

Part 2: Constitution of building societies

- 3.**—(1) In section 6A (loans secured on land)(a)—
- (a) in subsection (1), in paragraph (c), for “an EEA country or territory other than the United Kingdom”, substitute “the Isle of Man, the Channel Islands or Gibraltar”;
 - (b) after subsection (1), insert—
 - “(1A) For the purposes of this Act a loan is also secured on land if—
 - (a) it was secured before exit day by a qualifying security over land in an EEA country or territory other than the United Kingdom, and
 - (b) it continues to be secured by a qualifying security over that land.”
 - (c) in subsection (4), for “European Economic Area” substitute “United Kingdom”;
 - (d) in subsection (7)—
 - (i) in the definition of “qualifying security”, for “in relation to land in an EEA country or territory other than the United Kingdom and a loan”, substitute “in relation to a loan and land in the Isle of Man, the Channel Islands, Gibraltar or in an EEA country or territory”;
 - (ii) omit the words from “and for the purposes of this section and that section” to the end of the subsection;
 - (e) in subsection (8), for paragraph (a), substitute—
 - “(a) land in—
 - (i) the United Kingdom;
 - (ii) the Isle of Man, the Channel Islands, Gibraltar; or
 - (iii) an EEA country or territory; and”.
- (2) In section 6B (loans fully secured on land)(b), in subsection (9)—
- (a) after “Scotland” insert “, the Isle of Man, the Channel Islands, Gibraltar”;
 - (b) for “an EEA country” substitute “another country”.

Part 10: Dissolution, winding up, mergers, transfer of business

- 4.** In section 97 (transfer of business to commercial company), omit subsection (13)(c).

Part 11: Miscellaneous and supplementary and conveyancing services

- 5.** In section 107(12) (restriction of use of certain names and descriptions), in the definition of “institution”, omit paragraph (c)(d).

Schedule 2: Establishment, incorporation and constitution of building societies

- 6.** In Schedule 2, in paragraph 23—
- (a) for sub-paragraph (5B)(e), substitute—
 - “(5B) For the purposes of sub-paragraph (5A), a relevant resolution is a resolution to approve an increase in the maximum ratio between the fixed and variable components of remuneration as permitted by—

(a) Section 6A was inserted by s.5 of the Building Societies Act 1997 (c.32).
(b) Section 6B was inserted by s.6 of the Building Societies Act 1997 (c.32).
(c) Subsection (13) was inserted into section 97 by paragraph 45 of Schedule 7 to the Building Societies Act 1997 (c.37), and amended by S.I. 2008/1519.
(d) Subsection (12) was substituted by S.I. 2001/3649.
(e) Sub-paragraphs (5B) and (5C) were inserted by S.I. 2013/3115.

- (a) rule 15.10 of the Remuneration Part of the Rulebook made by the Prudential Regulation Authority under the Financial Services and Markets Act 2000(a), or
 - (b) rule 19D.3.49 of the Senior Management Arrangements, Systems and Controls sourcebook made by the Financial Conduct Authority under that Act(b),
- where the member referred to would be directly affected by the increase.”;
- (b) after sub-paragraph (5B), insert—
 - “(5BA) For the purposes of sub-paragraph (5B), references to rules made by the Prudential Regulation Authority or the Financial Conduct Authority are to those rules as they have effect on exit day.”
 - (c) omit sub-paragraph (5C).

Schedule 11: Auditors: appointment, tenure

7. In paragraph 8C of Schedule 11(c)—

- (a) in sub-paragraph (1), for the definition of “audit committee”, substitute—
 - ““audit committee” means a body which performs—
 - (a) the functions referred to in—
 - (i) rule 7.1.3 of the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority under the Financial Services and Markets Act 2000; or
 - (ii) rule 2.4 of the Audit Committee Part of the Rulebook made by the Prudential Regulation Authority under that Act; or
 - (b) equivalent functions;”;
- (b) after sub-paragraph (1), insert—
 - “(1A) For the purposes of the definition of “audit committee”, references to rules made by the Prudential Regulation Authority or the Financial Conduct Authority are to those rules as they have effect on exit day.”

Building Societies (Funding) and Mutual Societies (Transfers) Act 2007

8.—(1) The Building Societies (Funding) and Mutual Societies (Transfers) Act 2007(d) is amended as follows.

(2) In section 3 (transfers to subsidiaries of other mutuals)—

- (a) in subsection (10), for paragraph (d), substitute—
 - “(d) a Crown Dependency mutual society.”;
- (b) for subsection (12), substitute—
 - “(12) A Crown Dependency mutual society is a body which is a cooperative or mutual undertaking of such description as the Treasury specify by order and which is established or operates in accordance the law of the Isle of Man or any of the Channel Islands.”

(3) In subsection (14), for paragraph (c), substitute—

“(c) a body corporate which is incorporated in the Isle of Man or the Channel Islands.”

(a) The Rulebook is available on <http://www.prerulebook.co.uk> and copies of the rules referred to can be obtained from the Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA, where it is also available for inspection.

