STATUTORY INSTRUMENTS

2024 No. 1024

BUILDING SOCIETIES

The Building Societies Act 1986 (Amendment of Small Business Turnover Limit) Order 2024

Made - - - -	*10th October 2024*
Laid before Parliament	*14th October 2024*
Coming into force - -	*4th November 2024*

The Treasury make this Order in exercise of the power conferred by section 7(12) of the Building Societies Act 1986(**a**).

Citation, commencement and extent

1.—(1) This Order may be cited as the Building Societies Act 1986 (Amendment of Small Business Turnover Limit) Order 2024.

(2) This Order comes into force on 4th November 2024.

(3) This Order extends to England and Wales, Scotland and Northern Ireland.

Amendment of the small business turnover limit

2.—(1) The Building Societies Act 1986 is amended as follows.

(2) In subsections (10) and (11)(c) of section 7 (the funding limit)(**b**) for "£1,000,000" substitute "£6,500,000".

Jeff Smith
Anna Turley
10th October 2024 Two of the Lords Commissioners of His Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends section 7(10) and (11)(c) of the Building Societies Act 1986 (c. 53) ("the 1986 Act") by increasing the turnover limit for a small business in a relevant financial year in section 7(10) of the 1986 Act from £1,000,000 to £6,500,000 and correspondingly amending the reference in section 7(11)(c) to the equivalent amount in any other currency.

(**a**) 1986 c. 53. Section 7(12) was inserted by section 138 of and paragraph 2(5) of Schedule 9 to the Financial Services (Banking Reform) Act 2013 (c. 33).
(**b**) Section 7(10) and (11) were inserted by section 138 of and paragraph 2(5) of Schedule 9 to the Financial Services (Banking Reform) Act 2013.

Under section 7(3)(aa) of the 1986 Act read with section 7(3A) up to 10% of the value of deposits by small businesses is disregarded in determining the value of a building society group's funds from all sources (described as X in section 7(2)). As provided in section 7(1) of the 1986 Act the value of shares held by individuals in a society (described as Y in section 7(2)) must represent at least 50% of the value of group funds.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen. A de minimis impact assessment is available from HM Treasury, 1 Horse Guards Road, London SW1A 2HQ and is published with the Explanatory Memorandum alongside this instrument on www.legislation.gov.uk.

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