

1987 No. 1976

BUILDING SOCIETIES

**The Building Societies (Provision of Services)
(No. 3) Order 1987**

Approved by both Houses of Parliament

Made - - - - 18th November 1987

Coming into force 19th November 1987

The Treasury, in exercise of the powers conferred on them by section 34(2) and (8) of the Building Societies Act 1986(a), hereby make the following Order, a draft of which has been laid before, and approved by a resolution of, each House of Parliament.

Citation and commencement

1. This Order may be cited as the Building Societies (Provision of Services) (No. 3) Order 1987 and shall come into force on the day after the day on which it is made.

Interpretation

2. In this Order, "the Act" means the Building Societies Act 1986.

Additional services that may be provided by building societies

3. The list of services in Part I of Schedule 8 to the Act shall be varied by the addition of the following after the service numbered 6 –

“6A. Giving investment advice.

6B. Arranging for the provision of units in a unit trust scheme.”.

Restrictions in relation to the provision of investment advice

4. Part III of Schedule 8 to the Act shall be varied by the insertion of the following paragraph after paragraph 5 –

“Giving investment advice

5A. The power to give investment advice is restricted to giving advice to individuals.”.

Definitions relating to investment services

5. Part IV of Schedule 8 to the Act shall be varied by the insertion of the following definition after the definition of "estate agency work" in paragraph 7 –

"investment" means any asset, right or interest falling within any paragraph in Part I of Schedule 1 to the Financial Services Act 1986(a), and "investment advice" means advice of the kind specified in paragraph 15 of Part II of that Schedule;'

*Mark Lennox-Boyd
Tony Durant*

Two of the Lords Commissioners
of Her Majesty's Treasury

18th November 1987

EXPLANATORY NOTE

(This note is not part of the Order)

This Order varies Schedule 8 to the Building Societies Act 1986, which specifies financial services building societies are empowered to provide, subject to adoption in a memorandum of powers, and the restrictions applying in relation to the provision of particular services. The list of services in the Schedule is extended to include the provision of investment advice to individuals, and arranging for customers to acquire units in a unit trust. For the purpose both of the new power to give investment advice and of the power already available to societies under Schedule 8 to arrange for the provision of investment services, a definition of "investment" is added to the Schedule. This is by reference to the definition in the Financial Services Act 1986, which includes shares, debentures, government stock, options, futures and certain insurance contracts.

(a) 1986 c.60.

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