
STATUTORY INSTRUMENTS

1995 No. 711

BUILDING SOCIETIES

The Building Societies (General Charge and Fees) Regulations 1995

<i>Made</i>	- - - -	<i>9th March 1995</i>
<i>Laid before Parliament</i>		<i>10th March 1995</i>
<i>Coming into force</i>	- -	<i>1st April 1995</i>

The Treasury, in exercise of the powers conferred on them by sections 2(2) and (4) and 116(2) of the Building Societies Act 1986(1) and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Building Societies (General Charge and Fees) Regulations 1995 and shall come into force on 1st April 1995.

Interpretation

2. In these Regulations—

“the Act” means the Building Societies Act 1986;

“the accounting year 1995-96” means the period of 12 months ending on 31st March 1996;

“amalgamation” means an amalgamation under section 93 of the Act;

“operative date” means the date on which these Regulations come into force;

“registered”, in relation to any time, means having the status of a society registered or deemed to be registered under the Act at that time;

“the relevant year” means the period of 12 months ending on 31st December 1994;

“society” means a building society; and

“transfer of engagements” means a transfer of engagements under section 94 of the Act.

General charge in respect of the Commission's accounting year 1995-96

3.—(1) Each society which is authorised on the operative date shall pay to the Commission with respect to the accounting year 1995-96 a sum determined in accordance with paragraph (3) below.

(2) Any society which is authorised during the accounting year 1994-95 only after the operative date shall pay to the Commission with respect to that year a sum determined in accordance with paragraph (3) below unless—

- (a) the society was registered on the amalgamation of two or more societies, and
- (b) at least one of those other societies was a society to which paragraph (1) above applied.

(3) The sum payable under paragraph (1) or (2) above (as the case may be) is—

- (a) in the case of any society a financial year of which ended in the relevant year a sum equal to £2,500 plus the sum determined in accordance with paragraph (5) below using the value of the society's assets as shown in its balance sheet as at the end of that financial year.
- (b) in the case of any society to which sub-paragraph (a) above does not apply and which was formed on the amalgamation of two or more societies, financial years of which ended in the relevant year a sum equal to £5,000 plus the sum determined in accordance with paragraph (5) below using the aggregate value of the assets of each of those societies as shown in their respective balance sheets as at the end of those respective financial years.
- (c) in the case of any society to which neither sub-paragraph (a) nor sub-paragraph (b) above applies, a sum equal to £2,500 plus the sum determined in accordance with paragraph (5) below using the value of the society's assets at the date of authorisation.

(4) Where, after 31st December 1994 and before the operative date, a society has transferred its engagements to an authorised society under section 94 of the Act, the transferee society shall in addition to any sum payable by it by virtue of the foregoing provisions of this regulation by virtue of this paragraph pay to the Commission with respect to the accounting year 1995-96 any sum which would have been payable by the transferor society had it been an authorised society on the operative date.

(5) The sum determined in accordance with this paragraph is the sum

- (i) determined by applying 0.00135 per cent to the relevant assets; or
- (ii) where the relevant assets exceed £30,000 million, determined by adding the sums determined by applying 0.00135 per cent to the first £30,000 million of the relevant assets and applying 0.000675 per cent to the excess of the relevant assets over £30,000 million.

Payment of the general charge

4.—(1) Any sums payable under regulation 3(1) and (4) above by a society shall be paid on 1st May 1995 or upon the earlier occurrence of a specified event but if no specified event has occurred before that date the society may pay one half of the said sum on that date and defer the other half until 1st October 1995 or the earlier occurrence of a specified event.

(2) Any sum payable under regulation 3(2) above by a society shall be paid on or before the day one month after the date on which the society is first authorised or upon the earlier occurrence of a specified event.

(3) In this regulation "specified event" in relation to a society by which a sum is payable under regulation 3 above means the earliest of any of the following

- (a) an instrument of dissolution of the society is first signed;
- (b) the society resolves that it be wound up voluntarily or by the Court;
- (c) a petition for the winding-up of the society is presented.

Fees in respect of societies' public files

5. Each society which—

- (a) is registered on or after the operative date and before 1st April 1996 and
- (b) is not in the course of dissolution or winding-up on the operative date,

shall on 1st May 1995, or in the case of a society first registered after the operative date, on applying for registration, pay to the Chief Registrar a fee of £170 in respect of the Central Office's function under section 106 of the Act of maintaining the society's public file during the accounting year 1995-96.

Fees in respect of authorisation

6. A society which applies for authorisation under section 9 of the Act shall upon making such application pay to the Commission a fee of £1,350 in respect of the exercise of the Commission's functions under that section.

