

Changes to legislation: There are currently no known outstanding effects for the Building Societies Act 1997, SCHEDULE 8. (See end of Document for details)

SCHEDULES

SCHEDULE 8

Section 46(1).

TRANSITIONAL PROVISIONS AND SAVINGS

Alterations of purpose, powers and rules

^{F1}1

Textual Amendments

F1 Sch. 8 para. 1 shall cease to have effect (17.8.2001 for specified purposes and otherwise 1.12.2001) by virtue of S.I. 2001/2617, arts. 2(a), 13(1), Sch. 3 Pt. II para. 213(g) and is repealed (1.12.2001) by S.I. 2001/2617, art. 13(2), Sch. 4; S.I. 2001/3538, art. 2(1)

^{F2}2

Textual Amendments

F2 Sch. 8 para. 2 shall cease to have effect (17.8.2001 for specified purposes and otherwise 1.12.2001) by virtue of S.I. 2001/2617, arts. 2(a), 13(1), Sch. 3 Pt. II para. 213(g) and is repealed (1.12.2001) by S.I. 2001/2617, art. 13(2), Sch. 4; S.I. 2001/3538, art. 2(1)

Default powers

^{F3}3

Textual Amendments

F3 Sch. 8 para. 3 shall cease to have effect (17.8.2001 for specified purposes and otherwise 1.12.2001) by virtue of S.I. 2001/2617, arts. 2(a), 13(1), Sch. 3 Pt. II para. 213(g) and is repealed (1.12.2001) by S.I. 2001/2617, art. 13(2), Sch. 4; S.I. 2001/3538, art. 2(1)

Existing members to whom advances have been made

- 4 (1) Nothing in section 2 of this Act shall affect the operation of sub-paragraph (2) of paragraph 6 of Schedule 2 to the 1986 Act in relation to any person who, immediately before the commencement of that section, is the holder of a share on which an advance has been made.
- (2) Nothing in that section shall affect the operation of sub-paragraph (3) of that paragraph in relation to any person who, immediately before the commencement of that section, is a member of a building society to whom an advance has been made under rules made in pursuance of paragraph 5(1) or (2) of that Schedule.

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Commencement Information

- I1** [Sch. 8 para. 4](#) in force at 1.12.1997 by [S.I. 1997/2668](#), [art. 2](#), [Sch. Pt. II](#) (subject as mentioned in art. 2(2)-(5) of that S.I.)

Existing borrowing members which are corporations

- 5 Nothing in section 2 of this Act shall affect the operation of Schedule 2 to the 1986 Act in relation to any body corporate which, immediately before the commencement of that section, is a borrowing member of a building society within the meaning given by paragraph 5(2) of that Schedule (as substituted by that section).

Commencement Information

- I2** [Sch. 8 para. 5](#) in force at 1.12.1997 by [S.I. 1997/2668](#), [art. 2](#), [Sch. Pt. II](#) (subject as mentioned in art. 2(2)-(5) of that S.I.)

Existing fully secured loans

- 6 (1) Subject to subsection (7) of section 6B of the 1986 Act—
- (a) any advance which immediately before the commencement of that section was or was treated as a class 1 advance shall be treated as a loan falling within paragraph (a) of subsection (4) of that section;
 - (b) any advance which immediately before that commencement was or was treated as a class 2 advance shall be treated as a loan falling within that paragraph if the building society concerned determines that, on the assumption mentioned in sub-paragraph (2) below, it would have been a class 1 advance;
 - (c) any advance not falling within paragraph (b) above which immediately before that commencement was or was treated as a class 2 advance shall be treated as a loan falling within paragraph (b) of that subsection; and
 - (d) any advance which immediately before that commencement neither was nor was treated as a class 1 or a class 2 advance shall be treated as a loan falling within paragraph (c) of that subsection.
- (2) The assumption is that section 11 of the 1986 Act had effect at all material times—
- (a) with the substitution for paragraph (b) of subsection (2) of the following paragraph—
“*(b) the land is for residential use;*”; and
 - (b) with the omission from subsection (3) of the words “by the borrower or a dependant of his of a prescribed description”.

