
STATUTORY INSTRUMENTS

1994 No. 656

BUILDING SOCIETIES

The Building Societies (General Charge and Fees) Regulations 1994

<i>Made</i>	- - - -	<i>8th March 1994</i>
<i>Laid before Parliament</i>		<i>9th March 1994</i>
<i>Coming into force</i>	- -	<i>1st April 1994</i>

The Treasury, in exercise of the powers conferred on them by sections 2(2) and 116(2) of the Building Societies Act 1986⁽¹⁾ and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Building Societies (General Charge and Fees) Regulations 1994 and shall come into force on 1st April 1994.

Interpretation

2. In these Regulations—

“the Act” means the Building Societies Act 1986;

“the accounting year 1994-95” means the period of 12 months ending on 31st March 1995;

“amalgamation” means an amalgamation under section 93 of the Act;

“operative date” means the date on which these Regulations come into force;

“registered”, in relation to any time, means having the status of a society registered or deemed to be registered under the Act at that time;

“the relevant year” means the period of 12 months ending on 31st December 1993;

“society” means a building society; and

“transfer of engagements” means a transfer of engagements under section 94 of the Act.

General charge in respect of the Commission's accounting year 1994-95

3.—(1) Each society which is authorised on the operative date shall pay to the Commission with respect to the accounting year 1994-95 a sum determined in accordance with paragraph (3) below.

(2) Any society which is authorised during the accounting year 1994-95 only after the operative date shall pay to the Commission with respect to that year a sum determined in accordance with paragraph (3) below unless—

- (a) the society was registered on the amalgamation of two or more societies, and
- (b) at least one of those other societies was a society to which paragraph (1) above applied.

(3) The sum payable under paragraph (1) or (2) above (as the case may be) is—

- (a) in the case of any society a financial year of which ended in the relevant year a sum equal to £2,500 plus the sum determined in accordance with paragraph (5) below using the value of the society's assets as shown in its balance sheet as at the end of that financial year.
- (b) in the case of any society to which sub-paragraph (a) above does not apply and which was formed on the amalgamation of two or more societies, financial years of which ended in the relevant year a sum equal to £5,000 plus the sum determined in accordance with paragraph (5) below using the aggregate value of the assets of each of those societies as shown in their respective balance sheets as at the end of those respective financial years.
- (c) in the case of any society to which neither sub-paragraph (a) nor sub-paragraph (b) above applies, a sum equal to £2,500 plus the sum determined in accordance with paragraph (5) below using the value of the society's assets at the date of authorisation.

(4) Where, after 31st December 1993 and before the operative date, a society has transferred its engagements to an authorised society under section 94 of the Act, the transferee society shall in addition to any sum payable by it by virtue of the foregoing provisions of this regulation by virtue of this paragraph pay to the Commission with respect to the accounting year 1994-95 any sum which would have been payable by the transferor society had it been an authorised society on the operative date.

(5) The sum determined in accordance with this paragraph is the sum

- (i) determined by applying 0.00151 per cent to the relevant assets; or
- (ii) where the relevant assets exceed £30,000 million, determined by adding the sums determined by applying 0.00151 per cent to the first £30,000 million of the relevant assets and applying 0.000755 per cent to the excess of the relevant assets over £30,000 million.

Payment of the general charge

4.—(1) Any sums payable under regulation 3(1) and (4) above by a society shall be paid on the 1st May 1994 or upon the earlier occurrence of a specified event but if no specified event has occurred before that date the society may pay one half of the said sum on that date and defer the other half until the 1st October 1994 or the earlier occurrence of a specified event.

(2) Any sum payable under regulation 3(2)

above by a society shall be paid on or before the day one month after the date on which the society is first authorised or upon the earlier occurrence of a specified event.

(3) In this regulation "specified event" in relation to a society by which a sum is payable under regulation 3 above means the earliest of any date on which

- (a) an instrument of dissolution of the society is first signed;
- (b) the society resolves that it be wound up voluntarily or by the Court;
- (c) a petition for the winding up of the society is presented.

