



# Building Societies Act 1986

## 1986 CHAPTER 53

### PART VII

#### MANAGEMENT OF BUILDING SOCIETIES

##### *Disclosure and record of related businesses*

#### **69 Disclosure and record of income of related businesses**

- (1) Where, at any time during a financial year of a building society, a person both is a director or other officer of a building society and is, or is a director of or partner in, a business associate of the society, this section shall apply, as respects that year, to that person in relation to the business of the business associate.
- (2) A person is a " business associate " of a building society in any financial year of the society if that person—
  - (a) carries on a business which consists of or includes the provision of relevant services,
  - (b) provides relevant services during that year to, or to other persons in connection with advances secured on land made by, the society, and
  - (c) is neither a subsidiary of nor a body associated with the society (within the meaning of section 18);and " associated " has a corresponding meaning.
- (3) The following are relevant services—
  - (a) conveyancing services provided by a solicitor ;
  - (b) surveying and valuing land or other property;
  - (c) accountancy services;
  - (d) arranging for the provision of insurance against loss of or damage to property or on human life ;
  - (e) any other services designated as relevant services.

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*Status: This is the original version (as it was originally enacted).*

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- (4) Where a business associate of a building society provides the society with services which are relevant services by virtue of subsection (3) above, any administrative services provided to the society by the business associate are also relevant services.
- (5) The Commission may by order in a statutory instrument—
- (a) designate as relevant services services of any description specified in the order which are normally provided to building societies; and
  - (b) make such incidental, supplementary or transitional provision as it considers necessary or expedient;
- and in subsection (3)(e) above "designated" means designated by an order under this subsection.
- (7) The requisite particulars of the business of a business associate of a building society are—
- (a) except where an election under paragraph (b) below is in force, those specified in Part I of Schedule 10 to this Act;
  - (b) if a building society elects to adopt Part II of that Schedule for its directors as respects a financial year, those specified in Part II of that Schedule; and
  - (c) as regards relevant services designated by an order under subsection (5) above, such particulars as are specified in the order ;
- and Part III of the Schedule has effect to supplement Parts I and II and includes a definition of "the volume of the business" for the purposes of this section.
- (8) An election by a building society to adopt Part II of Schedule 10 as regards the requisite particulars to be furnished by its directors must be made in writing to the Commission before the beginning of the financial year as respects which it is made and the requisite particulars must be furnished in writing within the period of six weeks beginning with the end of the financial year for which they are required.
- (9) For the purpose of enabling him to furnish the requisite particulars of the business of a business associate of a building society the person who is under the obligation to furnish them to the society may require any person who is a member of or partner in, or holds any office or employment with, the business associate to furnish him with such information relating to its business as he may reasonably require for that purpose.
- (10) Any person who, without reasonable excuse—
- (a) fails to furnish the particulars required by subsection (6) above or furnishes particulars which are false or misleading in a material particular or, in the case of particulars under Part II to Schedule 10, are not a justified estimate, or
  - (b) fails to furnish any information lawfully required of him under subsection (9) above or furnishes information which is false or misleading in a material particular,
- shall be liable on conviction on indictment or on summary conviction to a fine not exceeding, on summary conviction, the statutory maximum.
- (11) Subject to subsection (12) below, a building society shall maintain at its principal office a register containing the particulars furnished to it under subsection (6) above as respects the last financial year and each of the ten financial years preceding that year.
- (12) No particulars of the business of a business associate of a building society need be kept in the register provided for by subsection (11) above as respects any financial year of the society in which the volume of the business of which the requisite particulars are

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required did not exceed £5,000 or such other sum as may be substituted for it by order of the Commission in a statutory instrument under this subsection.

- (13) A building society shall make available for inspection by members—
- (a) at its principal office during the period of 15 days expiring with the date of its annual general meeting, and
  - (b) at the annual general meeting,
- a statement containing the particulars required to be kept in the register under subsection (11) above as respects the last financial year.
- (14) Two copies of the statement required to be so made available to members shall be sent by the society to the Commission on the date on which the statement is required to be first made available to members and the central office shall keep one of them in the public file of the society.
- (15) A copy of the statement required to be so made available shall also be sent, on demand and on payment of the prescribed fee, to any member of the society.
- (16) The power to make an order under subsection (5) or (12) above shall not be exercised except with the consent of the Treasury and any statutory instrument containing such an order shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (17) In this section—
- " administrative services " means services necessary or incidental to the conduct of the society's business ;
  - " conveyancing services " in relation to—
    - (a) land in England and Wales or Northern Ireland, has the same meaning as it has in paragraph 1(3) of Schedule 21 to this Act with the modification, in relation to land in Northern Ireland, that " disposition " does not include any disposition in the case of such a lease as is excepted, by section 4 of the Landlord and Tenant Law Amendment Act (Ireland) 1860, from the requirements of that section, and
    - (b) heritable property in Scotland, includes drafting all writs relating to such property and negotiating and concluding missives for its purchase, sale, transfer, lease and sublease; and
  - " solicitor", in relation to England and Wales, includes licensed conveyancer, that is to say, a person who holds a licence under Part II of the Administration of Justice Act 1985.