Fees in respect of mergers of societies

7.—(1) Subject to paragraph (3) below, a society which proposes to merge with another society, and

- (a) applies for consent under section 94(5) of the Act to proceed to undertake to fulfil the engagements of the other society pursuant to a board resolution, or
- (b) applies for approval under paragraph 1 of Schedule 16 to the Act of the contents of a statement concerning matters relevant to the merger,

shall upon making such application pay to the Commission a fee determined in accordance with paragraph (2) below in respect of the Commission's functions in relation to the application and any functions it may exercise subsequently under section 95 of the Act with respect to the proposed merger.

(2) The sum payable under paragraph (1) above shall be, where one of the societies concerned in the proposed merger is for the purposes of section 95 of the Act of disproportionate size to the other, £7,700 and in any other case £10,950 but a society which on making such application pays a fee of £4,100 in the case where one of the societies is of disproportionate size to the other, or £7,350 in any other case, shall not be required to pay the remaining £3,600 unless and until the Commission gives notice pursuant to paragraph 9(1)(b) of Schedule 16 to the Act to the society of its determination under paragraph 9(1)(a) of Schedule 16 to the Act.

(3) In any case where the Commission considers that the proposed merger would be expedient for the purpose of protecting the investments of the shareholders or depositors with any society proposing to amalgamate with another or transfer its engagements to another society, the Commission may in respect of the proposed merger waive payment of or reduce the fee payable by any or all of the societies concerned pursuant to paragraph (1) above by notifying any society in respect of which the fee is waived or reduced of such waiver or as the case may be of the reduced fee to be paid in respect of the society's application and where the fee is so reduced the sums payable on application and upon the notice referred to in paragraph (2) above shall be such as may be notified by the Commission to the society.

Fees in respect of transfers of business to commercial companies

8.—(1) Subject to paragraph (5) below a society which applies for approval of a transfer statement under paragraph 4(2) of Schedule 17 to the Act in connection with a proposed transfer of business shall upon making such application, other than an application to which paragraph (2) below applies, pay to the Commission a fee of £250,000 in respect of the Commission's relevant functions.

(2) Subject to paragraph (5) below a society which has applied for approval of a transfer statement under paragraph 4(2) of Schedule 17 to the Act in connection with a proposed transfer of business, and which makes a further application for approval of such a statement in connection with the transfer to the same successor but where any term of the proposed statement differs from the original proposed statement, shall upon making any such second or subsequent application pay to the Commission a further fee of £45,000 in respect of the Commission's relevant functions. Provided that the Commission may waive such further fee or reduce it where the society satisfies the Commission that the differences, as between the second or subsequent proposed statement and the terms of the transfer to which it relates and the proposed statement and terms of transfer to which the last preceding application related, are not substantial.

(3) Subject to paragraphs (4) and (5) below a society which applies for confirmation of a proposed transfer of business and its terms pursuant to section 97(4)(d) of the Act shall upon making such application pay to the Commission a fee of £115,000 in respect of the Commission's functions in relation to the application and any functions it may exercise subsequently under section 97 of the Act and the applicable provisions of the Act (as referred to in that section) with respect to the proposed transfer of business.

(4) A society which, on its application for confirmation of a proposed transfer of business and its terms as described in paragraph (3) above, pays a fee of £35,000 or of such amount as may have been notified to it by the Commission pursuant to paragraph (5) below in respect of that application shall not be required to pay the remaining £80,000, or, as the case may be, the balance of the reduced fee notified to it by the Commission pursuant to paragraph (5) below, unless and until the Commission gives notice pursuant to paragraph 8(1)(b) of Schedule 17 to the Act to the society of its determination under paragraph 8(1)(a) of that Schedule.

(5) In any case where the successor to which a society proposes to transfer its business is an existing company and the Commission considers that the proposed transfer would be expedient for the purpose of protecting the investments of the shareholders and depositors the Commission may waive payment of or reduce the fee payable pursuant respectively to paragraph (1), (2) or (3) above by notifying the society of such waiver or as the case may be of the reduced fee to be paid in respect of approval of a proposed transfer statement or of a second or subsequent proposed transfer statement or confirmation of the transfer, or any of them, as the case may be, and where the fee payable in respect of confirmation is reduced, the sums payable upon application and upon the notice referred to in paragraph (4) above shall be such as may be notified by the Commission to the society.

