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STATUTORY INSTRUMENTS

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**2009 No. 509**

**The Mutual Societies (Transfers) Order 2009**

**PART 2**

**Building societies**

**Issue of statement or summary to members**

**16.**—(1) Schedule 1 to the 1998 Regulations (prescribed matters for transfer statements) applies in relation to a relevant transfer with the following modifications.

(2) In Part 1 (matters of which particulars are to be included in the case of any transfer)—

(a) for paragraph 4 substitute—

“**4.** The financial position of the society and its connected undertakings at the most recent reasonably practicable date and of any material change in that position since that date.”;

(b) in paragraph 9, for “any group” substitute “the immediate group”;

(c) in paragraph 21, at the end insert “and of any change to be made in connection with the transfer in the terms governing outstanding loans made by the society which are secured on land”.

(3) In Part 2 (matters of which particulars are to be included in the case of a transfer to an existing company)—

(a) in paragraph 2, for “any group” substitute “the immediate group”;

(b) for paragraph 3 substitute—

“**3.** The consolidated financial position of the successor company and the immediate group to which it belongs at the most recent reasonably practicable date and of any material change in that position since that date.”;

(c) in paragraph 4, for “any group” substitute “the immediate group”;

(d) for paragraph 5 substitute—

“**5.** The last three summary financial statements prepared by the directors of the society.”;

(e) omit paragraph 6;

(f) for paragraph 11 substitute—

“**11.**—(1) An explanation by the board of the society of the reasons for the transfer and the choice of successor company.

(2) The board’s assessment of—

(a) the advantages and disadvantages of the transfer for members and employees of the society;

- (b) any other issues which, in the board’s view, are relevant to the transfer.”;
- (g) omit paragraph 12;
- (h) at the end insert—
  - “**13.** The protective provisions for existing companies applied by section 101A of the Act (inserted by the Mutual Societies (Transfers) Order 2009).”.
- (4) In Part 3 (matters of which particulars are to be included in the case of a transfer to a specially formed company)—
  - (a) after paragraph 1 insert—
    - “**1A.** The structure and activities of the immediate group to which the successor company belongs.”;
    - (b) in paragraph 5, at the end insert “(as modified by the Mutual Societies (Transfers) Order 2009)”.
- (5) After Part 4 (matters of which particulars are to be included in a case where shares or rights in relation to shares are to be offered in connection with a transfer) insert—

## “PART 5

### Matters of which particulars are to be included in a case to which Part 2 of the Mutual Societies (Transfers) Order 2009 applies

1. As a result of the transfer, the members of the society will no longer be members of a building society.
2. The following information in relation to the membership rights that will be made available to members of the building society in accordance with section 100A of the Act (inserted by the Mutual Societies (Transfers) Order 2009)—
  - (a) the membership rights that will be made available;
  - (b) the entity in which membership rights will be made available, including its legal form;
  - (c) the procedure by which members of the building society may become members of that entity.
3. A comparison of the rights members enjoy as members of a building society and the membership rights that will be made available to them referred to in paragraph 2 above.
4. Every person who, after the transfer, becomes a customer of the successor company will be able to obtain similar membership rights to those referred to in paragraph 2.
5. An explanation of the following statutory requirements relating to the business of a building society and that they will not apply in relation to the successor company—
  - (a) the purpose or principal purpose of a building society (section 5 of the Act);
  - (b) the lending limit (section 6 of the Act);
  - (c) the funding limit (section 7 of the Act);
  - (d) the restrictions in sections 9A and 9B of the Act.
6. That the transfer may be approved by a borrowing members’ resolution and a shareholding members’ resolution and an explanation of the requirements for a resolution to be passed as a shareholding members’ resolution and a borrowing members’ resolution.

7. Part 2 of the Mutual Societies (Transfers) Order 2009 will apply to the transfer.”.