
STATUTORY INSTRUMENTS

2010 No. 1188

The Building Societies (Financial Assistance) Order 2010

The lending limit

4.—(1) Section 6(1) of the 1986 Act (the lending limit)(1) shall not apply in relation to a relevant building society for the relevant period where—

- (a) the society receives financial assistance from a qualifying institution,
- (b) as a consequence of the financial assistance, the society transfers, assigns or otherwise disposes of any of its assets, and
- (c) that transfer, assignment or other disposal would, apart from this article, put the society in breach of section 6(1).

(2) No building society within paragraph (1) shall be regarded as failing to comply with section 5(1)(a) of the 1986 Act in the relevant period by virtue of the matters referred to in paragraph (1).

(3) The powers conferred on the Authority by sections 36 and 37 of the 1986 Act shall not become exercisable in relation to a building society within paragraph (1) in respect of the relevant period.

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

(5) In the relevant period the Authority shall disregard, for the purposes of its section 1(1)(a) function, a building society within paragraph (1).

(6) In this article “the relevant period” is the period commencing on the date on which paragraph (1) is first satisfied in relation to the society and ending—

- (a) one year after that date, or
- (b) if later, on the date on which the financial assistance referred to in paragraph (1) is no longer provided.

(1) Section 6 was substituted by the Building Societies Act 1997, section 4, and amended by S.I. 2001/2617, 2001/3649, and 2004/3380. Section 6(2) was modified in its application to assets of subsidiary undertakings by S.I. 2004/3200.