

---

STATUTORY INSTRUMENTS

---

**2010 No. 2580**

The Building Society Special Administration  
(England and Wales) Rules 2010

PART 1

Introduction

**Citation**

1. These Rules may be cited as the Building Society Special Administration (England and Wales) Rules 2010.

**Commencement**

2. These Rules come into force on 15th November 2010.

**Extent**

3. These Rules extend to England and Wales only.

**Interpretation**

4.—(1) In these Rules—

- (a) “the 2009 Order” means the Building Societies (Insolvency and Special Administration) Order 2009(1);
- (b) “building society” means a building society incorporated (or deemed to be incorporated) under the Building Societies Act 1986(2);
- (c) “building society special administration”, “building society special administration order” and “building society special administrator” have the same meaning as in the Building Societies Act 1986 (see sections 90C(2) and 119(1) of that Act)(3);
- (d) “contributory”, in relation to a building society—
  - (i) means every person liable to contribute to the assets of the society in the event of its being wound up, and
  - (ii) for the purposes of all proceedings for determining, and all proceedings prior to the determination of, the persons who are deemed to be contributories, includes any person alleged to be a contributory, and
  - (iii) includes persons who are liable to pay or contribute to the payment of any debt or liability of the building society, or any sum for the adjustment of rights of members among themselves, or the expenses of the winding up,

---

(1) [S.I. 2009/805](#). [S.I.2009/805](#) was amended by [S.I.2010/1189](#).

(2) 1986 c. 53.

(3) Section 90C was inserted, and section 119(1) amended, by [S.I. 2009/805](#).

but does not include persons liable to contribute by virtue of a declaration by the court under section 213 (fraudulent trading) or 214 (wrongful trading) of the Insolvency Act 1986;

- (e) “principal office” means—
- (i) the place which is specified in a building society’s memorandum sent to the FSA under paragraph 1(1)(c) of Schedule 2 to the Building Societies Act 1986 as the address of its principal office, or
  - (ii) if notice has been given by a building society to the FSA under paragraph 11(2) of that Schedule (change of principal office), the place specified in that notice or, as the case may be, in the last such notice;
- (f) “registered name”, in relation to a building society, means the name of the society which is for the time being registered with the FSA;
- (g) “society”, “special administration”, “special administration order” and “special administrator” mean respectively building society, building society special administration, building society special administration order and building society special administrator;
- (h) the following expressions have the same meaning as in Part 1 or Part 3 of the Banking Act 2009(4)—
- (i) “bridge bank” (s. 136(2)),
  - (ii) “the court” (the High Court – s. 166(1)),
  - (iii) “the FSA” (the Financial Services Authority – s. 166(2)),
  - (iv) “Objective 1” (support for commercial purchaser or bridge bank – ss. 137 & 138),
  - (v) “Objective 1 Achievement Notice” (s. 139(4)),
  - (vi) “Objective 2” (normal administration – ss. 137 & 140),
  - (vii) “private sector purchaser” (s. 136(2)),
  - (viii) “property transfer instrument” (s. 33),
  - (ix) “residual building society” (s. 136(2))(5), and
  - (x) “resolution fund order” (s. 49(3));
- (i) any reference to Part 1 of the Banking Act 2009 (Special Resolution Regime), or to any provision in that Part, is a reference to that Part or to that provision as applied, with modifications, by section 84 of that Act;
- (j) any reference to Part 3 of the Banking Act 2009 (Bank Administration), or to any provision in that Part, is a reference to that Part or to that provision as applied and modified by section 90C of the Building Societies Act 1986 and by any order made under section 158 of the Banking Act 2009(6);
- (k) any reference to the Insolvency Rules 1986(7) is a reference to those Rules including all amendments to them up to and including those made by the Insolvency (Amendment) (No. 2) Rules 2009(8).

---

(4) 2009 c.1.

(5) In the application of Parts 2 and 3 of the Banking Act 2009 to building societies, references to “bank” (with certain exceptions) have effect as references to “building society”: see section 90C(2) of the Building Societies Act 1986, inserted by S.I. 2009/805.

(6) Section 90C was inserted by S.I. 2009/805, which also modifies the application of Part 3 in relation to building societies. S.I.2009/805 was modified by S.I.2010/1189.

(7) S.I. 1986/1925 as amended by S.I. 1987/1919, 1989/397, 1991/495, 1993/602, 1995/586, 1999/359, 1999/1022, 2001/763, 2002/1307, 2002/2712, 2004/584, 2004/1070, 2005/527, 2006/1272, 2007/1974, 2008/737, 2009/642 and 2009/2472.

(8) S.I. 2009/2472. Later amendments to the Insolvency Rules 1986 were made by S.I.2010/686 and S.I. 2010/734.

(2) Other expressions used in these Rules, where used in relation to building societies, have the same meaning as in the Building Societies Act 1986.

**5. In these Rules—**

- (a) “the FSCS” means the scheme manager of the Financial Services Compensation Scheme (established under Part 15 of the Financial Services and Markets Act 2000<sup>(9)</sup>),
- (b) “the Objective 1 Stage” means the period during which a building society special administration order is in force before the Bank of England gives an Objective 1 Achievement Notice,
- (c) “the Objective 2 Stage” means the period during which a building society special administration order is in force after the Bank of England gives an Objective 1 Achievement Notice,
- (d) a reference to personal service is a reference to personal service in accordance with Part 6 of the Civil Procedure Rules 1998<sup>(10)</sup>,
- (e) a reference to the CPR is to the Civil Procedure Rules 1998, and
- (f) a reference to a witness statement (including a reference implied by the application of an enactment) is a reference to a witness statement—
  - (i) verified by a statement of truth in accordance with Part 22 of the CPR, and
  - (ii) if made by a building society special administrator, stating that the statement is made in that capacity and giving the address at which the special administrator works, and
- (g) “the purpose of the special administration” is a reference to the objectives of building society administration in section 137 of the Banking Act 2009.

**Overview**

**6.** The purpose of these Rules is to prescribe a procedure for the appointment of a building society special administrator, and the operation of building society special administration, under Part 3 of the Banking Act 2009 in England and Wales.

**Forms**

**7.—(1)** This Rule applies where a provision of these Rules—

- (a) applies a provision of the Insolvency Rules 1986 which requires the use of a prescribed form, or
- (b) makes provision similar to that made by a provision of those Rules which requires the use of a prescribed form.

(2) The form prescribed for the purposes of those Rules is to be used, with any modification that the person using the form thinks desirable to reflect the nature of building society special administration (whether or not the modification is set out in a Practice Form issued by the Treasury for that purpose).

---

<sup>(9)</sup> 2000 c. 8.

<sup>(10)</sup> S.I. 1998/3132.