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STATUTORY INSTRUMENTS

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**1996 No. 2989**

**BUILDING SOCIETIES**

**The Building Societies (Designated Capital Resources) (Amendment) Order 1996**

<i>Made</i>	- - - -	<i>26th November 1996</i>
<i>Laid before Parliament</i>		<i>28th November 1996</i>
<i>Coming into force</i>	- -	<i>1st January 1997</i>

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred on it by section 45(5) of the Building Societies Act 1986(1) hereby makes the following Order:—

**Title and commencement**

1. This Order may be cited as the Building Societies (Designated Capital Resources) (Amendment) Order 1996 and shall come into force on 1st January 1997.

**Amendment of principal Order**

2. The Building Societies (Designated Capital Resources) Order 1992(2) shall be amended as follows—

- (a) article 4 shall be omitted; and
- (b) in article 7(1), the words “internally audited interim profit”, in both places where they occur, shall be omitted.

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(1) 1986 c. 53.

(2) S.I.1992/1611, amended by S.I. 1994/750.

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**Status:** This is the original version (as it was originally made).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

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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

17th October 1996.

*J. Dennis*  
Secretary to the Commission

We consent to this Order

26th November 1996

*Michael Bates*  
*Richard Ottaway*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order amends the Building Societies (Designated Capital Resources) Order 1992 (the Principal Order) which specifies that various resources of a building society may be treated as capital resources aggregable with reserves for the purpose of the first criterion of prudent management (maintenance of adequate reserves and other designated capital resources) under section 45(3) of the Building Societies Act 1986.

The Principal Order specifies that one of the resources which may be aggregated with reserves is internally audited interim profit. Internally audited interim profit of a society is the amount of any profit for the period since the latest balance sheet of the society shown in the accounting records of the society for the time being where the directors of the society have resolved that they are satisfied that such profit has been verified by internal audit. This Order removes internally audited interim profit from the categories of resource which may be aggregated with reserves for the aforementioned purpose.

A compliance cost assessment of the effect that this instrument would have on the cost of business is available from the Secretary, Building Societies Commission, 15 Great Marlborough Street, London W1V 2LL.