
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations supersede the Building Societies (General Charge and Fees) Regulations 1995 (“the 1995 regulations”), which are revoked. They provide for a general charge to be paid by authorised building societies towards the expenses of the Building Societies Commission. The charge is levied with respect to the Commission’s accounting year beginning on 1st April 1996 and ending on 31st March 1997 and is expected to raise £3.5 million in aggregate. This is about 10 per cent lower than the aggregate raised in 1995–96 as a result of a estimated surplus to be carried forward into 1996–97. Each society is required to pay a sum of £2,500 plus a sum equal to 0.00128 per cent of its assets, up to £30,000 million, and 0.00064 per cent of its assets above that amount, or in the case of a society formed by a recent amalgamation, a sum of £5,000 plus a sum equal to the same percentage of the aggregated value of the uniting societies. As the amount payable by each society is determined by the total assets of that society, and charges overall are reduced by 10 per cent, most societies will pay a reduced charge, but the effect on individual societies will depend on their asset growth over the relevant financial year.

The Regulations also provide for fees to, be paid in respect of particular functions of the Building Societies Commission in relation to mergers of societies and transfers of business to commercial companies and of the Central Office of the Registry of Friendly Societies under the Building Societies Act 1986, and fees to be paid by persons wishing to inspect or receive copies of documents in the custody of the Central Office. Fees have been increased on average by 3.5 per cent.

The Regulations also revoke the Building Societies (General Charge and Fees) Regulations 1995.