

Status: Point in time view as at 06/04/2008.

Changes to legislation: Building Societies Act 1986, Cross Heading: Powers in relation to authorisation is up to date with all changes known to be in force on or before 20 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)



Building Societies Act 1986

1986 CHAPTER 53

PART VI

POWERS OF CONTROL OF THE COMMISSION

Powers in relation to authorisation

F141

Textual Amendments

F1 S. 41 repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(2), [Sch. 4](#), (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)

F242

Textual Amendments

F2 S. 42 repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(2), [Sch. 4](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)

F342A

Textual Amendments

F3 S. 42A repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(2), [Sch. 4](#) (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), [art. 2\(1\)](#)

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[^{F4}42B Power to direct transfers of engagements or business.

(1) If, with respect to a building society [^{F5}which has a permission under Part IV of the Financial Services and Markets Act 2000 to accept deposits, the Authority] considers it expedient to do so in order to protect the investments of shareholders or depositors, it may either—

- (a) direct the society, within a specified period, to transfer all its engagements to one or more other building societies under section 94; or
- (b) direct the society, within a specified period, to transfer its business to an existing company under section 97.

[If it appears to the Authority that a society has failed to comply with a direction under ^{F6}(2) subsection (1), the Authority may exercise its power under section 45 of the Financial Services and Markets Act 2000 in relation to the society (power to vary or cancel a Part IV permission on the Authority’s own initiative).

(2A) Subsection (2) does not affect the Authority’s ability to exercise that power, in relation to the society, on any other ground.]

(3) Where the [^{F7}Authority]—

- (a) gives a building society a direction under subsection (1)(a) above; or
- (b) does not give a building society such a direction solely because the society is already seeking to transfer all its engagements to one or more other building societies under section 94,

the [Authority] may, if it considers it expedient to do so in order to protect the investments of shareholders or depositors, direct that, instead of resolving to transfer its engagements by the two resolutions required by section 94(2) (with or without the additional resolution required by section 94(3)), the society may resolve to do so by a resolution of the board of directors.

(4) Where the [^{F7}Authority]—

- (a) gives a building society a direction under subsection (1)(b) above; or
- (b) does not give a building society such a direction solely because the society is already seeking to transfer its business to an existing company under section 97,

the [^{F7}Authority] may, if it considers it expedient to do so in order to protect the investments of shareholders or depositors, direct that, instead of approving the transfer and the terms of the transfer by the two resolutions required by section 97(4)(c), the society may approve the transfer and those terms by a resolution of the board of directors.

(5) A direction under subsection (3) or (4) above—

- (a) shall be in writing;
- (b) may be given subject to such limitations or conditions as the [^{F7}Authority] may think fit; and
- (c) unless renewed by a further direction, shall cease to have effect at the end of the period of 90 days beginning with the day on which it is given.

^{F8}(6)

(7) In Schedule 8A to this Act—

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- (a) Part I (which contains provisions modifying sections 94 to 96 and Schedule 16 to this Act) shall apply where a direction is given under subsection (3) above; and
 - (b) Part II (which contains provisions modifying sections 97 to 100 and Schedule 17 to this Act) shall apply where a direction is given under subsection (4) above.
- (8) The [^{F9}Treasury] may make regulations for the purpose of specifying, as prescribed matters—
- (a) the matters of which statements under paragraph 3 of Schedule 8A to this Act are to give particulars; and
 - (b) the matters of which statements under paragraph 9 of that Schedule are to give particulars.
- (9) The power to make regulations under this section is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.]

Textual Amendments

- F4** S. 42B inserted (9.6.1997) by 1997 c. 32, s. 17(1); S.I. 1997/1427, art. 2(c)
- F5** Words in s. 42B(1) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 145(a) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F6** S. 42B(2)(2A) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) for s. 42B(2) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II, para. 145(b) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F7** Words in s. 42B(3)(4)(5) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 145(c) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F8** S. 42B(6) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)
- F9** Word in s. 42B(8) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 145(e) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

Modifications etc. (not altering text)

- C1** S. 42B(8): Functions of Building Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), Sch. 1 Pt. III; S.I. 2001/3538, art. 2(1)

[^{F11}42C [^{F10}Variation and revocation of transfer directions]

- (1) A direction under section 42B(1) ^{F12}. . . may be varied by a further direction; and a direction may be revoked by the [^{F13}Authority] by a notice in writing to the building society concerned.

^{F14}(2)

^{F14}(3)]

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Textual Amendments

- F10** Side-note to s. 42C substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, art. 2, 8, 13(1), **Sch. 3 Pt. II para. 146(a)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F11** S. 42C inserted (9.6.1997) by 1997 c. 32, s. 18; S.I. 1997/1427, **art. 2(c)**
- F12** Words in s. 42C(1) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F13** Word in s. 42C(1) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II**, para. 146(b)(ii) with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(a)**
- F14** S. 42C(2)(3) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

F15 43

Textual Amendments

- F15** Ss. 43-45A repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3) Sch. 5); S.I. 2001/3538, **art. 2(1)**
- Ss. 43-45A continued (1.12.2001) by S.I. 2001/2657, **art. 11** (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2), 23(1)**)
- Ss. 43-45A continued (with modifications) (1.12.2001) by S.I. 2001/3083, **arts. 1(2), 11**; S.I. 2001/3538, **art. 2(1)**

F16 43A

Textual Amendments

- F16** Ss. 43-45A repealed (1.12.2001) by S.I. 2001/2617, **arts. 2(b), 13(2)** Sch. 4 (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- Ss. 43-45A continued (1.12.2001) by S.I. 2001/2657, **art. 11** (which was revoked (8.10.2001) by S.I. 2001/3083, **art. 23(1)**)
- Ss. 43-45A continued (1.12.2001) by S.I. 2001/3083, **arts. 1(2), 11**; S.I. 2001/3538, **art. 2(1)**

F17 43B

Textual Amendments

- F17** Ss. 43-45A repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- Ss. 43-45A continued (1.12.2001) by S.I. 2001/2657, **art. 11** (which was revoked (8.10.2001) by S.I. 2001/3083, **art. 23(1)**)
- Ss. 43-45A continued (1.12.2001) by S.I. 2001/3083, **arts. 1(2), 11**; S.I. 2001/3538, **art. 2(1)**

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F18 **44**

Textual Amendments

F18 Ss. 43-45A repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

F19 **45**

Textual Amendments

F19 Ss. 43-45A repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

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