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STATUTORY INSTRUMENTS

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**2001 No. 1826**

**BUILDING SOCIETIES**

**The Building Societies (Restricted Transactions) Order 2001**

*Made* - - - - *10th May 2001*  
*Laid before Parliament* *10th May 2001*  
*Coming into force* - - *1st July 2001*

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred on it by section 9A(12)(b) of the Building Societies Act 1986<sup>(1)</sup>, hereby makes the following Order:

**Citation and commencement**

1. This Order may be cited as the Building Societies (Restricted Transactions) Order 2001 and shall come into force on 1st July 2001.

**Amendment of section 9A of the Building Societies Act 1986**

2. Subsection (4) of section 9A of the Building Societies Act 1986 is varied as follows—

- (a) the word “and” immediately after paragraph (b)(iv) is omitted; and
- (b) there is inserted immediately after paragraph (b)(v) the following—

“and

- (vi) the ability or willingness of one or more persons to pay or repay a sum or sums owing at law or in equity to the society or a connected undertaking of the society;”.

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(1) 1986 c. 53; section 9A was inserted by section 10 of the Building Societies Act 1997 (c. 32).

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*Status: This is the original version (as it was originally made).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 hereto fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 9th May 2001.

L.S.

*Jeremy Palmer*  
Commissioner

We consent to this Order.

*Jim Dowd*  
*Greg Pope*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

10th May 2001

## **EXPLANATORY NOTE**

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

Section 9A(4)(b) of the Building Societies Act 1986 permits a building society or a subsidiary undertaking of a building society to enter into a transaction involving derivative investments, notwithstanding the prohibition on such transactions in section 9A(1)(c), if it is entered into for the purpose of limiting the extent to which the society, or a connected undertaking of the society, will be affected by changes in certain factors. This Order varies section 9A(4)(b) by adding as a factor the ability or willingness of one or more persons to pay or repay a sum or sums owing at law or in equity to the society or a connected undertaking of the society.