Building Societies Act 1986

1986 CHAPTER 53

PART VII

MANAGEMENT OF BUILDING SOCIETIES

Dealings with directors

63 Directors to disclose interests in contracts and other transactions.

(1) It is the duty of a director of a building society who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the society to declare the nature of his interest to the board of directors of the society in accordance with this section.

(2) In the case of a proposed contract, the declaration shall be made—

(a) at the meeting of the directors at which the question of entering into the contract is first taken into consideration; or

(b) if the director was not at the date of that meeting interested in the proposed contract, at the next meeting of the directors held after he became so interested.

(3) Where the director becomes interested in a contract after it is made, the declaration shall be made at the first meeting of the directors held after he becomes interested in the contract.

(4) For the purposes of this section, a general notice given to the directors of a building society by a director to the effect that—

(a) he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm, or

(b) he is to be regarded as interested in any contract which may, after the date of the notice, be made with a specified person who is connected with him,

is a sufficient declaration of interest in relation to any contract made after that date with that company, firm or person.

Changes to legislation: *Building Societies Act 1986, Section 63 is up to date with all changes known to be in force on or before 06 September 2024. 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) View outstanding changes*

(5) A director need not make a declaration or give a notice under this section by attending in person at a meeting of the directors if he takes reasonable steps to secure that the declaration or notice is brought up and read at the meeting.

(6) The foregoing provisions of this section apply in relation to any transaction or arrangement as they apply in relation to a contract and, for the purposes of this section, a transaction or arrangement of a kind described in section 65 made by a society for a director of the society or a person connected with a director of the society is to be treated (if it would not otherwise be so treated, and whether or not it is prohibited by that section) as a transaction or arrangement in which that director is interested.

(7) A director who fails to comply with this section shall be guilty of an offence and liable—

(a) on conviction on indictment, to a fine; or

(b) on summary conviction, to a fine not exceeding the statutory maximum.

Modifications etc. (not altering text)

C1 S. 63 modified (13.1.1993 for certain purposes only and 1.1.1994 for all remaining purposes) by Friendly Societies Act 1992 (c. 40), s. 27, **Sch. 11 Pt. II para. 9(1)(b)(2)** (with ss. 7(5), 93(4)); S.I. 1993/16, art. 2, **Sch.1**; S.I. 1993/2213, art. 2, **Sch.5**.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:
Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 5(11)-(14) inserted by 2007 c. 26 s. 1(2)
- s. 5(13)(a) substituted by S.I. 2013/496 Sch. 8 para. 4(4)
- s. 7(6A)-(6C) inserted by 2007 c. 26 s. 1(1)(a)
- s. 7(8A) inserted by 2007 c. 26 s. 1(1)(c)
- s. 176ZB excluded by S.I. 2017/400 reg. 14
- s. 246ZA-246ZC excluded by S.I. 2017/400 reg. 15
- s. 246ZD excluded by S.I. 2017/400 reg. 16