
STATUTORY INSTRUMENTS

2010 No. 2584

The Building Society Insolvency (Scotland) Rules 2010

PART 9

THE LIQUIDATION COMMITTEE

Application of rules

58. The rules in this Part apply only in relation to the liquidation committee established after a full payment resolution has been passed.

Membership of committee

59.—(1) Apply rule 4.41 of the 1986 Rules⁽¹⁾.

(2) For rule 4.41(1) substitute—

“(1) Subject to rule 25 of the 2010 Rules, and to rules 4.43 and 4.59 of the 1986 Rules as applied by rules 61 and 77 respectively of the 2010 Rules, the liquidation committee shall consist of either three or five creditors of the building society, elected by the meeting of creditors held under rule 24 of the 2010 Rules.”.

(3) Ignore paragraphs (3) and (6).

Formalities of establishment

60.—(1) Apply rule 4.42 of the 1986 Rules⁽²⁾.

(2) In paragraph (3) omit “or authorisation” and from “or any representative” to “Act”.

Committee established by contributories

61.—(1) Apply rule 4.43 of the 1986 Rules⁽³⁾.

(2) For rule 4.43(1) of that rule substitute—

“(1) This rule applies where the outcome of the creditors’ meeting summoned by the building society liquidator under rule 24 of the 2010 Rules is, by virtue of rule 25(3), that the liquidation committee ceases to exist at the end of the meeting”.

(3) In rule 4.43(2) omit “138 or”.

(4) In rule 4.43(4) omit “at least three and not more than five” and substitute “three or five”.

(1) Rule 4.41 was amended by paragraph 23 of Schedule 1(I) to [S.I. 1987/1921](#).

(2) Rule 4.42 was amended by paragraph 24 of Schedule 1(I) to [S.I. 1987/1921](#), and paragraph 141(17) of Schedule 2(II) to [S.I. 1999/1820](#). Rule 4.42(3) refers to section 375 of the Companies Act 1985 (c.6). That section was replaced by section 323 of the Companies Act 2006 (c.46) with effect from 1st October 2007.

(3) Rule 4.43 was amended by paragraph 25 of Schedule 1(I) to [S.I. 1987/1921](#).

Obligations of liquidator to committee

62. Apply rule 4.44 of the 1986 Rules.

Meetings of the committee

63.—(1) Apply rule 4.45 of the 1986 Rules.

(2) In paragraph 2(a), after “representative” insert “or the FSCS”.

The chair at meetings

64. Apply rule 4.46 of the 1986 Rules.

Quorum

65.—(1) Apply rule 4.47 of the 1986 Rules.

(2) At the beginning of rule 4.47 insert “Subject to rule 4.59(5A)”

Committee members’ representatives

66.—(1) Apply rule 4.48 of the 1986 Rules(4).

(2) In paragraph (2), omit from “or authorisation” to “Act”.

Resignation

67. Apply rule 4.49 of the 1986 Rules.

Termination of membership

68. Apply rule 4.50 of the 1986 Rules.

Removal

69. Apply rule 4.51 of the 1986 Rules.

Vacancy (creditor members)

70.—(1) Apply rule 4.52 of the 1986 Rules.

(2) At the end of paragraph (2) add “as applied by Rule 59 of the 2010 Rules”.

Vacancy (contributory members)

71.—(1) Apply rule 4.53 of the 1986 Rules(5).

(2) In paragraph (2) after “4.43(4) add “as applied by Rule 61 of the 2010 Rules” and after “4.59(4)” add “as applied by Rule 77 of the 2010 Rules”.

Voting rights and resolutions

72.—(1) Apply rule 4.54 of the 1986 Rules.

(4) Rule 4.48 was amended by paragraph 26 of Schedule 1(I) to [S.I. 1987/1921](#). Rule 4.48 of the 1986 Rules refers to section 375 of the Companies Act 1985 (c.6). That section was replaced by section 323 of the Companies Act 2006 (c.46) with effect from 1st October 2007.

(5) Rule 4.53 was amended by paragraph 27 of Schedule 1(I) to [S.I. 1987/1921](#).

(2) In paragraph (1), leave out “creditor”.

(3) In paragraph (3) after “4.43(4) add “as applied by Rule 61 of the 2010 Rules” and after “4.59(4)” add “as applied by Rule 77 of the 2010 Rules”.

Resolutions by post

73.—(1) Apply rule 4.55 of the 1986 Rules⁽⁶⁾.

(2) Ignore rule 4.55(3) and (4).

Liquidator’s reports

74.—(1) Apply rule 4.56 of the 1986 Rules.

(2) At the end of rule 4.56(1) insert “but does not apply to the FSCS”.

Expenses of members, etc

75. Apply rule 4.57(1) of the 1986 Rules.

Dealings by committee-members and others

76. Apply rule 4.58 of the 1986 Rules.

Composition of committee when creditors paid in full

77.—(1) Apply rule 4.59 of the 1986 Rules⁽⁷⁾.

(2) In paragraph (5)—

(a) at the beginning, insert “Subject to paragraph (5A) below”;

(b) after “under paragraph (1)” insert “or since the FSCS has ceased to be on the committee”;

(c) at the end, insert “subject to paragraph (5A) below”.

(3) After paragraph (5), insert—

“(5A) The liquidation committee continues to exist and can act so long as it consists of at least the FSCS.”.

Formal defects

78. Apply rule 4.59A of the 1986 Rules⁽⁸⁾.

⁽⁶⁾ Rule 4.55 was amended by paragraph 28 of Schedule 1(I) to [S.I. 1987/1921](#).

⁽⁷⁾ Rule 4.59 was amended by paragraph 141(18) of Schedule 2(II) to [S.I. 1999/1820](#).

⁽⁸⁾ Rule 4.59A was inserted by paragraph 29 of Schedule 1(I) to [S.I. 1987/1921](#).