(6) In paragraphs (1) and (2) above, "the Commission's relevant functions" means the Commission's functions in relation to the application and any functions (other than functions in relation to a further application for which a further fee is payable) which it may exercise subsequently under section 97 of the Act and the applicable provisions of the Act (as referred to in that section) with respect to the proposed transfer of business, prior to an application pursuant to section 97(4)(d) of the Act.

Fees in respect of particular Central Office functions

9. Any society which makes an application of a nature specified in Schedule 1 to these Regulations shall upon making such application pay to the Chief Registrar the relevant fee specified in respect of the examination of the application by the Central Office.

Inspection and copying fees

10. Any person wishing to inspect or to be furnished with a copy of any document in the custody of the Central Office shall, at the time at which he makes the request to inspect or to be furnished with a copy, as the case may be, pay to the Chief Registrar the relevant fee specified in Schedule 2 to these Regulations.

Revocation of regulations relating to preceding accounting year

11. The Building Societies (General Charge and Fees) Regulations 1994⁽²⁾ are hereby revoked.

9th March 1995

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

(2) [S.I. 1994/656](#).

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SCHEDULE 1

Regulation 9

Nature of application	Fee payable
1. For the registration of a society (other than a society established as the successor of societies which have applied for confirmation of an amalgamation) and of the society's memorandum and rules.	£3,830
2. For the registration of alterations to the memorandum of a society, by way of the substitution of a new document in place of the document already registered as its memorandum.	£2,420
3. For the registration of alterations to the memorandum of a society, otherwise than by way of the substitution of a new document in place of the document already registered	£580
(a) where the only alteration of which registration is sought is deemed adoption, pursuant to section 17(2) of the Deregulation and Contracting Out Act 1994 ⁽³⁾ , of the power conferred by section 14A of the Act ⁽⁴⁾	
(b) (b) in any other case.	£1,160
4. For the registration of alterations to a society's rules, by way of the substitution of a new document in place of the document already registered as its rules.	£2,420
5. For the registration of alterations to a society's rules, otherwise than by way of the substitution of a new document in place of a document already registered.	£1,160

SCHEDULE 2

Regulation 10

Facility sought	Fee payable
1. The inspection on any particular day of documents relating to a single society.	£8.00
2. The provision of a copy of the whole of or an extract from any document—	£2.50
(a) where the copy is not certified as a true copy of a document in the custody of the Central Office—	

⁽³⁾ 1994 c. 40.

⁽⁴⁾ inserted by the Deregulation and Contracting Out Act 1994.

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Facility sought	Fee payable
(i) where the copy does not exceed 5 pages, or for the first 5 pages of a copy which exceeds 5 pages	
(ii) for every page of a copy after the fifth page	£0.50
(b) (b) where the copy is certified as provided in sub-paragraph (a) above (as an addition to whatever fee would be payable if the copy were not so certified).	£8.00
(c) (c) for sending by post any copy or copies so provided, in addition to any fee payable under sub-paragraphs (a) and (b) above.	£5.00

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations supersede the Building Societies (General Charge and Fees) Regulations 1994 (“the 1994 Regulations”), which are revoked. They provide for a general charge to be paid by authorised building societies towards the expenses of the Building Societies Commission. The charge is levied with respect to the Commission’s accounting year beginning on 1st April 1995 and ending on 31st March 1996 and is expected to raise £3.8 million in aggregate. This is about 6 per cent lower than the aggregate sum raised in 1994-95 as a result of a surplus to be carried forward from 1994-95. Each society is required to pay a sum of £2,500 plus a sum equal to 0.00135 per cent of its assets, up to £30,000 million, and 0.000675 per cent of its assets above that amount, or in the case of a society formed by a recent amalgamation, a sum of £5,000 plus a sum equal to the same percentage of the aggregated value of the uniting societies. As the amount payable by each society is determined by total assets of that society, and charges overall are reduced by 6 per cent, most societies will pay a reduced charge, but some of those whose assets have increased by more than the average of all societies will have to pay more than last year.

The Regulations also provide for fees to be paid by societies in respect of particular functions of the Building Societies Commission in relation to mergers of societies and transfers of business to commercial companies and of the Central Office of the Registry of Friendly Societies under the Building Societies Act 1986, and fees to be paid by persons wishing to inspect or receive copies of documents in the custody of the Central Office. Fees in relation to transfers of business to commercial companies have been reviewed and are increased by approximately 42 per cent compared with the 1994 regulations. Search and related fees have been reviewed and increased from £4.50 to £8 (associated fees for obtaining copies etc have been increased by a comparable amount). All other fees are approximately 2 per cent higher than those payable under the 1994 Regulations.

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