
STATUTORY INSTRUMENTS

2010 No. 1188

The Building Societies (Financial Assistance) Order 2010

Purpose or principal purpose of building societies

3.—(1) Section 5 of the 1986 Act (establishment, constitution and powers)(1) applies in relation to a relevant building society with the following modification.

(2) No relevant building society shall be regarded as failing to comply with section 5(1)(a) (purpose or principal purpose) by virtue of any financial assistance it receives from a qualifying institution.

(3) The powers conferred on the Authority by sections 36 and 37 of the 1986 Act (power to direct restructuring of business etc and powers to petition for winding up etc) shall not become exercisable in relation to a building society which receives financial assistance if, but for the financial assistance, they would not have become exercisable.

(4) Sections 5(4A), 36(1) and 37(1) shall be construed accordingly.

(5) The Authority shall disregard, for the purposes of its section 1(1)(a) function, a building society to which paragraph (3) applies.

(1) Section 5 was amended by the Building Societies Act 1997, sections 1 and 3, and by [S.I. 2001/2617](#). The [Building Societies \(Funding\) and Mutual Societies \(Transfers\) Act 2007](#) (c. 26), section 1(2), inserts section 5(11) to (14), from a date to be appointed.