



Building Societies Act 1997

1997 CHAPTER 32

PART I

CONSTITUTION AND POWERS

1 Principal purpose and powers.

(1) For subsection (1) of section 5 (establishment, constitution and powers) of the ^{M1}Building Societies Act 1986 (“the 1986 Act”) there shall be substituted the following subsection—

“(1) A society may be established under this Act if (and only if) it complies with the following requirements, namely—

- (a) its purpose or principal purpose is that of making loans which are secured on residential property and are funded substantially by its members; and
- (b) its principal office is in the United Kingdom.”

(2) After subsection (4) of that section there shall be inserted the following subsection—

“(4A) If, after its establishment, a building society fails to comply with the requirements imposed by subsection (1)(a) or (b) above—

- (a) the powers conferred on the Commission by section 36 or 37 shall become exercisable in relation to the society; but
- (b) the failure shall not affect the validity of any transaction or other act.”

(3) For subsections (5) to (7) of that section there shall be substituted the following subsection—

“(5) Subject to the provisions of this Act, a building society shall have the powers conferred on it by its memorandum.”

(4) For subsection (10) of that section there shall be substituted the following subsection—

“(10) In this Act “residential property” means land at least 40 per cent of which—
(a) is normally used as, or in connection with, one or more dwellings; or

Changes to legislation: There are currently no known outstanding effects for the Building Societies Act 1997, Section 1. (See end of Document for details)

(b) has been, is being or is to be developed or adapted for such use; and for the purposes of this subsection, the area of any land which comprises a building or other structure containing two or more storeys shall be taken to be the aggregate of the floor areas of each of those storeys.”

Commencement Information

II S. 1 in force at 1.12.1997 by S.I. 1997/2668, art. 2, **Sch. Pt. II** (subject as mentioned in art. 2(2)-(5) of that S.I.)

Marginal Citations

M1 1986 c.53.

Changes to legislation:

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