
STATUTORY INSTRUMENTS

1996 No. 1844

BUILDING SOCIETIES

The Building Societies Act 1986
(Continuance of section 41) Order 1996

Made - - - - 12th July 1996
Coming into force - - 25th July 1996

The Treasury in exercise of the power conferred on them by section 41(15) of the Building Societies Act 1986⁽¹⁾ hereby make the following Order, a draft of which has been laid before and approved by a resolution of each House of Parliament.

Title and commencement

1. This Order may be cited as the Building Societies Act 1986 (Continuance of section 41) Order 1996 and shall come into force on 25th July 1996.

Continuance in force of section 41

2. Section 41 of the Building Societies Act 1986 (power to direct application to renew authorisation)⁽²⁾ shall continue in force for 5 years from the date of coming into force of this Order.

Revocation of previous Order

3. The Building Societies Act 1986 (Continuance of section 41) Order 1991⁽³⁾ is hereby revoked.

Simon Burns
Liam Fox
Two of the Lords Commissioners of Her
Majesty's Treasury

12th July 1996

(1) 1986 c. 53.

(2) Section 41 was continued in force for 5 years from 25th July 1991 by S.I.1991/1518.

(3) S.I. 1991/1518.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Order)

Section 9 of the Building Societies Act 1986 prohibits a building society (subject to certain exceptions) from raising money from its members or accepting deposits unless there is in force an authorisation of the Building Societies Commission granted under that section or treated as granted by provisions of the Act.

Section 41 of the 1986 Act enables the Commission, if it has reason to believe that the business of a building society for which such an authorisation is in force is or may be being conducted in a way that may not adequately protect the investments of shareholders and depositors, to direct the society to make an application under section 41 to renew its authorisation.

Section 41(14) provides that section 41 shall expire at the end of the period of 5 years beginning with the date on which the Act was passed (25th July 1986) unless continued in force by an order under section 41(15) which enables the Treasury from time to time by order to continue the section in force for periods not exceeding 5 years.

This Order continues the section in force for a further period of 5 years from 25th July 1996, and revokes the Building Societies Act 1986 (Continuance of section 41) Order 1991, which continued the section in force for a period of 5 years from 25th July 1991.

A compliance cost assessment of the effect that this instrument would have on the cost of business may be obtained from HM Treasury, Parliament Street, London, SW1P 3AG.