
STATUTORY INSTRUMENTS

1992 No. 2748

BUILDING SOCIETIES

The Building Societies (Aggregation) (Amendment) Rules 1992

Made - - - - *29th October 1992*
Laid before Parliament *4th November 1992*
Coming into force - - *15th December 1992*

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred on it by sections 7(10), 8(3) and 20(9) of the Building Societies Act 1986⁽¹⁾, and of all other powers enabling it in that behalf, hereby makes the following rules:

Title and commencement

1. These rules may be cited as the Building Societies (Aggregation) (Amendment) Rules 1992 and shall come into force on 15th December 1992.

Amendment of previous rules

2. The Building Societies (Aggregation) Rules 1990⁽²⁾ shall be amended as follows:—
- (a) by the insertion before the definition “signed by the board” in rule 2 the following definition:—
- ““secured loan” means any loan arising from “making advances indirectly secured on land” within the meaning of those words for the purposes of the Building Societies (Designation of Qualifying Bodies) Order 1992⁽³⁾”;
- (b) by the substitution of the following for rule 5:—

“Attribution and aggregation of assets of associated bodies other than mortgage debts and secured loans

5. Where an associated body has assets, which not being mortgage debts and not being secured loans, and which were they assets of the society would be class 3 assets, then, in determining for the purposes of section 20 (limits on percentages of classes of assets)

(1) 1986 c. 53.
(2) S.I. 1990/2362.
(3) S.I. 1992/649 paragraph 3 Part II of the Schedule.

- of the Act the asset holding of the society, those assets of the associated body shall be attributed to the society to be aggregated to the class 3 assets of the society.”;
- (c) by the substitution of “Attribution and aggregation of mortgage debts and of secured loans of associated bodies” for the heading to rule 6;
 - (d) by the insertion in rule 6 of “—(1)” before the words “Where an associated body”, and the addition of the sub—rule:
 - “(2) Where an associated body has secured loans, in determining for the purposes of section 20 (limits on percentages of classes of assets) of the Act the amount of the asset holding of the society—
 - (a) the secured loans may be attributed to the society to be aggregated to the class 2 assets of the society in accordance with rule 7 below, and
 - (b) the secured loans, which are not attributed to the society to be aggregated to the class 2 assets of the society in accordance with rule 7 below, shall be attributed to the society to be aggregated to the class 3 assets of the society.”;
 - (e) by the insertion in rule 7 of “—(1)” before the words “Subject to rules 8 and 9”, and the addition of the sub—rule:
 - “(2) Subject to rule 9 below, secured loans may be aggregated to the Class 2 assets of the society, where the board of the society is satisfied that the assets are secured loans.”;
 - (f) by the insertion in rule 9 after the words “mortgage debts” where ever they occur the words “, or secured loans as the case may be,”; and,
 - (g) by the deletion from rule 11 of the words “is a body within the description in section 18(2) (b) (corresponding European bodies) of the Act or” and the words “European lending company,”.

In witness whereof the common seal of the Building Societies Commission is herewith fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 23rd October 1992.

L.S.

Norman Digance
Secretary to the Commission

We consent to these rules,

Nicholas Baker
T.E. Boswell
Two of the Lords Commissioners of Her
Majesty’s Treasury

29th October 1992

EXPLANATORY NOTE

(This note is not part of the rules)

Following the making of The Building Societies (Designation of Qualifying Bodies) Order 1992 (S.I.1992/649) these rules amend the Building Societies (Aggregation) Rules 1990 so as to attribute secured loans which are assets of an appropriate lending vehicle associated with a society by virtue of the above Order to the Class 2, or Class 3 assets, as the case may be, of the society. Such attribution will be in the proportion to the society's interest in the company.

These rules also provide for the aggregation of assets and liabilities of corresponding European bodies and European lending companies.

Section 7, Section 8 and Section 20 of the Building Societies Act 1986 lay down the proportions of liabilities (non—retail); of liabilities which are not shares; and of assets (Class 1, 2 and 3), respectively, which a society and its associated bodies may hold.