Commencement Information

- I3** [Sch. 8 para. 6](#) in force at 1.12.1997 by [S.I. 1997/2668](#), [art. 2](#), [Sch. Pt. II](#) (subject as mentioned in art. 2(2)-(5) of that S.I.)

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Existing shareholders

- 7 Unless the contrary is shown, a building society may assume that any shares in the society which are held by an individual at the commencement of section 8 of this Act are held otherwise than as a bare trustee (or, in Scotland, a simple trustee) for a body corporate, or for persons who include a body corporate.

Commencement Information

- I4** [Sch. 8 para. 7](#) in force at 1.12.1997 by [S.I. 1997/2668](#), [art. 2](#), [Sch. Pt. II](#) (subject as mentioned in art. 2(2)-(5) of that S.I.)

Existing depositors and shareholders

- 8 (1) Nothing in section 9 of this Act shall affect the operation of the 1986 Act in relation to—
- (a) any deposit accepted by a building society from an individual before the commencement of that section;
 - (b) any deposit accepted by a building society from an individual to whom sub-paragraph (2) below applies which is to be credited to a deposit account opened before that commencement;
 - (c) any deposit accepted by a building society from an individual which is to be credited to a tax-exempt special savings account opened before that commencement; or
 - (d) any share issued by a building society to a body corporate before that commencement.
- (2) This sub-paragraph applies to an individual if—
- (a) a deposit of his is held in a deposit account opened before the commencement of section 9 of this Act;
 - (b) he has been notified by the building society that he may transfer the deposit without penalty into an account which, at the date of the notice, was an equivalent share account; and
 - (c) he has chosen not to do so.
- (3) In this paragraph—
- “access period”, in relation to a deposit or share account, means the period of notice required for making withdrawals from the account;
 - “equivalent share account”, in relation to a deposit account, means a share account—
 - (a) whose access period is no longer than that of the deposit account; and
 - (b) whose rate of interest is not less than that of each other share account with the society which has the same access period or, where there is no such account, that of any one share account with the society which has a longer access period;
 - “tax-exempt special savings account” has the meaning given by section 326A(2) of the ^{M1}Income and Corporation Taxes Act 1988.
- (4) In relation to anything which, after the commencement of section 9 of this Act, is done by a building society under paragraph (d) of section 8(2) of the 1986 Act, sub-paragraphs (1) and (2) above shall have effect as if any reference to that

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commencement were a reference to the expiry of the period mentioned in that paragraph.

Commencement Information

I5 Sch. 8 para. 8 in force at 1.12.1997 by S.I. 1997/2668, art. 2, Sch. Pt. II (subject as mentioned in art. 2(2)-(5) of that S.I.)

Marginal Citations

M1 1988 c.1.

Existing transfer statements referring to the abolition of priority liquidation distribution rights

- 9 (1) Where before the commencement of section 40 of this Act, a building society issued a transfer statement which satisfies the requirements of sub-paragraph (2) below and either—
- (a) the transfer of the society's business to the company which is to be its successor is effected after that commencement; or
 - (b) that transfer was effected after the relevant date and before that commencement and the company is not being wound up at that commencement,
- section 100 of the 1986 Act shall be deemed to have had effect in relation to the transfer as if section 40 of this Act had come into force on that date.
- (2) The requirements of this sub-paragraph are that the statement—
- (a) referred to the possibility of provision being made to the like effect as section 40 of this Act; and
 - (b) stated that, if such provision were made, either no rights to priority liquidation distributions would be conferred on qualifying members of the society or, if such rights had been so conferred, they would be withdrawn.
- (3) In this paragraph—
- “the relevant date” means 6th November 1996;
 - “transfer statement” has the same meaning as in Part I of Schedule 17 to the 1986 Act.

Existing specially formed successor companies

- 10 (1) This paragraph applies where before the passing of this Act a company has been specially formed by a building society to be its successor.
- (2) Nothing in section 101 of the 1986 Act as substituted by section 41 of this Act shall be taken—
- (a) to impose any requirement which would not be imposed, or to render void any provision, allotment or registration which would not be rendered void, if that section of this Act had not been enacted; or
 - (b) to prevent any alterations in the provisions of the company's articles of association which are such as to secure that the company does not contravene, or that those provisions are consistent with, subsection (1) of section 101 of that Act as so substituted.

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