
EXPLANATORY NOTE

(This note is not part of the Order)

This Order designates estate agencies formed in any of the relevant British overseas territories (Channel Islands, Isle of Man or Gibraltar) as bodies corporate suitable for investment and support by building societies. By virtue of section 18 of The Building Societies Act 1986 the power of investment (for example the acquisition of shares) is only available to a society in respect of a company formed in the United Kingdom, a corresponding European body (one formed in a European community member state to lend on the security of land) or a designated body. It follows that bodies formed in a relevant British Overseas Territory are not appropriate recipients of investment unless designated, yet the restrictions on estate agency services set out in paragraph 12 of Schedule 8 to that Act are stated so as to include such bodies as possible appropriate subsidiaries for estate agency purposes. Accordingly, this Order adds them to the descriptions of bodies corporate designated as suitable for investment by building societies under section 18 of the 1986 Act.