



# Building Societies Act 1986

## 1986 CHAPTER 53

### PART VII

#### MANAGEMENT OF BUILDING SOCIETIES

##### *Dealings with directors*

#### **68 Records of loans, etc. for directors falling within s. 65.**

- (1) A building society shall maintain a register containing a copy of every subsisting transaction or arrangement (other than an excepted transaction or arrangement) falling within section 65(1) made for a director or a person connected with a director of the society during the current financial year or any of the preceding ten financial years.
- (2) In the case of a transaction or arrangement which is not in writing, there shall be kept in the register a written memorandum setting out its terms.
- (3) A building society shall make available for inspection by members—
  - (a) at its principal office during the period of 15 days expiring with the date of its annual general meeting, and
  - (b) at the annual general meeting,a statement containing the requisite particulars of the transactions and arrangements falling within section 65(1) which were included in the register under subsection (1) above at any time during the last complete financial year preceding the meeting.
- (4) The requisite particulars are those specified in Schedule 9 to this Act.
- [<sup>F1</sup>(5) The society must send two copies of the statement required to be made available under subsection (3) to the FCA and, if the society is a PRA-authorized person, one copy to the PRA, on the date on which the statement is required to be first made available to members.

(5A) The FCA must keep a copy of the statement in the public file of the society.]

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(6) A copy of the statement required to be so made available shall also be sent, on demand and on payment of [<sup>F2</sup>such fee (not exceeding £5) as the society may from time to time determine], to any member of the society.

[<sup>F3</sup>(6A) Where a copy of a statement is required to be sent to a member under subsection (6)—

- (a) it may be sent to him electronically only if it is sent to an electronic address notified by the member for the purpose; but
- (b) the requirement to send it shall also be treated as satisfied if the conditions set out in subsection (6B) are satisfied.

(6B) The conditions of this subsection are satisfied in the case of a copy of a statement if—

- (a) the society and the member have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
- (b) the agreement applies to the statement in question;
- (c) the member is notified <sup>F4</sup>... of—
  - (i) the publication of the statement on a web site,
  - (ii) the address of that web site, and
  - (iii) the place on that web site where the statement may be accessed, and how it may be accessed; and
- (d) a copy of the statement continues to be published on that web site throughout the period of 21 days beginning with the day on which the society notifies the member in accordance with paragraph (c).]

(7) There are excepted from the obligations imposed by this section on a building society with respect to a financial year all transactions or arrangements made or subsisting during that year for a person who was at any time during that year a director of the society or was connected with a director of the society if the aggregate of the values of each transaction or arrangement made for that person, less the amount (if any) by which the value of those transactions or arrangements has been reduced, did not exceed [<sup>F5</sup>£2,000] at any time during that year

(8) There are also excepted from the obligations imposed by this section on a building society with respect to a financial year all transactions or arrangements falling within paragraphs (b), (d) or (e) of section 65(1) made during that year for a person who was at any time during that year a director of the society or was connected with a director of the society if the aggregate of the values of each such transaction or arrangement so made for that director or any person connected with him, less the amount (if any) by which the value of those transactions or arrangements has been reduced, did not exceed [<sup>F6</sup>£10,000] at any time during that year.

(9) The [<sup>F7</sup>Treasury may by order] amend subsection (7) or (8) above so as to substitute for the amount for the time being specified in that subsection such other amount as [<sup>F8</sup>they think] appropriate.

(10) The power to make an order under subsection (9) above is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(11) If a building society fails to comply with any provision of this section (or Schedule 9) the society shall be liable on conviction on indictment or on summary conviction to a fine not exceeding, on summary conviction, the statutory maximum, and so shall any officer who is also guilty of the offence.

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[<sup>F9</sup>(11A) Where, in a case in which subsection (6A)(b) is relied on for compliance with a requirement of subsection (6)—

- (a) a statement is published for a part, but not all, of the period mentioned in subsection (6B)(d), but
- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society to prevent or avoid,

no offence is committed under subsection (11) by reason of that failure.]

#### Textual Amendments

- F1** S. 68(5)(5A) substituted for s. 68(5) (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 25** (with Sch. 12)
- F2** Words in s. 68(6) substituted (9.6.1997) by 1997 c. 32, s. 43, **Sch. 7 para. 26**; S.I. 1997/1427, art. 2(**k**)(**n**)(**iv**)
- F3** S. 68(6A)(6B) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), 4(2)
- F4** Words in s. 68(6B)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 10**
- F5** Word in s. 68(7) substituted (6.4.2007) by [The Building Societies Act 1986 \(Substitution of Specified Amounts and Modification of the Funding Limit Calculation\) Order 2007 \(S.I. 2007/860\)](#), arts. 1, 2(5)(**a**)
- F6** Word in s. 68(8) substituted (6.4.2007) by [The Building Societies Act 1986 \(Substitution of Specified Amounts and Modification of the Funding Limit Calculation\) Order 2007 \(S.I. 2007/860\)](#), arts. 1, 2(5)(**b**)
- F7** Words in s. 68(9) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2(a)(b), 8, 13(1), **Sch. 3 para. 161(b)(i)**(with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F8** Words in s. 68(9) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2(a)(b), 8, 13(1), **Sch. 3 para. 161(b)(ii)**(with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F9** S. 68(11A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), 4(3)

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

- C1** S. 68 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)(f)(2)** (with ss. 7(5), 93(4)); S.I. 1993/16, art. 2, **Sch. 1**; S.I. 1993/2213, art. 2, **Sch. 5**.
- C2** S. 68(9): Functions of the Building Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. III** (with art. 5); S.I. 2001/3538, art. 2(1)

**Changes to legislation:**

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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](#)