
EXPLANATORY NOTE

(This note is not part of the Order)

This Order brings into force paragraph 4 of Schedule 9 to the Financial Services (Banking Reform) Act 2013 (c. 33) (“the Act”) on 26th March 2015. Paragraph 4 repeals section 9B of the Building Societies Act 1986 (c. 53). This will allow building societies to create floating charges. This is the eighth commencement order to be made under the Act.

Article 3 makes consequential amendments of the Building Societies (Financial Assistance) Order 2010 (S.I. 2010/1188).

Article 4 and Schedule 1 apply Part 18 of the Companies Act 1985 (c. 6) to building societies with modifications. Part 18 concerns the creation of floating charges in Scotland and their effect, ranking and alteration.

Article 5(1) provides that article 4 will cease to have effect when Part 18 of the Companies Act 1985 is repealed by section 46 of the Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3) (“the 2007 Act”). Article 5(2) and Schedule 2 will then have effect to apply Part 2 of the 2007 Act to building societies with modifications. Part 2 of the 2007 Act makes provision for the creation of floating charges in Scotland and their effect, ranking, assignation, alteration and discharge.

An impact assessment of the effect of this Order on the costs of business and the voluntary sector has been prepared and is available on HM Treasury’s website (www.gov.uk/treasury) or from HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and is annexed to the Explanatory Memorandum for this Order.