Fees in respect of societies' public files

5. Each society which—

- (a) is registered on or after the operative date and before 1st April 1995 and
- (b) is not in the course of dissolution or winding up on the operative date,

shall on the 1st May 1994, or in the case of a society first registered after the operative date, on applying for registration, pay to the Chief Registrar a fee of 165 in respect of the Central Office's function under section 106 of the Act of maintaining the society's public file during the accounting year 1994-95.

Fees in respect of authorisation

6. A society which applies for authorisation under section 9 of the Act shall upon making such application pay to the Commission a fee of £1,300 in respect of the exercise of the Commission's functions under that section.

Fees in respect of mergers of societies

7.—(1) Subject to paragraph (3) below, a society which proposes to merge with another society, and

- (a) applies for consent under section 94(5) of the Act to proceed to undertake to fulfil the engagements of the other society pursuant to a board resolution, or
- (b) applies for approval under paragraph 1 of Schedule 16 to the Act of the contents of a statement concerning matters relevant to the merger,

shall upon making such application pay to the Commission a fee determined in accordance with paragraph (2) below in respect of the Commission's functions in relation to the application and any functions it may exercise subsequently under section 95 of the Act with respect to the proposed merger.

(2) The sum payable under paragraph (1) above shall be, where one of the societies concerned in the proposed merger is for the purposes of section 95 of the Act of disproportionate size to the other, £7,500 and in any other case £10,700 but a society which on making such application pays a fee of £4,000 in the case where one of the societies is of disproportionate size to the other, or £7,200 in any other case, shall not be required to pay the remaining £3,500 unless and until the Commission gives notice pursuant to paragraph 9(1)(b) of Schedule 16 to the Act to the society of its determination under paragraph 9(1)(a) of Schedule 16 to the Act.

(3) In any case where the Commission considers that the proposed merger would be expedient for the purpose of protecting the investments of the shareholders or depositors with any society proposing to amalgamate with another or transfer its engagements to another society, the Commission may in respect of the proposed merger waive payment of or reduce the fee payable by any or all of the societies concerned pursuant to paragraph (1) above by notifying any society in respect of which the fee is waived or reduced of such waiver or as the case may be of the reduced fee to be paid in respect of the society's application and where the fee is so reduced the sums payable on application and upon the notice referred to in paragraph (2) above shall be such as may be notified by the Commission to the society.

Fees in respect of transfers of business of commercial companies

8.—(1) Subject to paragraph (5) below a society which applies for approval of a transfer statement under paragraph 4(2) of Schedule 17 to the Act in connection with a proposed transfer of business shall upon making such application, other than an application to which paragraph (2) below applies, pay to the Commission a fee of £171,000 in respect of the Commission's relevant functions.

(2) Subject to paragraph (5)

below a society which has applied for approval of a transfer statement under paragraph 4(2) of Schedule 17 to the Act in connection with a proposed transfer of business, and which makes a further application for approval of such a statement in connection with the transfer to the same successor but where any term of the proposed statement differs from the original proposed statement, shall upon making any such second or subsequent application pay to the Commission a further fee of £32,000 in respect of the Commission's relevant functions. Provided that the Commission may waive such further fee or reduce it where the society satisfies the Commission that the differences, as between the second or subsequent proposed statement and the terms of the transfer to which it relates and the proposed statement and terms of transfer to which the last preceding application related, are not substantial.

(3) Subject to paragraphs (4) and (5) below a society which applies for confirmation of a proposed transfer of business and its terms pursuant to section 97(4)(d) of the Act shall upon making such application pay to the Commission a fee of £80,500 in respect of the Commission's functions in relation to the application and any functions it may exercise subsequently under section 97 of the Act and the applicable provisions of the Act (as referred to in that section) with respect to the proposed transfer of business.

