



Building Societies Act 1986

1986 CHAPTER 53

PART III

ADVANCES, LOANS AND OTHER ASSETS

Other powers

23 Power to hedge

- (1) Subject to subsections (3) and (4) below, a building society may effect contracts of a prescribed description for the purpose of reducing the risk of loss arising from changes in interest rates, currency rates or other factors of a prescribed description which affect its business.
- (2) The Commission, with the consent of the Treasury, may by order—
 - (a) specify as contracts which building societies have power to effect under this section descriptions of contract whose purpose or one of whose purposes is the reduction of the risk to businesses of loss arising from the factors specified in subsection (1) above or other similar factors, and
 - (b) regulate, or provide for the regulation of, the terms on which, the persons or descriptions of persons with whom, and the circumstances in which, contracts of a description specified under paragraph (a) above, may be effected by building societies.
- (3) Except as provided under subsection (4) below, the powers conferred by this section are not available to a building society which does not for the time being have a qualifying asset holding, but the cessation of their availability does not require the disposal of any property or rights.
- (4) The Commission, with the consent of the Treasury, may by order provide that subsection (3) above shall not have effect, as regards prescribed powers, in relation to prescribed descriptions of building societies.
- (5) The powers conferred by this section on a building society, if available to it, must, in order to be exercisable, be adopted by the society.

Status: This is the original version (as it was originally enacted).

- (6) The power to make an order under subsection (2) or (4) above—
 - (a) includes power to make such transitional provision as the Commission considers necessary or expedient, and
 - (b) is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (7) In this section "prescribed" means prescribed in an order under subsection (2) or (4) above, as the case may be.