

Status: Point in time view as at 21/11/2002.

Changes to legislation: Building Societies Act 1986, Part II is up to date with all changes known to be in force on or before 18 August 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)

SCHEDULES

SCHEDULE 8

POWERS TO PROVIDE SERVICES

PART II

GENERAL RESTRICTIONS ON SERVICES

1 Subject to paragraphs 2, 3, 4 and 5 below, no power conferred on a building society to provide a service of a description specified in Part I of this Schedule of itself confers power—

- (a) to perform the activities of—
 - (i) taking deposits in circumstances which require authorisation under the Banking Act 1987 (or would require authorisation were the taker not a building society),
 - (ii) making advances or loans of any description,
 - (iii) acquiring the right to be paid any sum owing to another person arising out of any arrangement under which money is borrowed or goods or services are provided on credit,
 - (iv) acquiring land,
 - (v) acquiring or holding any asset the power to acquire or hold which is derived from section 19 of this Act by virtue of an order made under, or partly under, that section,
 - (vi) acquiring or holding relevant investments, or
 - (vii) underwriting risks of any description, or
- [^{F1}(b)
 - (i) to maintain a place of business in any country or territory for the purpose of providing that service unless the society also conducts the principal business of a building society in that country or territory, save where that service is provided in any of the countries listed in paragraph (ii) below;
 - (ii) any member State, Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland,]

but nothing in this paragraph prohibits performance of any activity performance of which is within the capacity of a building society by virtue of any power arising otherwise than under this Schedule.

Textual Amendments

F1 Sch. 8 Pt. II para. 1(b) substituted (1. 6. 1992) by S.I. 1992/509, art.3

2 Paragraph 1 above shall not be taken to prevent—

- (a) the power to provide banking services from conferring the power—
 - (i) to arrange the taking of deposits,

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- (ii) to arrange the lending of money, and
 - (iii) to arrange the bailment of leasable chattels,
 - (b) the power to provide investment services from conferring the power to arrange the acquisition or holding of relevant investments, or
 - (c) the power to provide insurance services from conferring the power to arrange the provision of insurance of any description.
- 3 Where, as part of the power to provide banking services, a building society becomes guarantor of the discharge of liabilities of another person and is required to pay sums which that other person is obliged to pay, the right to recover those sums from that other person (with or without interest on them) shall not be treated as excluded by paragraph 1 above.
- [^{F24} The right to recover any sum overdrawn (with or without interest on it) on an unauthorised overdraft on an account with a building society shall not be treated as excluded by paragraph 1 above.]

Textual Amendments

F2 Sch. 8 Pt. II para. 4 substituted by S.I. 1989/839, art. 3(a)

- 5 Acquiring or holding relevant investments shall not be treated as excluded by paragraph 1 above where it arises out of—
- (a) any element of investment services comprising—
 - (i) acquiring or holding relevant investments as a nominee,
 - (ii) establishment and management of pension schemes,
 - (iii) establishment and management of personal equity plans, or
 - (iv) establishment and management of collective investment schemes,
 - (b) the service of trusteeship, or
 - (c) the service of executorship.
- [^{F36} Paragraph 1 above shall not be taken to prevent the power to provide the service of trusteeship or the power to provide the service of executorship from conferring the power on a building society acting in the capacity of trustee or personal representative—
- (i) to make advances or loans of any description, or
 - (ii) to acquire land.]

Textual Amendments

F3 Sch. 8 Pt. II para. 6 added by S.I. 1989/839, art. 3(b)

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