
STATUTORY INSTRUMENTS

1995 No. 1873

BUILDING SOCIETIES

**The Building Societies (Non-Retail Funds
and Deposits) (Limit on Election) Order 1995**

<i>Made</i>	- - - -	<i>17th July 1995</i>
<i>Laid before Parliament</i>		<i>20th July 1995</i>
<i>Coming into force</i>	- -	<i>1st September 1995</i>

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred on it by section 7(16) of the Building Societies Act 1986(1) hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Building Societies (Non-Retail Funds and Deposits) (Limit on Election) Order 1995 and shall come into force on 1st September 1995.

Limit on liabilities in respect of non-retail funds and deposits

2. For the purposes of section 7(6) of the Building Societies Act 1986 (which prescribes a limit on the amount of a society's liabilities to any person which may be disregarded pursuant to an election by the society not to count certain funds or deposits towards the limit on non-retail funds and deposits), for £50,000 as the prescribed amount there shall be substituted £100,000.

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

13th July 1995.

J. Dennis
Secretary to the Commission

Status: This is the original version (as it was originally made).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

We consent to this Order.

17th July 1995

D. Conway
A. Mackay
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

Section 7 of the Building Societies Act 1986 gives power to societies to raise funds and borrow money but imposes a limit currently 40%, on the proportion of money which may be raised by non-retail borrowing as defined in this section. Subsection (5) provides that a society may elect with respect to any financial year that certain shares held by or sums deposited with the society by certain bodies, such as friendly societies, charities and trades unions, specified by subsection (4) (see note below) shall not be counted towards the limit on non-retail funds. Subsection (6) provides that if the liability to any one person exceeds a prescribed amount, the whole of that liability shall be disregarded for the purpose of such an election and shall be counted towards the limit on non-retail funds. Subsection (16) fixes the amount for the purpose of subsection (6) at £50,000 or such other amount as is for the time being substituted for it by order of the Building Societies Commission made with the consent of the Treasury. This Order made in exercise of that power substitutes £100,000 for £50,000.

A review of the cost of compliance with this Order has been undertaken and the resulting compliance cost assessment may be obtained from the Secretary, Building Societies Commission, 15 Great Marlborough Street, London W1V 2LL.