

Status: Point in time view as at 01/12/1997.

Changes to legislation: Building Societies Act 1986, SCHEDULE 7A is up to date with all changes known to be in force on or before 21 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)

SCHEDULES

[^{F1}SCHEDULE 7A

DIRECTIONS: SUPPLEMENTARY PROVISIONS]

Textual Amendments

- F1** Sch. 7A inserted (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. 13(2), 47(3), Sch. 3; S.I. 1997/2668, art. 2, Sch. Pt. II(k)

Preliminary

- 1 In this Schedule “direction” means a direction under section 36(3), (5), (6), (7) or (10).

Procedure for giving proposed direction

- 2 (1) If the Commission proposes to give a direction, it shall serve on the society and, subject to paragraph 5 below, on every director of the society and its chief executive a notice stating—
- that the Commission proposes to give the direction;
 - what the direction will be;
 - the grounds for giving it; and
 - that the society may make representations with respect to the proposed direction within such period of not less than 14 days as may be specified in the notice and that, if the society so requests, the Commission will afford to it an opportunity of being heard by the Commission within that period.
- (2) If a direction proposed to be given to the society includes a requirement for the removal from office of any officer of the society, the Commission shall also serve the notice specified in sub-paragraph (1) above on the officer whose removal is proposed giving him the like right to make representations and to be heard with respect to his proposed removal from office.
- (3) The Commission shall—
- before deciding whether to give a direction and, if so, what direction, consider any representations made in accordance with sub-paragraph (1) or (2) above; and
 - except where paragraph 3 below applies, serve on the society and, subject to paragraph 5 below, on every director of and the chief executive of the

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society and every other person on whom a notice was served under sub-paragraph (2) above, a notice stating its decision.

- (4) If the Commission decides to give a direction, the notice under sub-paragraph (3) above shall—
- (a) specify the direction, and
 - (b) state the grounds for the decision to give it.
- (5) The Commission may not give a direction on grounds other than those stated, or grounds included in those stated, in the notice served by it under sub-paragraph (1) above.

Procedure for giving different direction

- 3 (1) This paragraph applies where the Commission has decided to give a direction but proposes to give a direction different from and more onerous than that stated in the notice served by the Commission under paragraph 2(1) above.
- (2) The Commission shall serve on the society and, subject to paragraph 5 below, on every director of the society and its chief executive, a notice stating—
- (a) what direction the Commission proposes to give;
 - (b) the grounds for the giving of that direction instead of the direction stated in the notice under paragraph 2(1) above; and
 - (c) that the society may make representations with respect to the direction the Commission proposes to give within such period of not less than seven days as may be specified in the notice and that, if the society so requests, the Commission will afford to it an opportunity of being heard by the Commission within that period.
- (3) If any direction proposed to be given to the society includes a requirement for the removal from office of any officer of the society, the Commission shall also serve the notice specified in sub-paragraph (2) above on the officer whose removal is proposed giving him the like right to make representations and to be heard with respect to his proposed removal from office.
- (4) The Commission shall—
- (a) before deciding whether to give a direction different from that stated in the notice served under paragraph 2(1) above and, if so, what direction, consider any representations made in accordance with sub-paragraph (2) or (3) above; and
 - (b) serve on the society and, subject to paragraph 5 below, on every director of and the chief executive of the society and every other person on whom a notice was served under sub-paragraph (3) above, a notice stating its decision.
- (5) If the Commission decides to give a different direction, the notice under sub-paragraph (4) above shall—
- (a) specify the direction, and
 - (b) state the grounds for the decision to give it.

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- (6) The Commission may not give a direction on grounds other than those stated, or grounds included in those stated, in the notice served by it under sub-paragraph (2) above.

Different directions on appeal

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- (1) The modifications of the provisions of paragraph 2 and 3 above in their application to the giving of a different direction by the Commission in pursuance of a direction of an appeal tribunal under section 47(6) or (7A) are as follows.
 - (2) The notice under paragraph 2(1) shall be served on the society and the other persons there specified within the period of 14 days beginning with the date on which the Commission received notice of the tribunal's decision under section 47(10); and a copy shall also be sent within that period to the tribunal.
 - (3) The notice under paragraph 2(1) may specify, as the period within which representations may be made, a period of not less than 7 days.
 - (4) If the Commission serves a notice under paragraph 3(2) on the society and the other persons there specified it shall send a copy of the notice to the tribunal.

Notice to directors and chief executives

- 5
- Where any provision of this Schedule requires notice of any matter to be served on every director of a building society, that requirement is satisfied by serving notice on each director whose appointment has been officially notified and the non-receipt of a notice of a matter by a director or the chief executive does not affect the validity of any action on the part of the Commission.

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