(4) A society which, on its application for confirmation of a proposed transfer of business and its terms as described in paragraph (3) above, pays a fee of £24,500 or of such amount as may have been notified to it by the Commission pursuant to paragraph (5) below in respect of that application shall not be required to pay the remaining £56,000, or, as the case may be, the balance of the reduced fee notified to it by the Commission pursuant to paragraph (5) below, unless and until the Commission gives notice pursuant to paragraph 8(1)(b) of Schedule 17 to the Act to the society of its determination under paragraph 8(1)(a) of that Schedule.

(5) In any case where the successor to which a society proposes to transfer its business is an existing company and the Commission considers that the proposed transfer would be expedient for the purpose of protecting the investments of the shareholders and depositors the Commission may waive payment of or reduce the fee payable pursuant respectively to paragraph (1), (2) or (3) above by notifying the society of such waiver or as the case may be of the reduced fee to be paid in respect of approval of a proposed transfer statement or of a second or subsequent proposed transfer statement or confirmation of the transfer, or any of them, as the case may be, and where the fee payable in respect of confirmation is reduced, the sums payable upon application and upon the notice referred to in paragraph (4) above shall be such as may be notified by the Commission to the society.

(6) In paragraphs (1) and (2) above, "the Commission's relevant functions" means the Commission's functions in relation to the application and any functions (other than functions in relation to a further application for which a further fee is payable) which it may exercise subsequently under section 97 of the Act and the applicable provisions of the Act as referred to in that section) with respect to the proposed transfer of business, prior to an application pursuant to section 97(4)(d) of the Act.

Fees in respect of particular Central Office functions

9. Any society which makes an application of a nature specified in Schedule 1 to these Regulations shall upon making such application pay to the Chief Registrar the relevant fee specified in respect of the examination of the application by the Central Office.

Inspection and copying fees

10. Any person wishing to inspect or to be furnished with a copy of any document in the custody of the Central Office shall, at the time at which he makes the request to inspect or to be furnished

with a copy, as the case may be, pay to the Chief Registrar the relevant fee specified in Schedule 2 to these Regulations.

Revocation of regulations relating to preceding accounting year

11. The Building Societies (General Charge and Fees) Regulations 1993⁽²⁾ are hereby revoked.

8th March 1994

Tim Wood
Timothy Kirkhope
Two of the Lords Commissioners of Her
Majesty's Treasury

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

SCHEDULE 1

Regulation 9

<i>Nature of application</i>	<i>Fee payable</i>
1. For the registration of a society (other than a society established as the successor of societies which have applied for confirmation of an amalgamation) and of the society's memorandum and rules.	£3,760
2. For the registration of alterations to the memorandum of a society, by way of the substitution of a new document in place of the document already registered as its memorandum.	£2,370
3. For the registration of alterations to the memorandum of a society, otherwise than by way of the substitution of a new document in place of the document already registered.	£1,135
4. For the registration of alterations to a society's rules, by way of the substitution of a new document in place of the document already registered as its rules.	£2,370
5. For the registration of alterations to a society's rules, otherwise than by way of the substitution of a new document in place of a document already registered.	£1,135

SCHEDULE 2

Regulation 10

<i>Facility sought</i>	<i>Fee payable</i>
1. The inspection on any particular day of documents relating to a single society.	£4.50
2. The provision of a copy of the whole of or an extract from any document—	£1.50
(a) where the copy is not certified as a true copy of a document in the custody of the Central Office—	
(i) where the copy does not exceed 5 pages, or for the first 5 pages of a copy which exceeds 5 pages	
(ii) for every page of a copy after the fifth page	£0.30
(b) (b) where the copy is certified as provided in sub-paragraph (a) above (as an addition to whatever fee would	£4.50

