

SCHEDULE 11

TRANSITIONAL PROVISIONS AND SAVINGS

PART IV

AMENDMENTS OF BUILDING SOCIETIES ACT

Requirements as to qualifying capital and own funds

18.—(1) This paragraph applies to a building society which immediately before the commencement date is authorised by the Commission under the Building Societies Act(1).

(2) In relation to a society to which this paragraph applies—

- (a) sections 41(6)(a) and 44(4)(a) of the Building Societies Act (society to have on renewal of authorisation or reauthorisation qualifying capital of not less than the prescribed minimum); and
- (b) the first criterion in section 45(3) of that Act(2) (society to have own funds amounting to not less than that minimum),

shall have effect as if the reference to the prescribed minimum were a reference to the relevant amount.

(3) Subject to sub-paragraphs (4) to (6) below, the relevant amount for the purposes of subparagraph (2)(a) above is the amount of qualifying capital which the society has on the commencement date.

(4) If, at any time after 22nd December 1989, the society had or has qualifying capital of a greater amount than the amount of its qualifying capital on the commencement date, the relevant amount is that greater amount, or the prescribed minimum, whichever is the less.

(5) If—

- (a) the society merges with another society which is also a society to which this paragraph applies; and
- (b) the Commission is satisfied that in the circumstances the merged society need not have qualifying capital amounting to not less than the prescribed minimum,

then, subject to sub-paragraph (6) below, the relevant amount in relation to the merged society is the aggregate qualifying capital of the merging societies on the date of the change, or the prescribed minimum, whichever is the less.

(6) If, at any time after the commencement date, the merged society has qualifying capital of not less than the prescribed minimum, the relevant amount is the prescribed minimum.

(7) Sub-paragraphs (3) to (6) above shall apply for the purposes of sub-paragraph (2)(b) above with the following modifications, namely, that for the references to qualifying capital there shall be substituted references to own funds.

(8) In this paragraph “the prescribed minimum” and “qualifying capital” have the meanings given by section 9(13) of the Building Societies Act(3).

(9) A society merges with another for the purposes of this paragraph if either—

(1) 1986 c. 53.

(2) Section 45(3) is amended by regulation 73 of these Regulations.

(3) Section 9(13) is amended by regulation 68(2) of these Regulations.

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- (a) it amalgamates with the other by establishing a building society as their successor under section 93 of the Building Societies Act (amalgamations); or
- (b) it transfers all of its engagements to the other under section 94 of that Act (transfers of engagements);

and references in this paragraph to the merged society or the merging societies shall be construed accordingly.