



Building Societies Act 1986

1986 CHAPTER 53

PART VII

MANAGEMENT OF BUILDING SOCIETIES

Interpretation

70 Interpretation of this Part.

- (1) The following provisions apply for the interpretation of this Part.
- (2) A person is “connected with” a director of a building society if, but only if, he (not being himself a director of it) is—
 - (a) that director’s spouse [^{F1}or civil partner], child or step-child; or
 - (b) a body corporate with which the director is associated; or
 - (c) a person acting in his capacity as trustee of any trust the beneficiaries of which include—
 - (i) the director, his spouse [^{F2}or civil partner] or any children or step-children of his, or
 - (ii) a body corporate with which he is associated, or of a trust whose terms confer a power on the trustees that may be exercised for the benefit of the director, his spouse [^{F2}or civil partner], or any children or step-children of his or any such body corporate; or
 - (d) a person acting in his capacity as partner of that director or of any person who, by virtue of paragraph (a), (b) or (c) of this subsection, is connected with that director;
 - (e) a Scottish firm in which—
 - (i) that director is a partner,
 - (ii) a partner is a person who, by virtue of paragraph (a), (b) or (c) above, is connected with that director, or

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- (iii) a partner is a Scottish firm in which that director is a partner or in which there is a partner who, by virtue of paragraph (a), (b) or (c) above, is connected with that director.
- (3) In subsection (2)—
- (a) a reference to a child or step-child of any person includes an illegitimate child of his [^{F3}but does not include any person who has attained the age of 18], and
 - (b) paragraph (c) does not apply to a person acting in his capacity as trustee under an employees' share scheme or a pension scheme.
- (4) A director is “associated” with a body corporate if he, his spouse [^{F4}or civil partner], his child or step-child or a person acting in his capacity as trustee of any trust the beneficiaries of which include the director, his spouse [^{F4}or civil partner], child or step-child between them, either—
- (a) own at least one-fifth of that body's equity share capital (within the meaning of [^{F5}the Companies Acts (see section 548 of the Companies Act 2006)]), or
 - (b) are entitled to exercise or control the exercise of more than one-fifth of the voting power of that body at any general meeting.
- (5) As regards transactions or arrangements falling within section 65, a “transaction contravening section 65” means a transaction to which subsection (1)(a), (b), (c) or (d) of that section applies and an “arrangement contravening section 65” means an arrangement to which subsection (1)(e) of that section applies and such a transaction or arrangement is made “for” a person if—
- (a) in the case of a loan, disposal or payment within paragraph (a), (b) or (c), it is made, in the case of paragraph (a) or (b), to him or, in the case of paragraph (c) on his behalf;
 - (b) in the case of a guarantee or security within paragraph (d), it is made as an incident of or in connection with a loan or disposal to him or a payment on his behalf; and
 - (c) in the case of an arrangement within paragraph (e), the transaction to which the arrangement relates was made for him.

Textual Amendments

- F1** Words in s. 70(2)(a) inserted (5.12.2005) by [Civil Partnership Act 2004 \(c. 33\)](#), s. 263(10)(b), [Sch. 27 para. 123\(a\)](#); S.I. 2005/3175, art. 2(2)
- F2** Words in s. 70(2)(c) inserted (5.12.2005) by [Civil Partnership Act 2004 \(c. 33\)](#), s. 263(10)(b), [Sch. 27 para. 123\(a\)](#); S.I. 2005/3175, art. 2(2)
- F3** Words in s. 70(3)(a) inserted (9.6.1997) by [1997 c. 32](#), s. 43, [Sch. 7 para. 28](#); S.I. 1997/1427, [art. 2\(k\)\(n\)\(vi\)](#)
- F4** Words in s. 70(4) inserted (5.12.2005) by [Civil Partnership Act 2004 \(c. 33\)](#), s. 263(10)(b), [Sch. 27 para. 123\(b\)](#); S.I. 2005/3175, art. 2(2)
- F5** Words in s. 70(4)(a) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), [Sch. 1 para. 87\(4\)](#) (with art. 10)

Modifications etc. (not altering text)

- C1** S. 70 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\(1\)\(h\)\(2\)](#) (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](#)