
STATUTORY INSTRUMENTS

2001 No. 1826

BUILDING SOCIETIES

The Building Societies (Restricted Transactions) Order 2001

Made - - - - *10th May 2001*
Laid before Parliament *10th May 2001*
Coming into force - - *1st July 2001*

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred on it by section 9A(12)(b) of the Building Societies Act 1986⁽¹⁾, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Building Societies (Restricted Transactions) Order 2001 and shall come into force on 1st July 2001.

Amendment of section 9A of the Building Societies Act 1986

2. Subsection (4) of section 9A of the Building Societies Act 1986 is varied as follows—

- (a) the word “and” immediately after paragraph (b)(iv) is omitted; and
- (b) there is inserted immediately after paragraph (b)(v) the following—

“and

- (vi) the ability or willingness of one or more persons to pay or repay a sum or sums owing at law or in equity to the society or a connected undertaking of the society;”.

(1) 1986 c. 53; section 9A was inserted by section 10 of the Building Societies Act 1997 (c. 32).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

In witness whereof the common seal of the Building Societies Commission is hereto fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 9th May 2001.

Jeremy Palmer
Commissioner

We consent to this Order.

Jim Dowd
Greg Pope
Two of the Lords Commissioners of Her
Majesty's Treasury

10th May 2001

EXPLANATORY NOTE

(This note is not part of the Order)

Section 9A(4)(b) of the Building Societies Act 1986 permits a building society or a subsidiary undertaking of a building society to enter into a transaction involving derivative investments, notwithstanding the prohibition on such transactions in section 9A(1)(c), if it is entered into for the purpose of limiting the extent to which the society, or a connected undertaking of the society, will be affected by changes in certain factors. This Order varies section 9A(4)(b) by adding as a factor the ability or willingness of one or more persons to pay or repay a sum or sums owing at law or in equity to the society or a connected undertaking of the society.