

Status: This version of this provision is prospective.

Changes to legislation: Building Societies Act 1986 (Amendment) Act 2024, Section 1 is up to date with all changes known to be in force on or before 22 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) View outstanding changes



Building Societies Act 1986 (Amendment) Act 2024

2024 CHAPTER 18

PROSPECTIVE

1 The funding limit: funds to be disregarded

(1) Section 7 of the Building Societies Act 1986 (the funding limit) is amended as follows.

(2) In subsection (3) (disregarded funds), after paragraph (b) insert—

- “(c) amounts drawn by the society from a specified liquidity insurance facility provided by the Bank of England;
- (d) amounts represented by specified debt instruments issued by the society with a view to maintaining the minimum requirement for own funds and eligible liabilities;
- (e) sums received by the society under a sale and repurchase agreement entered into by the society with a view to complying with a specified PRA rule.”

(3) After subsection (9) insert—

“(9A) In subsections (3) and (9B)—

“liquidity insurance facility” means a facility provided by the Bank of England enabling a building society to borrow cash or other relatively liquid assets in exchange for collateral (and “relatively liquid assets” means assets which are more liquid than the collateral provided);

“the minimum requirement for own funds and eligible liabilities” means the minimum requirement set by the Bank of England in a direction under section 3A(4B)(a) of the Banking Act 2009;

“PRA rule” means a rule made by the PRA under the Financial Services and Markets Act 2000;

“specified” means specified, or of a description specified, in regulations under subsection (9B).

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(9B) The Treasury may by regulations made by statutory instrument specify, or specify descriptions of—

- (a) liquidity insurance facilities, for the purposes of subsection (3)(c);
- (b) debt instruments, for the purposes of subsection (3)(d);
- (c) PRA rules, for the purposes of subsection (3)(e).

(9C) Regulations under subsection (9B) may make provision by reference to a document or rule as it has effect from time to time.

(9D) A statutory instrument containing regulations under subsection (9B) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”

Commencement Information

- II** S. 1 in force at 24.7.2024, see [s. 4\(2\)](#)

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Changes and effects yet to be applied to :

- s. 1 coming into force by [2024 c. 18 s. 4\(2\)](#)