



# Building Societies Act 1986

## 1986 CHAPTER 53

### PART VII

#### MANAGEMENT OF BUILDING SOCIETIES

##### *Dealings with directors*

#### **67 Directors, etc, not to accept commissions in connection with loans.**

- (1) This section applies to any person who holds office in or is employed by a building society as director, secretary, chief executive, manager, solicitor, surveyor or valuer or in connection with the assessment of the adequacy of securities for advances secured on land.
- (2) No person to whom this section applies shall (in addition to the remuneration prescribed or authorised by the rules or any resolution of the society) accept from any other person any commission for or in connection with any loan made by the society.
- (3) If a person to whom this section applies accepts a commission in contravention of subsection (2) above—
  - (a) both he and, subject to subsection (4) below, the person who paid it shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale; and
  - (b) if, having been convicted of an offence under paragraph (a) above, the person accepting the commission fails to pay over to the society the amount or value of the commission, as and when directed to do so by the court which convicted him, he shall be guilty of an offence under this paragraph and liable on summary conviction to imprisonment for a term not exceeding six months.
- (4) No offence under paragraph (a) of subsection (3) above is committed by the person who paid the commission unless he did so knowing the circumstances that constituted the offence under that paragraph on the part of the person who accepted it from him.
- (5) Where—

*Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.*

*Changes to legislation: Building Societies Act 1986, Section 67 is up to date with all changes known to be in force on or before 04 January 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)*

- (a) a charge upon a policy of life assurance is given as additional security for an advance made by a building society, or
- (b) a building society makes an additional advance to enable payment to be made of a premium on a policy of insurance, or
- (c) any policy of insurance is taken out so as to comply with the terms on which an advance is made by a building society, whether by way of insuring the property given as security for the advance or otherwise,

and the policy is effected through the building society, or the society nominates or selects a person by whom the policy is to be issued, it shall be unlawful for any person to whom this section applies, in connection with the effecting of the policy, to receive any commission from a person by or through whom the policy is issued.

- (6) A person who pays, and a person who accepts, any commission which subsection (5) above makes it unlawful to receive shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale.

- (7) In this section—

“charge upon a policy of life assurance”, in relation to an advance secured on land in Scotland, means an assignation in security in respect of such a policy;

“commission” includes any gift, bonus or benefit;

“solicitor”, in relation to England and Wales, includes licensed conveyancer.

**Modifications etc. (not altering text)**

C1 S. 67(1)(7) amended (E.W.) (01.01.1992) by S.I. 1991/2684, arts. 2(1), 4 Sch.1

**Status:**

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