
STATUTORY INSTRUMENTS

1996 No. 1669

**The Financial Institutions (Prudential
Supervision) Regulations 1996**

PART III

BUILDING SOCIETIES

Refusal and revocation of authorisation by Commission

6.—(1) After subsection (3) of section 9 of the Building Societies Act (initial authorisation to raise funds and borrow money) there shall be inserted the following subsection—

“(3A) The Commission shall not grant authorisation to a society if it appears to the Commission that—

- (a) the society is closely linked with any person; and
- (b) the society’s close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as would prevent the effective exercise by the Commission of its supervisory functions in relation to the society;

and in this Act ‘non-EEA laws’ means laws of a country or territory outside the European Economic Area and ‘non-EEA administrative provisions’ shall be construed accordingly.”

(2) After subsection (5) of section 41 of that Act (power to direct application to renew authorisation), there shall be inserted the following subsection—

“(5A) The Commission shall not grant renewed authorisation to a society if it appears to the Commission that—

- (a) the society is closely linked with any person; and
- (b) the society’s close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as would prevent the effective exercise by the Commission of its supervisory functions in relation to the society.”

(3) After paragraph (c) of subsection (3) of section 43 of that Act (revocation of authorisation), there shall be inserted the following paragraph—

“(cc) it appears to the Commission that—

- (i) the society is closely linked with any person; and
- (ii) the society’s close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as would prevent the effective exercise by the Commission of its supervisory functions in relation to the society;”

(4) After subsection (3) of section 44 of that Act (reauthorisation) there shall be inserted the following subsection—

Status: This is the original version (as it was originally made).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

“(3A) The Commission shall not grant reauthorisation to a society if it appears to the Commission that—

- (a) the society is closely linked with any person; and
- (b) the society’s close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as would prevent the effective exercise by the Commission of its supervisory functions in relation to the society.”

(5) In subsection (1) of section 119 of that Act (interpretation), after the definition of “mortgage debt” there shall be inserted the following definitions—

““non-EEA laws” has the meaning given by section 9(3A) and “non-EEA administrative provisions” shall be construed accordingly;”.