(b) Sourcebooks made by the Financial Conduct Authority are available on <https://www.handbook.fca.org.uk/handbook> and copies of the rules referred to can be obtained from the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, where it is also available for inspection.

(c) Paragraph 8C was inserted by S.I. 2008/1519, substituted by S.I. 2016/649 and sub-paragraph (1) was renumbered by S.I. 2017/516.

(d) 2007 c.26.

PART 3
AMENDMENTS TO SECONDARY LEGISLATION

Building Societies (Transfer of Business) Regulations 1998

9. In paragraph 10(2) of Part 2 of Schedule 1 to the Building Societies (Transfer of Business) Regulations 1998(a)—

- (a) at the end of sub-paragraph (a), omit “or”;
- (b) omit sub-paragraph (b).

Building Societies (Accounts and Related Provisions) Regulations 1998

10. In paragraph 13 of Schedule 11 to the Building Societies (Accounts and Related Provisions) Regulations 1998(b), in the definition of “credit institution” after “competent authorities of” insert “the United Kingdom,”.

Building Societies Act 1986 (Substitution of Specified Amounts and Modification of the Funding Limit Calculation) Order 2007

11. In article 3 of the Building Societies Act 1986 (Substitution of Specified Amounts and Modification of the Funding Limit Calculation) Order 2007(c)—

- (a) in paragraph (1), for “EEA” substitute “relevant”;
- (b) in paragraph (2), for “EEA” substitute “relevant”;
- (c) in paragraph (4), for “an EEA” substitute “a relevant”;
- (d) in paragraph (5)—
 - (i) for “EEA subsidiary undertaking” substitute “a relevant subsidiary undertaking”;
 - (ii) omit “another EEA State,”.

Mutual Societies (Transfers) Order 2009

12. In the Mutual Societies (Transfers) Order 2009(d), in article 19—

- (a) in paragraph (1), for “EEA mutual society” substitute “Crown Dependency mutual society”;
- (b) in paragraph (2)(b), omit “an EEA state or”;
- (c) in paragraph (3)—
 - (i) omit sub-paragraph (a);
 - (ii) in sub-paragraph (b)(ii)—
 - (aa) for “under the Directive mentioned in sub-paragraph (a) as a direct life or non-life undertaking within the meaning of Article 2 of that Directive” substitute “under the Financial Services and Markets Act 2000 as an insurer, within the meaning of section 339C(4)(b) of that Act”;
 - (bb) for “an EEA state” substitute “the United Kingdom”;
- (d) in the heading, for “EEA” substitute “Crown Dependency”.

(a) S.I. 1998/212. Paragraph 10(2) was inserted by S.I. 2001/3649 and amended by S.I. 2013/496.

(b) S.I. 1998/504. The definition of “credit institution” was substituted by S.I. 2001/3649.

(c) S.I. 2007/860.

(d) S.I. 2009/509. Paragraph (3) of Article 19 was amended by S.I. 2015/575.

Date

Two of the Lords Commissioners of HM Treasury

Name

Name

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made in exercise of the powers in section 8 of the European Union (Withdrawal) Act 2018 in order to address failures of retained EU law to operate effectively and other deficiencies (in particular the deficiencies under paragraphs (e) and (g) of section 8(2) of the Act) arising from the withdrawal of the United Kingdom from the European Union and to make consequential provision. Regulations 2 to 7 amend the Building Societies Act 1986 (to remove references to EEA countries and territories, and bodies corporate incorporated under the law of an EU member State or EEA countries and to replace references to EU legislation by references to the provisions of UK law which implemented them). Regulation 8 amends the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007 to replace references to EEA mutual societies by references to Crown Dependency mutual societies. Regulations 9 to 12 make similar amendments to the Building Societies (Transfer of Business) Regulations 1998, the Building Societies (Accounts and Related Provisions) Regulations 1998, the Building Societies Act 1986 (Substitution of Specified Amounts and Modification of the Funding Limit Calculation) Order 2007 and the Mutual Societies (Transfers) Order 2009.

These Regulations refer to the Rulebook made by the Prudential Regulation Authority under the Financial Services and Markets Act 2000, and sourcebooks made by the Financial Conduct Authority under that Act. The Rulebook is available on <http://www.prarulebook.co.uk> and copies of the rules referred to can be obtained from the Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA, where it is also available for inspection. Sourcebooks made by the Financial Conduct Authority are available on <https://www.handbook.fca.org.uk/handbook> and copies of the rules referred to can be obtained from the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, where it is also available for inspection.

An impact assessment of the effect that this instrument, and other instruments made by HM Treasury under the European Union (Withdrawal) Act 2018 at or about the same time, will have on the costs of business, the voluntary sector and the public sector is available from HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and is published alongside this instrument at www.legislation.gov.uk.

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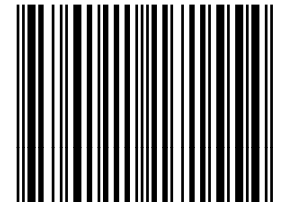
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