



Prevention of Fraud (Investments) Act 1958

1958 CHAPTER 45

Provisions as to Industrial and Provident Societies, Building Societies and Unit Trusts

11 Provisions as to building societies

- (1) If, with respect to any building society, the registrar considers it expedient so to do in the interests of persons who have invested or deposited or may invest or deposit money with the society, he may by an order made with the approval of the Treasury direct that, unless and until the order is revoked, no invitation to subscribe for, or to acquire or offer to acquire, securities or to lend or deposit money shall be made by or on behalf of the society; and if any invitation is made in contravention of such an order, the person by whom the invitation is so made shall be guilty of an offence and liable, on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine not exceeding five hundred pounds or to both such imprisonment and such fine or, on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding one hundred pounds or to both such imprisonment and such fine :

Provided that, before deciding to make an order under this subsection with respect to any society, the registrar shall serve on the society a written notice stating his intention to make the order, and shall consider any representations with respect to the proposed order made to him by the society within the period of one month from the date of the service of the notice, and, if the society so requests, afford it an opportunity of being heard by him within that period.

- (2) Any order under the preceding subsection may be revoked by a subsequent order of the registrar made with the approval of the Treasury.
- (3) The registrar may, at any time, by notice in writing served on a building society or on any person who is or has been an officer of such a society, require that society or person to produce to the registrar such books, accounts, deeds and other documents relating to the business of the society, and to furnish to him such other information relating to that business, as he considers necessary for the exercise of the powers which he has by virtue of subsections (1) and (2) of this section; and any such notice may contain a

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requirement that any information to be furnished in accordance with the notice shall be verified by a statutory declaration.

If any society or other person fails to comply with the requirements of a notice under this subsection, the society or person shall be liable, on summary conviction, to a fine not exceeding fifty pounds or to imprisonment for a term not exceeding three months or to both such fine and such imprisonment.

- (4) The registrar may, if he considers it just, direct that all or any of the expenses incurred by him under the last preceding subsection in relation to any society shall, either wholly or to such extent as he may determine, be defrayed out of the funds of the society, or by the officers or former officers thereof or any of them; and any sum which any society or other person is required by such a direction to pay shall be a debt due to the registrar from that society or person.
- (5) In this section the expression " the registrar " means the registrar of building societies for the purposes of the Building Societies Acts, 1874 to 1940.