

SCHEDULE 1

Article 4

Modifications of Part 18 of the Companies Act 1985

1. The modifications of Chapters 1 and 3 of Part 18 of the Companies Act 1985 referred to in article 4 are as follows.

2. References to a company or incorporated company include a reference to a building society.

3. Section 462(1) (power of incorporated company to create floating charge) has effect as if in subsection (5)—

(a) the reference to the Companies Act 1985 were a reference to such provisions of that Act as apply (by virtue of this Order) to a building society; and

(b) the words “and Part III of the Insolvency Act 1986” were omitted.

4. Section 463(2) (effect of floating charge on winding up) has effect as if—

(a) in subsection (1) for the words “section 247(2) of the Insolvency Act 1986” there were substituted “subsection (1A)”;

(b) after subsection (1) there were inserted—

“(1A) For the purposes of this Chapter a building society goes into liquidation if—

(a) it goes into liquidation within the meaning of section 247(2) of the Insolvency Act 1986(3); or

(b) the court makes a building society insolvency order in relation to it under section 94 of the Banking Act 2009(4) (as applied by section 90C of the Building Societies Act 1986(5)) at a time when it has not already gone into liquidation by passing a special resolution for voluntary winding up under section 88 of the Building Societies Act 1986(6).”;

(c) in subsection (3) the words from “derogates” to “or” were omitted.

5. Section 464(7) (ranking of floating charges) has effect as if—

(a) for paragraphs (b) and (c) of subsection (4) there were substituted—

“(b) one floating charge has priority of ranking over another if it was created first.”;

(b) subsection (5), and the reference to that subsection in subsection (3), were omitted; and

(c) in subsection (6) the words “Part XII and to” were omitted.

6. Section 466(8) (alteration of floating charges) has effect as if—

(a) subsections (4) to (4F)(9) were omitted; and

(b) in subsection (6) the words “subsection (4) of” were omitted.

(1) Section 462 was amended by the Companies Act 1989 (c. 40), section 130(7) and Schedule 17, paragraph 8; by the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 (c. 40), section 74, Schedule 8, paragraph 33(6) and Schedule 9; by the Requirements of Writing (Scotland) Act 1995 (c. 7), section 14(2) and Schedule 5; and by the Insolvency Act 1986 (c. 45), section 439(1) and Schedule 13.

(2) Section 463 was amended by the Companies Act 1989, section 140(1); and by the Insolvency Act 1986, sections 438 and 439(1) and Schedules 12 and 13.

(3) 1986 c. 45.

(4) 2009 c. 1.

(5) 1986 c. 53. Section 90C was inserted by S.I. 2009/805.

(6) Section 88 was amended by S.I. 2001/2617 and 2013/496.

(7) Section 464 was amended by the Companies Act 1989, section 140(2) to (7); and by the Insolvency Act 1986, section 439(1) and Schedule 13.

(8) Section 466 was amended by the Companies Act 1989, sections 130(7), 140(8) and 212, Schedule 17, paragraph 9 and Schedule 24; and by S.I. 2013/600.

(9) Subsections (4A) to (4F) of section 466 were inserted, and subsection (5) was repealed, by S.I. 2013/600.

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7. Section 486(10) (interpretation for Part 18 generally) has effect as if in subsection (1)—
 - (a) in the definition of “ancillary document” paragraph (a) were omitted; and
 - (b) the definition of “company” were omitted.

(10) Section 486 was amended by the Insolvency Act 1986, section 438 and Schedule 12.