<i>Facility sought</i>	<i>Fee payable</i>
	be payable if the copy were not so certified).
(c)	(c) for sending by post any copy or £5.00 copies so provided, in addition to any fee payable under sub-paragraphs (a) and (b) above.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations supersede the Building Societies (General Charge and Fees) Regulations 1993 (“the 1993 Regulations”), which are revoked. They provide for a general charge to be paid by authorised building societies towards the expenses of the Building Societies Commission. The charge is levied with respect to the Commission’s accounting year beginning on 1st April 1994 and ending on 31st March 1995 and is expected to raise 4.5 million in aggregate. This is 11% higher than the aggregate sum raised in 1993-94 which was exceptionally low due to a prior year adjustment. The aggregate sum expected to be raised in 1993-94 is only 3.5% higher than the sum raised in 1992-93. Each society is required to pay a sum of £2,500 plus a sum equal to 0.00151% of its assets, up to £30,000 million, and 0.000755% of its assets above that amount, or in the case of a society formed by a recent amalgamation, a sum of £5,000 plus a sum equal to the same percentage of the aggregated value of the uniting societies.

The Regulations also provide for fees to be paid by societies in respect of particular functions of the Building Societies Commission in relation to mergers of societies and transfers of business to commercial companies and of the Central Office of the Registry of Friendly Societies under the Building Societies Act 1986, and fees to be paid by persons wishing to inspect or receive copies of documents in the custody of the Central Office. These fees are approximately 3% higher than those payable under the 1993 Regulations.

A review of the cost of compliance with these Regulations has been undertaken and the resulting compliance cost assessment may be purchased from the Secretary, Building Societies Commission, 15 Great Marlborough Street, London W1V 2AX.

COMPLIANCE COST ASSESSMENT

THE BUILDING SOCIETIES (GENERAL CHARGE AND FEES) REGULATIONS 1994

The purpose and benefit of the Regulations

1. The activities of building societies are supervised by the Building Societies Commission under the Building Societies Act 1986. The general charge and fees for particular functions are required by section 2 of the Act to be provided by regulations so that the annual revenue of the Commission should be sufficient to meet its expenses, taking one year with another. The fees of the Central Office of the Registry of Friendly Societies, for particular registrations and for maintaining their public records in relation to societies, and for the inspection and copying of documents are similarly fixed under the powers contained in section 116 of the Act.

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2. These regulations give the amounts of the charges and fees payable or, in the case of the general charge, the basis of calculation.

Societies Affected

3. All building societies.

Compliance Cost

4. These regulations, in themselves, do not put any significant administrative burden on building societies. Compliance simply requires the charges and fees to be paid, normally by making out a cheque.

5. The general charge is reviewed annually based on the estimated cost of the Commission and regulations are made to replace those for the previous year.

6. The burden of compliance with the new regulations is therefore simply the increases in the charges themselves:

- (a) The fixed charge payable by all societies has increased from £2,000 to £2,500.
- (b) In addition, for societies with assets up to £30 billion, the charge represents 0.00151% of assets (0.00146% in 1993-4).
- (c) Where assets are above £30 billion the charge is levied at half that percentage rate (i.e. 0.000755% and 0.00073% in 1993-4).

7. The aggregate sum expected to be revised from all societies is 11% higher than that raised in 1993-94, which was exceptionally low due to a prior year adjustment following an accounting policy change to allow for the capitalisation of software development costs. The aggregate sum expected to be raised in 1993-94 is only 3.5% higher than the sum raised in 1992-93. The impact of the new charges on individual societies varies considerably depending on the total assets held and the rate of growth over the last financial year.

8. The fees for particular Commission and Central Office functions have been increased by about 3%. Inspection and copying fees have been increased to a rounded figure (e.g. from £4.00 to £4.50 (+12.5%)). These inspection/copying fees were not increased last year (i.e. 1st April 1993).

Monitoring Costs

9. Annual accounts showing the costs of the Building Societies Commission and the amounts received as fees and charges are published in its annual report to Parliament. Charges and fees will be reviewed in a year's time as is the normal practice.