
STATUTORY INSTRUMENTS

1987 No. 378

**The Building Societies (Non-Retail
Funds and Deposits) Order 1987**

Citation and commencement

1. This Order may be cited as the Building Societies (Non-Retail Funds and Deposits) Order 1987 and shall come into force on 1st April 1987.

Amendment of section 7 of the Building Societies Act 1986

2.—(1) This article amends section 7 of the Building Societies Act 1986 (which empowers building societies to raise funds and borrow money) as follows.

(2) In subsection (4)—

(a) in paragraph (a) after “transferable” the word “bearer” shall be inserted;

(b) after paragraph (a) there shall be inserted the following paragraph:

“(aa) transferable non-bearer instruments,”;

(c) after paragraph (b) there shall be inserted the following paragraph:

“(bb) sums deposited otherwise than in excepting circumstances with the society by, or by a trustee for, an institution which is—

(i) a recognised bank,

(ii) a licensed institution, or

(iii) an overseas institution,

for the purposes of the Banking Act 1979(1),”;

(d) in paragraph (c)—

(i) for “within (a) or (b) above” there shall be substituted “within (a), (aa), (b) or (bb) above”; and

(ii) in sub-paragraph (i) after “any body corporate” there shall be inserted “, otherwise than in excepting circumstances”; and

(e) in paragraph (d)—

(i) for “within (a), (b) or (c) above” there shall be substituted “within (a), (aa), (b), (bb) or (c) above”;

(ii) after sub-paragraph (i) the word “or” shall be deleted; and

(iii) after sub-paragraph (ii) there shall be inserted the following sub-paragraphs:

“(iii) the manager or trustee of an appropriate personal pension scheme, or

(iv) the plan manager of a personal equity plan.”.

(3) In subsection (19)—

- (a) before the definition of “qualifying time deposit” there shall be inserted the following definitions:

““appropriate personal pension scheme” means a personal pension scheme within the meaning of the Social Security Act 1986(2) in respect of which an appropriate scheme certificate under section 2 thereof (appropriate schemes) is for the time being in force;

q25 “excepting circumstances” means circumstances in which shares or rights of a depositor—

- (i) are held by the holder as nominee on behalf only of an individual, a Scottish partnership, or a combination of individuals, of such partnerships, or of both;
- (ii) are subject to a relevant trust in the income of which no person who is neither an individual nor a Scottish partnership has any interest; or
- (iii) were held by an individual as beneficial owner at the time of his death (or represent investments so held or dividends or interest thereon) and the holder is acting as personal representative of that individual;

q25 “personal equity plan” means a plan the operation of which is subject to conditions set out in regulations for the time being in force under Schedule 8 to the Finance Act 1986(3) (personal equity plans);”;

- (b) after the definition of “qualifying time deposit” there shall be inserted the following definition:

““relevant trust” means a trust which is neither a trust established for charitable purposes only nor a trust of shares held by or sums deposited by—

- (i) the administrator of an approved retirement benefits scheme,
- (ii) the manager or trustee of an appropriate personal pension scheme, or
- (iii) the plan manager of a personal equity plan;”;

- (c) at the end of the definition of “retirement benefits scheme” the word “and” shall be deleted;
- (d) in the definition of “transferable instrument” after “transferable” the word “bearer” shall be inserted;
- (e) at the end of the definition of “transferable instrument” the word “; and” shall be inserted; and
- (f) after the definition of “transferable instrument” there shall be inserted the following definition:

““transferable non-bearer instrument” means an instrument which embodies a right—

- (i) which may, under the terms of the instrument, be held by any person, or by any person other than a person of a description specified in the instrument,
- (ii) express provision for the transfer of which is included in the instrument, and
- (iii) the transfer of which, under the terms of the instrument, does not require the consent of any person,

to receive an amount referable to a deposit with the society.”.

(2) 1986 c. 50.

(3) 1986 c. 41.

Effect of provisions as amended

3. Subsections (4) and (19) of section 7 of the Building Societies Act 1986, as amended by this Order, shall respectively have effect as set out in Parts I and II of the Schedule to this Order.

In witness whereof the common seal of the Building Societies Commission is hereunto fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 9th March 1987.

L.S.

D. B. Severn
Secretary to the Commission

We consent to this Order.

Tim Sainsbury
Michael Neubert
Two of the Lords Commissioners of Her
Majesty's Treasury

9th March 1987