
STATUTORY INSTRUMENTS

1988 No. 23

BUILDING SOCIETIES

The Building Societies (Designation of Relevant Estate Agencies) Order 1988

<i>Made</i>	- - - -	<i>12th January 1988</i>
<i>Laid before Parliament</i>		<i>18th January 1988</i>
<i>Coming into force</i>	- -	<i>8th February 1988</i>

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred on it by section 18(2)(c) of the Building Societies Act 1986⁽¹⁾, and of all other powers enabling it in that behalf, hereby makes the following Order:

Title and commencement

1. This Order may be cited as the Building Societies (Designation of Relevant Estate Agencies) Order 1988 and shall come into force on 8th February 1988.

Designation of relevant estate agencies

2.—(1) Subject to paragraph (2) below, a body corporate which is a relevant estate agency is designated for the purposes of section 18 of the Building Societies Act 1986 (power to invest in associated bodies) as a body corporate suitable for investment and support by a building society.

(2) The power to invest in and support a body corporate which is a relevant estate agency is not available to a building society except where that body corporate is, or by virtue of that investment becomes, a subsidiary of that building society.

(3) For the purposes of this article a body corporate is a relevant estate agency if—

- (a) it does not come within section 18(2)(a) or (b) of the Building Societies Act 1986, but
- (b) subject to that, it is a body corporate (formed in a relevant British overseas territory) as regards which, and the business of which, the conditions set out in paragraph 12 of Part III (restrictions in relation to certain services) of Schedule 8 to the Building Societies Act 1986 are fulfilled.

⁽¹⁾ 1986 c. 53; paragraph 12 of Schedule 8 was amended by S.I.1987/172.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

In witness whereof the common seal of the Building Societies Commission is hereunto fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 29th December 1987.

L.S.

D. B. Severn
Secretary to the Commission

We consent to this Order.

Tony Durant
Mark Lennox-Boyd
Two of the Lords Commissioners of Her
Majesty's Treasury

12th January 1988

EXPLANATORY NOTE

(This note is not part of the Order)

This Order designates estate agencies formed in any of the relevant British overseas territories (Channel Islands, Isle of Man or Gibraltar) as bodies corporate suitable for investment and support by building societies. By virtue of section 18 of The Building Societies Act 1986 the power of investment (for example the acquisition of shares) is only available to a society in respect of a company formed in the United Kingdom, a corresponding European body (one formed in a European community member state to lend on the security of land) or a designated body. It follows that bodies formed in a relevant British Overseas Territory are not appropriate recipients of investment unless designated, yet the restrictions on estate agency services set out in paragraph 12 of Schedule 8 to that Act are stated so as to include such bodies as possible appropriate subsidiaries for estate agency purposes. Accordingly, this Order adds them to the descriptions of bodies corporate designated as suitable for investment by building societies under section 18 of the 1986 Act.