



# Building Societies Act 1997

## CHAPTER 32

### BUILDING SOCIETIES ACT 1997

#### PART I

##### CONSTITUTION AND POWERS

- 1 Principal purpose and powers.
- 2 Membership and liability of members.
- 3 Capacity etc.
- 4 The lending limit.
- 5 Loans secured on land.
- 6 Loans fully secured on land.
- 7 Discharge of mortgages.
- 8 The funding limit.
- 9 Raising funds and borrowing.
- 10 Restrictions on certain transactions.
- 11 Restriction on creation of floating charges.
- 12 Superseded provisions of 1986 Act.

#### PART II

##### POWERS OF CONTROL OF COMMISSION

- 13 Power to direct restructuring of business etc.
- 14 Power to make prohibition orders.
- 15 Powers to petition for winding up etc.
- 16 Imposition or variation of conditions in urgent cases.
- 17 Power to direct transfers of engagements or business.
- 18 Notification and confirmation of transfer directions.
- 19 Revocation: supplementary directions.
- 20 Notification and confirmation of supplementary directions.

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- 21 The criteria of prudent management.
- 22 Statements of principles etc. by Commission.
- 23 Rights of appeal.
- 24 Determination of appeals.

### **PART III**

#### ACCOUNTABILITY TO MEMBERS

- 25 Special meeting on members' requisition.
- 26 Failure to comply with members' requisition.
- 27 Election of directors: general.
- 28 Election of directors: supplementary.
- 29 Acquisition or establishment of a business.
- 30 Information about transfers or proposed transfers of business.
- 31 Transfers of business: increased remuneration etc.

### **PART IV**

#### PROTECTION OF INVESTORS AND INVESTIGATION OF COMPLAINTS

- 32 Amalgamation of building society and banking protection schemes.
- 33 Liability of insolvent society in respect of payments made by Board.
- 34 Recognised schemes for investigation of complaints.
- 35 Persons entitled to have complaints investigated.

### **PART V**

#### MISCELLANEOUS AND SUPPLEMENTAL

##### *Miscellaneous*

- 36 Registered and business names.
- 37 Access to registers of members.
- 38 Transactions with directors and persons connected with them.
- 39 Application of certain insolvency legislation.
- 40 Abolition of priority liquidation distribution rights.
- 41 Protective provisions for specially formed successors.
- 42 Registration of charges by building societies.
- 43 Other amendments of 1986 Act.

##### *Supplemental*

- 44 Financial provisions.
- 45 Minor and consequential amendments.
- 46 Transitional provisions, savings and repeals etc.
- 47 Short title, interpretation, commencement and extent.

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### **SCHEDULES**

SCHEDULE 1 — [Part II of Schedule 2 to 1986 Act]

SCHEDULE 2 — [Schedule 2a to 1986 Act]

SCHEDULE 3 — [Schedule 7a to 1986 Act]

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SCHEDULE 4 — [Schedule 8a to 1986 Act]

SCHEDULE 5 — Information about transfers or proposed transfers of business

Part I — [PART I OF SCHEDULE 17 TO 1986 ACT]

Issue of statement or summary to members Preliminary In this Part of this Schedule— “prescribed matters” in relation...

Part II — [PART IA OF SCHEDULE 17 TO 1986 ACT]

Notification of proposals for transfers of business Preliminary In this Part of this Schedule— “requisite particulars”, in relation...

SCHEDULE 6 — [Schedule 15a to 1986 Act]

SCHEDULE 7 — Other amendments of 1986 Act

*The Building Societies Commission*

1 .....

*Annual and other reports*

2 In section 4 of the 1986 Act (annual and other...

*Authorisation to raise funds and borrow money*

3 .....

*The Building Societies Investor Protection Board*

4 .....

*The Investor Protection Fund*

5 .....

*Meaning of “insolvency” etc.*

6 .....

*Payments to investors*

7 .....

*Membership of insolvency committees etc*

8 .....

*Liability of insolvent society in respect of payments made by Board*

9 .....

*Power to obtain information*

10 .....

*Voluntary schemes*

11 .....

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|    |  |
|----|--|
|    | <i>Power to direct application to renew authorisation</i>                |
| 12 | .....  |
|    | <i>Imposition of conditions on current authorisation</i>                 |
| 13 | .....  |
|    | <i>Revocation of authorisation</i>                                       |
| 14 | .....  |
|    | <i>Reauthorisation</i>   |
| 15 | .....  |
|    | <i>Powers to avoid apparent association with other bodies</i>            |
| 16 | Section 51 of the 1986 Act (powers to avoid apparent...                  |
|    | <i>Powers to obtain information and documents etc.</i>                   |
| 17 | (1) In subsection (1)(a) of section 52 of the 1986...                    |
|    | <i>Right of entry to obtain information and documents</i>                |
| 18 | .....  |
|    | <i>Confidentiality of information obtained by Commission</i>             |
| 19 | .....  |
|    | <i>Information disclosed to Commission from other sources</i>            |
| 20 | .....  |
|    | <i>Investigations on behalf of Commission</i>                            |
| 21 | In subsection (2) of section 55 of the 1986 Act...                       |
|    | <i>Inspections and special meetings: general</i>                         |
| 22 | (1) In subsection (1) of section 56 of the 1986...                       |
|    | <i>Inspections: supplementary provisions</i>                             |
| 23 | In subsection (1) of section 57 of the 1986 Act...                       |
|    | <i>Restrictions on loans etc. to directors</i>                           |
| 24 | (1) In subsection (1) of section 65 of the 1986...                       |
|    | <i>Directors etc. not to accept commissions in connection with loans</i> |
| 25 | (1) In subsection (1) of section 67 of the 1986...                       |
|    | <i>Records of loans etc. for directors</i>                               |
| 26 | In subsection (6) of section 68 of the 1986 Act...                       |

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*Records of income of related businesses*

27 (1) In subsection (2) of section 69 of the 1986...

