STATUTORY INSTRUMENTS

1973 No. 152

BUILDING SOCIETIES

The Building Societies (Additional Security) Order 1973

Made - - -	*31st January* 1973
Laid before Parliament	*8th February* 1973
Coming into Operation	*8th March* 1973

The Chief Registrar of Friendly Societies, with the consent of the Treasury, pursuant to the powers conferred upon him by section 26(5) of the Building Societies Act 1962(**a**) and to all other powers enabling him in that behalf, hereby makes the following Order:—

1.—(1) This Order may be cited as the Building Societies (Additional Security) Order 1973, and shall come into operation on 8th March 1973.

(2) The Interpretation Act 1889(**b**) shall apply to the interpretation of this Order as it applies to the interpretation of an Act of Parliament.

2. Schedule 3 to the Building Societies Act 1962 as amended(**c**) (in which are specified the classes of additional security which a building society may take into account in determining the amount of an advance) shall be amended as follows:—

(*a*) for sub-paragraph (*c*) of paragraph 9(1) (as inserted by the Building Societies (Additional Security) Order 1963(**d**)) there shall be substituted the following sub-paragraph:—

"(*c*) a public authority (including a nationalised industry or undertaking) in the United Kingdom.";

(*b*) after paragraph 11 there shall be added the following paragraph:—

"12.—(1) A guarantee given, whether in pursuance of a continuing arrangement or not, by—

(*a*) an institution, not being one referred to in paragraph 11, which is empowered by Royal Charter to grant and confer degrees, or

(*b*) an oversea company within the meaning of section 406 of the Companies Act 1948 having a total issued and paid up share capital of an amount which when converted into sterling at the rate of exchange current at the time of the giving of

(**a**) 1962 c. 37.
(**b**) 1889 c. 63.
(**c**) The relevant amending instruments are S.I. 1963/833, 1965/1463, (1963 I, p. 1222; 1965 II, p. 4296).
(**d**) S.I. 1963/833 (1963 I, p. 1222).

the guarantee is ten million pounds or more, and having, in each of the five years immediately preceding the calendar year in which the guarantee is given, paid a dividend on all the shares issued by it, excluding any shares issued after the dividend was declared and any shares which by their terms of issue did not rank for dividend for that year.

(2) For the purposes of sub-paragraph (*b*) of the preceding paragraph an oversea company formed to take over the business of another company or other companies (being a company or companies incorporated in the United Kingdom or elsewhere), or to acquire the securities of, or control of, another company or other companies (being a company or companies incorporated in the United Kingdom or elsewhere), or for either of those purposes and for other purposes, shall be deemed to have paid a dividend as mentioned in that sub-paragraph in any year in which such a dividend has been paid by the other company or all other companies, as the case may be."

3. The Building Societies (Additional Security) Order 1963 is hereby revoked.

K. Brading,
Chief Registrar of Friendly Societies.

Dated 17th January 1973.

We consent to this Order.

Hugh Rossi,
Tim Fortescue,
Two of the Lords Commissioners of Her Majesty's Treasury.

Dated 31st January 1973.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order amends Schedule 3 to the Building Societies Act 1962 (which specifies the classes of additional security which a building society may take into account when making an advance) so as to enable a building society to take into account when making an advance a guarantee given by (*a*) a public authority in the United Kingdom, (*b*) an institution empowered by Royal Charter to grant and confer degrees, and (*c*) an oversea company which satisfies the conditions specified in the Order.

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