

1986 No. 1878

BUILDING SOCIETIES

**The Building Societies (Designated Capital Resources) Order
1986**

Made - - - - 4th November 1986

Laid before Parliament 7th November 1986

Coming into Operation 1st January 1987

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred upon it by section 45(5) of the Building Societies Act 1986(a) hereby makes the following Order:—

Citation and Commencement

1. This Order may be cited as the Building Societies (Designated Capital Resources) Order 1986 and shall come into operation on 1st January 1987.

Interpretation

2. In this Order—

“the Act” means the Building Societies Act 1986; and

“the previous regulations” means the Building Societies (Authorisation) Regulations 1981(b), or the Building Societies (Authorisation) Regulations (Northern Ireland) 1982(c).

Capital resources which may be aggregated with reserves

3. Where on or before 31st December 1986 a building society has issued shares on the terms set out in paragraph 2 of Schedule 1 to the previous regulations, those shares may for the purposes of the first criterion of section 45(3) of the Act be aggregated with reserves but only insofar as the nominal value of the shares so aggregated does not exceed £75,000.

In witness whereof the common seal of the Building Societies Commission is hereunto affixed on 29th October 1986.

(a) 1986 c. 53.

(b) S.I. 1981/1488, revoked by the Building Societies Act 1986.

(c) S.R. (N.I.) 1982 No. 155, revoked by the Building Societies Act 1986.

L.S.

G. M. Binns,
Secretary to the Commission
(an Authorised Signatory).

We consent to this Order.
4th November 1986.

T. Garel-Jones,
Tim Sainsbury,
Two of the Lords Commissioners
of Her Majesty's Treasury.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order specifies that where a building society has issued shares in accordance with the prescribed terms for deferred shares in force up to the 31st December 1986, they may be treated as capital resources which may be aggregated to a limit of £75,000 with reserves for the purposes of the first criterion of prudent management. The prescribed terms restrict payment of interest and repayment of capital until all other shareholders have been paid.

This Order does not define deferred shares which may be issued under the Building Societies Act 1986. Such a definition falls to be made in an order under section 119 of the Building Societies Act 1986.

SI 1986/1878
ISBN 0-11-067878-8