*Interpretation of Part VII*

28 In subsection (3)(a) of section 70 of the 1986 Act...

*Accounting records and systems of business control etc.*

29 (1) In subsection (3)(c) of section 71 of the 1986...

*Contents and form of annual accounts*

30 In subsection (8)(c) of section 73 of the 1986 Act...

*Duty of directors to prepare annual business statement*

31 In subsection (2) of section 74 of the 1986 Act...

*Directors' report*

32 (1) In subsection (1) of section 75 (directors' report)—

*Summary financial statement for members and depositors*

33 (1) In subsection (2) of section 76 of the 1986...

*Auditor's report and powers*

34 (1) In subsection (4) of section 79 of the 1986...

*Auditor's duties to Commission and related rights*

35 .....

*Investigation of complaints: supplementary provisions*

36 .....

*Settlement of disputes*

37 In subsection (1) of section 85 of the 1986 Act...

*Dissolution by consent*

38 In subsection (8) of section 87 of the 1986 Act...

*Winding up: grounds and petitioners*

39 In subsection (4) of section 89 of the 1986 Act...

*Winding up or dissolution: supplementary*

40 For section 92 of the 1986 Act there shall be...

*Amalgamations*

41 In subsection (2) of section 93 of the 1986 Act...

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*Transfer of engagements*

42 In subsections (2), (4) and (5) of section 94 of...

*Mergers: provisions supplementing sections 93 and 94*

43 (1) In subsection (3) of section 95 of the 1986...

*Mergers: compensation for loss of office etc.*

44 (1) In subsection (1) of section 96 (mergers: compensation for...

*Transfer of business to commercial company*

45 (1) In subsection (2) of section 97 of the 1986...

*Regulated terms: compensation for loss of office etc.*

46 In subsection (6) of section 99 of the 1986 Act...

*Distribution and share rights*

47 In subsection (4) of section 100 of the 1986 Act...

*Power to amend etc. to assimilate to company law*

48 In subsection (2) of section 104 of the 1986 Act...

*Limited power to anticipate future statutory instrument powers*

49 Section 105 of the 1986 Act (limited power to anticipate...

*Power to require building society to change misleading name*

50 Section 108 of the 1986 Act (power to require building...

*Offences: liability of officers etc.*

51 .....

*Qualifying asset holding for certain powers*

52 Section 118 of the 1986 Act (qualifying asset holding for...

*Interpretation*

53 (1) In subsection (1) of section 119 of the 1986...

*Northern Ireland*

54 In subsection (1) of section 122 of the 1986 Act...

*The Commission*

55 .....

*Establishment, incorporation and constitution*

56 (1) Part I of Schedule 2 to the 1986 Act...

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*Meetings, resolutions and postal ballots*

57 (1) Part III of Schedule 2 to the 1986 Act...

*The Building Societies Investor Protection Board*

58 .....

*Directors: requisite particulars of restricted transactions*

59 In paragraph 2(2)(c) of Schedule 9 to the 1986 Act...

*Requisite particulars of income of related business*

60 (1) In paragraphs 1 to 8 of Schedule 10 to...

*Auditors: appointment, tenure and qualifications*

61 In paragraph 5 of Schedule 11 to the 1986 Act...

*Schemes for investigation of complaints*

62 .....

*Recognition etc. of schemes for investigation of complaints*

63 .....

*Settlement of disputes*

64 (1) In paragraph 1(4) of Schedule 14 to the 1986...

*Application of companies winding up legislation to building societies*

65 In paragraph 3(2) of Schedule 15 to the 1986 Act...

*Mergers: supplementary provisions*

66 (1) In paragraph 1 of Schedule 16 to the 1986...

*Transitional and saving provisions*

67 In Schedule 20 to the 1986 Act (transitional and saving...

SCHEDULE 8 — Transitional provisions and savings

*Alterations of purpose, powers and rules*

1 .....

2 .....

*Default powers*

3 .....

*Existing members to whom advances have been made*

4 (1) Nothing in section 2 of this Act shall affect...

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*Existing borrowing members which are corporations*

5 Nothing in section 2 of this Act shall affect the...

*Existing fully secured loans*

6 (1) Subject to subsection (7) of section 6B of the...

*Existing shareholders*

7 Unless the contrary is shown, a building society may assume...

*Existing depositors and shareholders*

8 (1) Nothing in section 9 of this Act shall affect...

*Existing transfer statements referring to the abolition of priority liquidation distribution rights*

9 (1) Where before the commencement of section 40 of this...

*Existing specially formed successor companies*

10 (1) This paragraph applies where before the passing of this...

SCHEDULE 9 — Repeals and revocations



**Changes to legislation:**

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