
STATUTORY INSTRUMENTS

2000 No. 668

BUILDING SOCIETIES

The Building Societies (General Charge and Fees) Regulations 2000

<i>Made</i>	- - - -	<i>8th March 2000</i>
<i>Laid before Parliament</i>		<i>9th March 2000</i>
<i>Coming into force</i>	- -	<i>1st April 2000</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 the 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 2000 and shall come into force on 1st April 2000.

Interpretation

2. In these Regulations—

“the Act” means the Building Societies Act 1986;

“the accounting year 2000–2001” means the period of 12 months ending on 31st March 2001;

“amalgamation” means an amalgamation under section 93 of the Act(2);

“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 1999;

“society” means a building society; and

“transfer of engagements” means a transfer of engagements under section 94 of the Act(3).

(1) 1986 c. 53; see also the definition of “prescribed” in section 119(1).

(2) Section 93 was amended by section 43 of and paragraph 41 of Schedule 7 to the Building Societies Act 1997 (c. 32).

(3) Section 94 was amended by section 43 of and paragraph 42 of Schedule 7 to the Building Societies Act 1997.

General charge in respect of the Commission's accounting year 2000–2001

3.—(1) Each society which is authorised on the operative date shall pay to the Commission with respect to the accounting year 2000–2001 a sum determined in accordance with paragraph (3) below.

(2) Any society which is authorised during the accounting year 2000–2001 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 and with assets the value of which is shown in the balance sheet as at the end of that financial year as £50 million or less, a sum equal to £3,750 plus the sum determined in accordance with paragraph (5) below using the value of the society's assets as so shown;
 - (b) in the case of any society a financial year of which ended in the relevant year and with assets the value of which as shown in the balance sheet as at the end of that financial year is more than £50 million, a sum equal to £5,000 plus the sum determined in accordance with paragraph (5) below using the value of the society's assets as so shown;
 - (c) in the case of any society to which sub-paragraph (a) or (b) 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 equivalent to £10,000 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;
 - (d) in the case of any society to which sub-paragraph (a), (b) or (c) does not apply and with assets the value of which as at the date of authorisation of the society is £50 million or less, a sum equal to £3,750 plus the sum determined in accordance with paragraph (5) below using the value of the society's assets as at the date of authorisation; and
 - (e) in the case of any society to which sub-paragraph (a), (b) or (c) does not apply and with assets the value of which at the date of authorisation of the society is more than £50 million, a sum equal to £5,000 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 a society has transferred its engagements to an authorised society under section 94 of the Act⁽⁴⁾ after the end of the transferee's financial year which ended in the relevant year, the transferee shall in addition to any sum payable by it by virtue of the foregoing provisions of this regulation pay to the Commission with respect to the accounting year 2000–2001 any sum which would have been payable by the transferor society if it had been an authorised society on the operative date and in a case where the transferor society had no balance sheet for a financial year ending in the relevant year, using the value of that society's assets as shown in the balance sheet for its last financial year.

- (5) The sum determined in accordance with this paragraph is the sum—
- (a) determined by applying 0.00124% per cent to the relevant assets, or
 - (b) where the value of the relevant assets exceeds £30,000 million, determined by adding the sums determined by applying 0.00124% per cent to the first £30,000 million of the relevant assets and applying 0.00062% per cent to the excess of the relevant assets over £30,000 million.

(4) Section 94 was amended by section 43 of and paragraph 42 of Schedule 7 to the Building Societies Act 1997.

Payment of the general charge

4.—(1) Any sum payable under regulation 3(1) and (4) above by a society shall be paid on 1st May 2000 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 September 2000 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 made with consent given and testified under section 87(1) of the Act⁽⁵⁾;
- (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 2001, and
- (b) is not in the course of dissolution or winding up on the operative date, shall on 1st May 2000, 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 £195 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 2000–2001.

Fees in respect of authorisation

6. A society which applied for authorisation under section 9 of the Act⁽⁶⁾ shall upon making such applications pay to the Commission a fee of £1,625 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)(b) 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(3) of Schedule 16 to the Act or paragraph 3(4) of Schedule 8A to the Act⁽⁷⁾ 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⁽⁸⁾ with respect to the proposed merger.

(5) Section 87 was amended by section 43 of and paragraph 38 of Schedule 7 to the Building Societies Act 1997.

(6) Section 9 was amended by regulation 68 of the Banking Co-ordination (Second Council Directive) Regulations 1992 (S.I.1992/3218), by regulation 6 of the Financial Institutions (Prudential Supervision) Regulations 1996 (S.I. 1996/1669) and by section 43 of and paragraph 3 of Schedule 7 to the Building Societies Act 1997.

