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STATUTORY INSTRUMENTS

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**2004 No. 3200**

**The Building Societies Act 1986 (Modification of the Lending Limit and Funding Limit Calculations) Order 2004**

**Securitised assets of a subsidiary undertaking and the funding limit**

4.—(1) Section 7(2)(1) of the 1986 Act is modified in its application to liabilities of subsidiary undertakings of a building society as follows.

(2) Where an amount is included in the total liabilities of any subsidiary undertaking that are consolidated in the society's accounts, in respect of the non-returnable proceeds raised pursuant to a securitisation transaction, that amount shall be disregarded for the purposes of that section if—

- (a) the assets securitised by the transaction are loans; and
- (b) the terms of the securitisation transaction meet the conditions in article 3(5).