



Building Societies Act 1986

1986 CHAPTER 53

PART IV

PROTECTION OF INVESTORS

Investor Protection Scheme

25 The Investor Protection Fund.

- (1) The Fund shall consist of—
 - (a) contributions levied from [^{F1}participating institutions] under section 26;
 - (b) moneys borrowed by the Board under section 26(14);
 - (c) income credited to the Fund in accordance with subsection (3) below;
 - (d) payments made to the Board under subsection (6) below; and
 - (e) money credited to the Fund in accordance with section 29.
- (2) The moneys constituting the Fund from time to time shall be placed by the Board in an account with the Bank of England.
- (3) So far as possible, the Bank of England shall invest moneys placed with it under subsection (2) above in Treasury bills; and any income from moneys so invested shall be credited to the Fund.
- [^{F2}(3A) In subsection (3) above, the reference to Treasury bills includes a reference to bills and other short-term instruments issued by the government of another EEA State and appearing to the Bank of England to correspond as nearly as may be to Treasury bills;]
- (4) The administrative expenses of the Board shall be defrayed out of the Fund.
- (5) There shall be chargeable to the Fund—
 - (a) payments to meet administrative expenses of the Board in accordance with subsection (4) above;
 - (b) moneys required for the repayment of the Board's borrowings, and interest thereon, under section 26(14); and

Status: Point in time view as at 01/12/1997. This version of this provision has been superseded.

Changes to legislation: Building Societies Act 1986, Section 25 is up to date with all changes known to be in force on or before 02 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)

(c) payments to investors under section 27 and any expenses incurred in connection with the making of such payments;

(d) payments to contributory societies under section 29(7);

and, in the protective scheme provisions of this Part—

[^{F3}“authorised institution” means an institution authorised under the Banking Act 1987]

“the expenses attributable to the insolvency”, with reference to a [^{F4}participating institution] insolvency, means all the sums chargeable to the Fund under [^{F5}paragraphs (a) to (c)] above in respect of that insolvency except that, in the case of payments to meet administrative expenses of the Board, it means so much only of those expenses as the Board determines shall be attributed to the insolvency; and

“insolvency payments to investors” means the payments under section 27 referred to in paragraph (c) above, and “insolvency payment” has a corresponding meaning; and

^{F6} . . .

(6) The Commission shall, at the request of the Board, make payments to it towards the administrative expenses of the Board.

(7) In so far as the Board authorises [^{F7}the Bank of England or]any [^{F8}authorised institution] or building society to receive on its behalf any contributions levied by the Board and to make on its behalf any of the insolvency payments to investors out of the sums so received, the sums so received need not be paid into the Fund and payments need not be made out of the Fund but shall be treated as if they were respectively comprised in and charged on the Fund and shall be accounted for accordingly

Textual Amendments

- F1** Words in s. 25(1)(a) substituted (1.7.1995) by S.I. 1995/1442, **reg. 37(1)** (with transitional and transitory provisions in **regs. 53(2), 54(2)**)
- F2** S. 25(3A) inserted (1.7.1995) by S.I. 1995/1442, **reg. 37(2)** (with transitional and transitory provisions in **regs. 53(2), 54(2)**)
- F3** Definition inserted by **Banking Act 1987 (c. 22, SIF 10), s. 108(1), Sch. 6 para. 26(2)**
- F4** Words in s. 25(5) substituted (1.7.1995) by S.I. 1995/1442, **reg. 37(3)** (with transitional and transitory provisions in **regs. 53(2), 54(2)**)
- F5** Words in s. 25(5) substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 5(1)**; S.I. 1997/1427, **art. 2(k)(n)(i)**
- F6** Definitions repealed by **Banking Act 1987 (c. 22, SIF 10), s. 108, Sch. 6 para. 26(2), Sch. 7 Pt. I**
- F7** Words in s. 25(7) inserted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 5(2)**; S.I. 1997/1427, **art. 2(k)(n)(i)**
- F8** Words substituted by **Banking Act 1987 (c. 22, SIF 10), s. 108(1), Sch. 6 para. 26(3)**

Modifications etc. (not altering text)

- C1** Ss. 24-26: power to repeal conferred (9.6.1997) by 1997 c. 32, **s. 32(5)(a)**; S.I. 1997/1427, **art. 2(g)**
- C2** S. 25 extended (1.1.1993) by S.I. 1992/3218, **reg. 82(1), Sch. 10 Pt. I para. 22(b)**

Status:

Point in time view as at 01/12/1997. This version of this provision has been superseded.

Changes to legislation:

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