



Building Societies (Funding) and Mutual Societies (Transfers) Act 2007

2007 CHAPTER 26

PROSPECTIVE

1 Funding limit for building societies

(1) In section 7 of the Building Societies Act 1986 (c. 53) (funding limit)—

(a) after subsection (6) insert—

“(6A) The Treasury may, by order—

- (a) provide for subsection (1) to have effect as if the reference to 50 per cent were a reference to such greater percentage (not exceeding 75) as they think appropriate;
- (b) prohibit a society from applying the increased percentage unless a resolution of the society of such description as the Treasury think appropriate is passed in favour of applying the increased percentage.

(6B) An order under subsection (6A) is of no effect at any time unless, at the same time, there is also in force an order under section 90B (power to alter priorities on dissolution and winding up).

(6C) An order under subsection (6A)(a)—

- (a) may not be amended so as to reduce the percentage specified in the order;
 - (b) may not be revoked, unless it is replaced by another such order specifying the same or a greater percentage.”;
- (b) in subsection (8), after “subsection” insert “ (6A) or ”;
- (c) after subsection (8) insert—

“(8A) The power to make an order under subsection (6A) is exercisable by statutory instrument but no such order may be made unless a draft of

Status: This version of this provision is prospective.

Changes to legislation: There are currently no known outstanding effects for the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, Section 1. (See end of Document for details)

it has been laid before and approved by a resolution of each House of Parliament.”.

(2) In section 5 of that Act (establishment, constitution and powers), after subsection (10) insert—

“(11) The Treasury may by order amend subsection (1)(a) so as to alter the extent to which the making of loans is required to be funded by a society's members.

(12) An order under this section may make such consequential, saving, supplementary or transitional provision as the Treasury think necessary or expedient.

(13) The consequential provision that may be made by virtue of subsection (12) includes, in particular, provision amending any the following so far as relating to funding by the members of a society—

- (a) section 1(1)(a) (functions of the Financial Services Authority in relation to building societies);
- (b) section 93(2)(a) (amalgamations);
- (c) paragraph 2 of Schedule 2 to this Act (memorandum).

(14) The power to make an order under this section is exercisable by statutory instrument, but no such order may be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.”.

Status:

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Changes to legislation:

There are currently no known outstanding effects for the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, Section 1.