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STATUTORY INSTRUMENTS

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**1987 No. 1498**

**The Building Societies (Isle of Man) Order 1987**

**Citation and commencement**

1. This Order may be cited as the Building Societies (Isle of Man) Order 1987 and shall come into force on 15th November 1987.

**Interpretation**

2.—(1) In this Order—

“the Act” means the Building Societies Act 1986;

“relevant form of security” means the form to which paragraph 1 of Schedule 1 to this Order refers;

“relevant provision” means a provision of the Act which applies or has effect in relation to advances secured on land;

“society” means a building society;

“specified territory” means the Isle of Man; and

“territory advance” means an advance which, by virtue of this Order, a society may make.

(2) For the purposes of this Order, a provision of the Act which applies or has effect in relation to advances fully secured on land shall be treated as one which applies or has effect in relation to advances secured on land.

**Designation of specified territory**

3.—(1) Subject to paragraph (2) below, the specified territory is designated as a territory as respects which advances under section 14 of the Act (power to make advances secured on land overseas) may be made secured on land.

(2) Schedule 1 to this Order shall have effect in respect of—

(a) the forms of security on land which may be taken for such advances,

(b) the circumstances in which such forms of security may be taken,

(c) the conditions subject to which such forms of security may be taken, and

(d) the classification of territory advances (and accordingly of the mortgage debts) as class 1 advances or class 2 advances for the purposes of the requirements of Part III of the Act for the structure of commercial assets,

in relation to the specified territory, and a society shall not have power to make advances secured on land in the specified territory except in accordance with Schedule 1 to this Order.

**Availability of power**

4. The power conferred by this Order is not available to a society which does not for the time being have a qualifying asset holding, but the cessation of its availability does not require the disposal of any property or rights.

### **Exercise of power without adoption**

5. The power conferred by this Order shall not require adoption by a society in order to be exercisable by it.

### **Other security**

6. Nothing in this Order is to be taken as precluding a society from taking other security for an advance classified as specified in article 3(2)(d) above, but the value of the other security shall be disregarded for the purpose of that classification.

### **Application of relevant provisions**

7. Subject to Schedule 2 to this Order, the relevant provisions shall apply or, as the case may be, have effect in relation to territory advances as they apply or have effect in relation to other advances secured on land and in any relevant provision—

- (a) any reference to a mortgage shall be construed as including a reference to the relevant form of security, and
- (b) any reference to a mortgage debt shall be construed accordingly.

In witness whereof the common seal of the Building Societies Commission is hereinto fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 13th August 1987.

L.S.

*D. B. Severn*  
Secretary to the Commission

We consent to this Order.

*Peter Lloyd*  
*David Lightbown*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

20th August 1987