

## SCHEDULES

### SCHEDULE 8

#### POWERS TO PROVIDE SERVICES

##### PART IV

##### SUPPLEMENTARY

###### *Guarantees*

- 1 (1) The Commission, with the consent of the Treasury, may by order prescribe a limit of such amount as it considers appropriate for the purposes of paragraph 1 of Part III of this Schedule and in that paragraph " the prescribed limit" means the limit for the time being in force under this paragraph.
- (2) The power to make an order under this paragraph shall be exercisable by statutory instrument and any instrument so made shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- 2 (1) Without prejudice to any other implied incidental power, the power conferred in Part I of this Schedule to provide money transmission services implies (subject to any specified restriction) power, as regards members as well as others, to give guarantees in relation to, or to permit occasional overdrawing on, accounts with the society.
- (2) It shall be the duty of a building society which has become obliged by virtue of the provision of money transmission services under this Schedule to fulfill a guarantee on a person's account or has permitted an account to become overdrawn to recover as soon as practicable from the person the amount paid by it under the guarantee or, as the case may be, the amount due to it on the overdrawn account and any instrument embodying the guarantee.

###### *Status as bankers*

- 3 (1) So far as regards the provision by it of a service which is a qualifying banking service for the purposes of this paragraph a building society shall be treated for all purposes as a bank and a banker and as carrying on the business of banking or a banking undertaking whether or not it would be so treated apart from this paragraph.
- (2) A building society provides a qualifying banking service for the purposes of this paragraph if, with or without any restriction, it provides either or both of the services falling within paragraph 1 or 3 of Part I.
- (3) This paragraph does not affect the determination of any question as to the status of a building society as a bank or banker for other purposes.

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*Status: This is the original version (as it was originally enacted).*

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*Foreign exchange services to individuals*

- 4 (1) For the purpose of determining whether a transaction consists in the provision of foreign exchange services to an individual it shall be presumed that a transaction does so consist if the value of the transaction is less than the standard amount.
- (2) The standard amount is, subject to sub-paragraph (3) below, £5,000.
- (3) The Commission, with the consent of the Treasury, may by order amend sub-paragraph (2) above so as to substitute for the amount for the time being specified in that sub-paragraph such other amount as it considers appropriate for the purposes of this paragraph.
- (4) For the purposes of sub-paragraph (1) above the value of a transaction consisting in the provision of foreign exchange services is, where the society is selling the foreign currency, the sum paid to it and, where the society is purchasing the foreign currency, the sum paid by it.

*Sanctions for breach of restrictions*

- 5 If a person acts as agent in contravention of paragraph 13 of Part III of this Schedule he shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale.

*Interpretation*

- 6 This Schedule is to be construed as relating only to the capacity of building societies to provide the services for the time being specified in it and not as making lawful any activity, whether of a building society or a subsidiary or other associated body of a building society, which would not be lawful apart from this Schedule.
- 7 In this Schedule—
- " conveyancing services " has the same meaning as in Schedule 21 to this Act;
  - " estate agency work " has the same meaning as in the Estate Agents Act 1979 ;
  - " investment services " means services falling within paragraph 6 of Part I;
  - " mortgage investments " means investments consisting of rights arising out of advances secured on land;
  - " pension scheme " means a personal pension scheme (within the meaning of the Social Security Act 1986) or an occupational pension scheme (as defined in section 66(1) of the Social Security Pensions Act 1975 or in relation to Northern Ireland, Article 2(2) of the Social Security Pensions (Northern Ireland) Order 1975) and the " provision of pensions " means the provision of benefits which are "money par-chase benefits " within the meaning of that Act of 1986 ;
  - " personal equity plan " means a personal equity plan for the purposes of Schedule 8 to the Finance Act 1986 ;
  - "the principal business of a building society" means the business of raising funds (whether by the issue of shares or receiving deposits) for the purposes of the society or of making advances secured on land ;
  - " the prescribed limit", in relation to guarantees, has the meaning given by paragraph 1 of this Part;

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"recognised bank" and "licensed institution" have the same meaning as in the Banking Act 1979 ;

" relevant British overseas territory " means any of the Channel Islands, the Isle of Man and Gibraltar ; and

" unit trust scheme " has the same meaning as in the Financial Services Act 1986.