i>
4.029	<i>Order of appointment</i>	<i>Rule 4.029 is not applied – but equivalent provision is made by Part 3 of these Rules.</i>
4.031	Security	
4.032	Failure to give or keep up security	
4.033	Remuneration	Ignore paragraph (5).
4.034	Termination of appointment	(1) An application for termination may be made by— (a) the provisional special administrator; or (b) the Bank of England. (2) A provisional special administrator’s appointment terminates on the making of a special administration order.
Disclaimer		
4.197	Notice of disclaimer	<i>(In the case of special administration following transfer to a bridge bank under section 12(2) of the Banking Act notice may be given during the Objective 1 Stage only with the Bank of England’s consent – see the modifications for the application of Article 152 of the 1989 Order in Table 2 in section 145 of the Banking Act.)</i>
4.198	Communication of disclaimer to persons interested	
4.199	Additional notices	
4.200	Duty to keep court informed	
4.201	Application by interested party under Article 152(4) of the 1989 Order	
4.202	Interest in property to be declared on request	
4.203	Disclaimer presumed valid and effective	
4.204	Application for exercise of court’s powers under Article 155 of the 1989 Order	<i>(Article 155 is applied by Table 2 in section 145 of the Banking Act.)</i>
Court procedure and practice		

Rule	Subject	Specific modifications
7.05	Application of Chapter 2 of Part 7	
7.06	Interpretation	
7.07	Form and contents of application	
7.07A	Application to disapply Article 150A of the 1989 Order	
7.08	Filing and service of application	
7.08A	Notice of application under Article 150A of the 1989 Order	
7.09	Other hearings <i>ex parte</i>	
7.10	Use of affidavit evidence	
7.11	Filing and service of affidavit	
7.12	Use of reports	
7.13	Adjournment of hearing directions	
7.14	Nomination and appointment of shorthand writers	
7.16	Remuneration of shorthand writers	
7.19	Enforcement of court orders	
7.20	Orders enforcing compliance with the Order	
7.21	Warrants	
7.22	Warrants under Article 200	
7.24	Court records	
7.25	Inspection of records	
7.27	Right to inspect the file	<i>Rule 7.27 is not applied – but equivalent provision is made in Part 4 of these Rules.</i>
7.29	Costs: application of the Rules of the Court of Judicature of (Northern Ireland) 1980(2)	
7.30	Requirement to tax costs	
7.32	Procedure where taxation required	
7.34	Costs paid otherwise than out of the assets of the insolvent estate	
7.35	Award of costs against responsible insolvency practitioner	
7.36	Application for costs	

Rule	Subject	Specific modifications
7.37	Costs and expenses of witnesses	
7.38	Persons incapable of managing their affairs	
7.39	Appointment of another person to act	
7.40	Affidavit in support of application	
7.41	Services of notices following appointment	
7.42	<i>Appeals from Master</i>	
7.44	Procedure on appeal	
7.45	Principal court rules and practice to apply	
7.47	Right of attendance	
7.48	Insolvency practitioner's solicitor	
7.50	Formal defects	
7.51	Restriction on concurrent proceedings and remedies	
7.52	Affidavits	
7.53	Security in court	
7.54	Discovery	
7.55	Copies of documents	
Proxies		
8.1	Definition of proxy	
8.2	Issue and use of forms	
8.3	Use of proxies at meetings	
8.4	Retention of proxies	
8.5	Right of inspection	
8.6	Proxy-holder with financial interest	
Examination of persons		
9.1	Preliminary	<ol style="list-style-type: none"> 1. <i>Part 9 applies to applications under Article 200 of the 1989 Order (inquiry into society's dealings, etc.) as applied by Table 2 in section 145 of the Banking Act.</i> 2. Treat a reference to "the insolvent" as a reference to the society.
9.2	Form and contents of application	
9.3	Order for examination, etc.	

Status: This is the original version (as it was originally made).

Rule	Subject	Specific modifications
9.4	Procedure for examination	
9.5	Record of examination	
9.6	Costs of proceedings	
Miscellaneous and general		
12.01	Regulation of specified administrative matters	
12.02	Costs	
12.03	Provable debts	
12.04	Notices	
12.05	Quorum at meetings of creditors or contributories	
12.06	Evidence of proceedings at meetings	
12.07	Documents issuing from Department	
12.09	Insolvency practitioner's security	
12.10	Time	
12.11	Service by post	<i>(Rule 12.11 applies subject to express provision about service made in these Rules.)</i>
12.12	General provisions as to service	
12.13	Service outside jurisdiction	
12.14	Confidentiality of documents	
12.15	Notices sent simultaneously to the same person	
12.16	Right to copy documents	
12.17	Charge for copy documents	
12.18	Non-receipt of notice of meeting	
12.19	Right to have list of creditors	
12.20	False claim of status as creditor, etc.	
12.21	The Gazette	
12.22 and Schedule 3	Punishment of offences	
12.23	Notice of order under Article 150A(5) of the 1989 Order	