(7) Schedule 8A was inserted by section 17(2) of and Schedule 4 to the Building Societies Act 1997.

(8) Section 95 was amended by section 43 of and paragraph 43 of Schedule 7 to the Building Societies Act 1997.

(2) The sum payable under paragraph (1) above shall be £13,000, but a society which on making such application pays a fee of £8,750 shall not be required to pay the remaining of £4,250 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 that Schedule.

(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 of or depositors in any society proposing to amalgamate with 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 societies concerned under 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(3) of Schedule 17 to the Act⁽⁹⁾ or paragraph 9(4) of Schedule 8A 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 £278,000 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(3) of Schedule 17 to the Act or paragraph 9(4) of Schedule 8A 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 £50,000 in respect of the Commission's relevant functions. However 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 the 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⁽¹⁰⁾ shall upon making such application pay to the Commission a fee of £126,500 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 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 £38,000 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 £88,500 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 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 paragraphs (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

⁽⁹⁾ Part I of Schedule 17 was substituted by section 30(3) of and Schedule 5 to the Building Societies Act 1997.

⁽¹⁰⁾ Section 97 was amended by section 43 of and paragraph 45 of Schedule 7 to the Building Societies Act 1997 and by section 1(2) of the Building Societies (Distributions) Act 1997 (c. 41).

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 on 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 year

11. The Building Societies (General Charge and Fees) Regulations 1999(11) are hereby revoked.

8th March 2000

Greg Pope
Clive Betts
Two of the Lords Commissioners of Her
Majesty’s Treasury

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SCHEDULE 1

Regulation 9

<i>Nature of application</i>	<i>Fee payable</i>
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.	£4,200
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.	£1,500
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.	£1,000
4. For the registration of alterations to a society's rules, by way of substitution of a new document in place of the document already registered as its rules.	£2,505
5. For the registration of alterations to a society's rules, otherwise than by way of substitution of a new document in place of a document already registered.	£1,200

SCHEDULE 2

Regulation 10

<i>Facility sought</i>	<i>Fee payable</i>
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—	£3.00
(a) where the copy is not certified as a true copy of a document in the custody of the Central Office—	
(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;	£0.60
(b) (b) where the copy is certified as provided in sub-paragraph (a) above (as an addition to whatever fee would	£12.00

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<i>Facility sought</i>	<i>Fee payable</i>
be payable if the copy were not so certified);	
(c) (c) for sending by post any copy of copies so provided, in addition to any fee payable under sub-paragraph (a) or (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 1999, 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 the 1st April 2000 and ending on 31st March 2001 and is expected to raise £2.1 million in aggregate. Societies with assets of £50 million or less are required to pay a sum of £3,750 plus a sum equal to 0.00124 per cent of their assets. Societies with assets of more than £50 million are required to pay a sum of £5,000 plus a sum equal to 0.00124 per cent of their assets up to £30,000 million and 0.00062 per cent of their assets above that amount. In the case of a society formed by a recent amalgamation, a sum of £10,000 is payable plus a sum equal to the same percentage of the aggregated value of the uniting societies.

The same fixed sums are payable as in the Commission's previous accounting year. The asset percentages have been reduced but the asset threshold has been increased from £45 million to £50 million. All societies will pay less than in the previous accounting year and the extent of the reduction will depend on each society's assets.

The Regulations also provide for fees to be paid in respect of functions of the Building Societies Commission under the Building Societies Act 1986 and in respect of functions of the Central Office of the Registry of Friendly Societies under the 1986 Act. The Regulations further provide for fees to be paid for copies of documents held by the Central Office. These fees remain unchanged except for the fee for certification of a copy which has increased by 50%. Some of the fees payable in respect of the Commission's functions have been increased by an average of 2.8%. The changes to the fees are as follows:

<i>Nature of application</i>	<i>Fee payable 1999–2000</i> £	<i>Fee payable from 2000</i> £
1. Authorisation of a building society	1,575	1,625
2. Mergers of building societies	12,650	13,000
(a) full fee		
(b) (b) initial fee	8,500	8,750

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<i>Nature of application</i>	<i>Fee payable 1999–2000</i> £	<i>Fee payable from 2000</i> £
(c) (c) fee in respect of hearing	4,150	4,250
3. Maintenance of building society's public file	190	195
Schedule 2		
(b) (b) Certification as a true copy of a document	8	12