



Building Societies Act 1986

1986 CHAPTER 53

[^{F1}PART III

ADVANCES, LOANS AND OTHER ASSETS]

Other advances secured on land

[^{F1}14 Power to make advances secured on land overseas.

- (1) The appropriate authority may, with a view to conferring on building societies or building societies of particular descriptions powers to make advances to members secured on land outside the United Kingdom corresponding to the powers to make advances secured on land within the United Kingdom, by order—
 - (a) designate countries or territories outside the United Kingdom as countries or territories as respects which advances under this section may be made secured on the land;
 - (b) specify, or provide for the specification by direction of the Commission under the order of, the forms of security on land which may be taken for advances under this section, in any prescribed circumstances and subject to any prescribed conditions;
 - (c) determine, or provide for the determination under the order of, the classification of the advances (and accordingly of the mortgage debts) as class 1 advances or class 2 advances for the purposes of the requirements of this Part for the structure of commercial assets;
 - (d) provide for the application of the provisions of this Part applicable to advances secured on land to advances under this section with such modifications as appear to be appropriate;
 - (e) provide for any other provisions of this Act to have effect in relation to advances under this section with such modifications as appear to be appropriate; and
 - (f) make such incidental, supplemental or transitional provision as appears to be necessary or expedient.

Status: Point in time view as at 01/12/1997.

Changes to legislation: Building Societies Act 1986, Cross Heading: Other advances secured on land is up to date with all changes known to be in force on or before 15 May 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) Any powers conferred on building societies under this section may be conferred on building societies of a specified description or all building societies other than those of a specified description.
- (3) Where, by virtue of an order under subsection (1) above, advances are made by a building society on the security of land outside the United Kingdom, the aggregate amount of mortgage debts outstanding in respect of such of those advances as are class 2 advances under the order shall count in accordance with section 20 towards the limit applicable to class 2 assets under that section.
- (4) Subsection (3) above is subject to any provision contained in the order.
- (5) The “appropriate authority” for making an order under subsection (1) above is—
 - (a) as regards the relevant British overseas territories, the Commission acting with the consent of the Treasury, and
 - (b) as regards other countries or territories, the Treasury.
- (6) An order under this section made as regards any of the relevant British overseas territories may make all or any of the powers conferred thereby exercisable by building societies without the need for adoption, but, in the absence of such a provision any power conferred under this section must, in order to be exercisable by a building society, be adopted by the society.
- (7) The power to make an order under subsection (1) above is exercisable by statutory instrument and, as regards the procedure applicable to such an order,—
 - (a) if the instrument designates other countries or territories than any of the relevant British overseas territories, the order shall not be made unless a draft of it has been laid before and approved by resolution of each House of Parliament, and
 - (b) if the instrument designates any relevant British overseas territory and no other country or territory, the instrument shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (8) In this section—

“relevant British overseas territories” means the Channel Islands, the Isle of Man and Gibraltar;

“security on land” includes any right or power in or over land to secure the payment of a debt and “secured on land” has a corresponding meaning;

“specified” means specified in an order under subsection (1) above;

and any reference to a provision of this Part is a reference to that provision as applied to advances under this section.]

Textual Amendments

F1 Pt. III (ss. 10-23) repealed (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 12(1)(a), 46(2), 47(3), **Sch. 9**; S.I. 1997/2668, art. 2, Sch. Pts. I(b), II(j)

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[^{F2F3}**14A Power to participate in secured syndicated lending.**

- (1) Subject to subsection (2) below, a building society may participate in syndicated lending—
 - (a) as a member of the lending syndicate, or
 - (b) as a person whose rights as a participant arise under an arrangement with a member of the lending syndicate (“a sub-participant”).
- (2) Subsection (1) above only applies if—
 - (a) the syndicated lending is appropriately secured, and
 - (b) where the society’s participation is as a sub-participant, the society’s rights as such a participant are appropriately secured.
- (3) The Commission may, with the consent of the Treasury, by order—
 - (a) make provision with respect to what constitutes appropriate security for the purposes of subsection (2)(a) or (b) above;
 - (b) make provision with respect to the classification, for the purposes of the requirements of this Part for the structure of commercial assets, of a society’s participation under this section in syndicated lending; and
 - (c) provide for the application of the provisions of this Part, with such modifications as appear to the Commission to be appropriate, to a society’s participation under this section in syndicated lending.
- (4) The power conferred by subsection (3) above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) A building society may only exercise the power conferred by this section if it has adopted it.]

Textual Amendments

F2 S. 14A inserted (3.1.1995) by 1994 c. 40, ss. 17(1), 82(2)(a)

F3 Pt. III (ss. 10-23) repealed (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 12(1)(a), 46(2), 47(3), Sch. 9; S.I. 1997/2668, art. 2, Sch. Pts. I(b), II(j)

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