
STATUTORY INSTRUMENTS

2008 No. 1427

The Building Societies (Financial Assistance) Order 2008

Application of other companies insolvency legislation to building societies

11.—(1) Schedule 15A to the 1986 Act (application of other companies insolvency legislation to building societies)⁽¹⁾ applies in relation to a relevant building society with the following modifications.

- (2) In paragraph 1(2)(a)⁽²⁾, for “Chapter I of Part III” substitute “Chapters I, II and III of Part III”.
- (3) In paragraph 2(2), omit paragraph (b).
- (4) In paragraph 11⁽³⁾—
 - (a) in sub-paragraph (2), for “is a reference to the Authority” substitute “includes a reference to the Authority”;
 - (b) omit sub-paragraph (3).
- (5) Omit paragraphs 12, 13, 18 and 20.
- (6) For paragraph 27, substitute—

“**27.**—(1) Subsection (3) of section 40 of the Act (payment of debts out of assets subject to floating charge) as applied to a building society has effect as if the reference to general creditors included a reference to holders of shares in the society.

(2) Subsection (3) of section 59 of the Act (priority of debts) as applied to a building society has effect as if the reference to ordinary creditors included a reference to holders of shares in the society.

27A. Subsection (1) of section 46 of the Act (information to be given by administrative receiver) or subsection (1) of 65 of the Act (information to be given by receiver) as applied to a building society has effect as if the reference to all the creditors of the society included a reference to all the holders of shares in the society.

27B. Subsection (2) of section 47 of the Act (statement of affairs to be submitted) or subsection (2) of section 66 of the Act (building society’s statement of affairs) as applied to a building society has effect as if the reference to its creditors included a reference to all holders of shares in the society.

27C. Section 48 of the Act (report by administrative receiver) or section 67 of the Act (report by receiver) as applied to a building society has effect as if—

- (a) the reference in subsection (1) to the Authority included a reference to the scheme manager;
- (b) the reference in subsection (1)(d) to other creditors included a reference to holders of shares in the society;

⁽¹⁾ Schedule 15A was inserted by the Building Societies Act 1997, section 39(2) and Schedule 6.

⁽²⁾ Paragraph 1(2)(a) was amended by the Insolvency Act 2000 (c. 39), section 2(b) and Schedule 2, paragraph 14.

⁽³⁾ Paragraph 11 was amended by S.I. 2001/2617.

- (c) the references in paragraphs (a) and (b) of subsection (2) to unsecured creditors of the society included references to holders of shares in the society; and
- (d) the reference in subsection (2) to a meeting of the society's unsecured creditors included a reference to a meeting of holders of shares in the society.

27D. Subsection (1) of section 49 or 68 of the Act (committee of creditors) as applied to a building society has effect as if the reference to a meeting of creditors included a reference to a meeting of holders of shares in the society.”.

(7) In paragraph 33(4)—

- (a) in sub-paragraph (2), for “is a reference to the Authority” substitute “includes a reference to the Authority”;
- (b) omit sub-paragraph (3).

(8) Omit paragraphs 34, 35, 40 and 42.

(9) For paragraph 49, substitute—

“**49.** Paragraph (3) of Article 50 of the Order (payment of debts out of assets subject to floating charge) as applied to a building society has effect as if the reference to general creditors included a reference to holders of shares in the society.

49A. Paragraph (1) of Article 56 of the Order (information to be given by administrative receiver) as applied to a building society has effect as if the reference to all the creditors of a society included a reference to all the holders of shares in the society.

49B. Paragraph (2) of Article 57 of the Order (statement of affairs to be submitted) as applied to a building society has effect as if the reference to its creditors included a reference to all holders of shares in the society.

49C. Article 58 of the Order (report by administrative receiver) as applied to a building society has effect as if—

- (a) the reference in paragraph (1) to the Authority included a reference to the scheme manager;
- (b) the reference in paragraph (1)(d) to other creditors included a reference to holders of shares in the society;
- (c) the references in sub-paragraphs (a) and (b) of paragraph (2) to unsecured creditors of the society included references to holders of shares in the society; and
- (d) the reference in paragraph (2) to a meeting of the society's unsecured creditors included a reference to a meeting of holders of shares in the society.

49D. Paragraph (1) of article 59 of the Order (committee of creditors) as applied to a building society has effect as if the reference to a meeting of creditors included a reference to a meeting of holders of shares in the society.”.