# 1968 No. 480

# BUILDING SOCIETIES

## The Building Societies (Designation for Trustee Investment) (Amendment) Regulations 1968

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| *Made* - - - - | *25th March* 1968 |
| *Laid before Parliament* | *28th March* 1968 |
| *Coming into Operation* | *1st April* 1968 |

The Treasury, in exercise of the powers conferred upon them by section 1(1) of the House Purchase and Housing Act 1959(a), and of all other powers enabling them in that behalf, hereby make the following regulations :—

**1.** The Schedule to the Building Societies (Designation for Trustee Investment) Regulations 1964(b) shall, subject to regulation 2 hereof, be amended as follows—

(*a*) in paragraph 1, for the words " five hundred thousand " substitute the words " one million " ;

(*b*) for paragraph 4, substitute the following paragraph—

" 4.—(1) The reserves of the society are not less than the proportion of the assets of the society hereinafter stated, that is to say—

2½ per cent. of its assets not exceeding £100 million ;

2 per cent. of its assets exceeding £100 million but not exceeding £500 million ;

1½ per cent. of its assets exceeding £500 million but not exceeding £1,000 million ;

1¼ per cent. of its assets exceeding £1,000 million.

(2) In the preceding sub-paragraph the following expressions have the meanings hereby respectively assigned to them—

" reserves " means the amount of the reserves (other than reserves which have been set aside for a particular purpose) together with the amount of any provision against depreciation of or losses on investments, less the aggregate of—

(*a*) any amount by which the total book value of the society's investments exceeds their total market value, and

(*b*) any amount recommended by the society's directors for distribution as interest, dividend or bonus, and not provided for in the annual return ;

(a) 1959 c. 33 (b) S.I. 1964/1354 (1964 II, p. 3075).

"assets" means the total amount of the assets less the aggregate of—

(i) the total amount owing by the society in respect of any loans made to it under the House Purchase and Housing Act 1959,

(ii) any amount by which the total book value of the society's investments exceeds their total market value, and

(iii) the total amount of any reserves set aside for a particular purpose, other than any reserve against depreciation of or losses on investments."

**2.** The amendment effected by paragraph (*a*) of regulation 1 hereof shall not operate so as to affect the requirements to be fulfilled by a building society for the purpose of designation under section 1 of the House Purchase and Housing Act 1959 if the society has applied in writing to the Chief Registrar for such designation before the date of the laying of these regulations before Parliament and is designated by him before the 1st January 1969.

**3.** Regulation 1 of the Building Societies (Designation for Trustee Investment) Regulations 1964, in its application to a building society as defined in section 1(4) of the Building Societies Act (Northern Ireland) 1967(**a**), shall be construed as if for references to sections 22(2)(*b*), 23 and 88 of the Building Societies Act 1962(**b**) there were substituted references to sections 22(2)(*b*), 23 and 88 of the said Act of 1967.

**4.** The Interpretation Act 1889(**c**) shall apply for the interpretation of these regulations as it applies for the interpretation of an Act of Parliament.

**5.** These regulations may be cited as the Building Societies (Designation for Trustee Investment) (Amendment) Regulations 1968, and shall come into operation on 1st April 1968.

25th March 1968.

*J. McCann,*
*Joseph Harper,*
Two of the Lords Commissioners of Her Majesty's Treasury.

## EXPLANATORY NOTE

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

These Regulations alter the requirements laid down in the Building Societies (Designation for Trustee Investment) Regulations 1964, which have to be fulfilled by building societies, including building societies registered in Northern Ireland, in order to qualify them for designation under Section 1 of the House Purchase and Housing Act 1959.

They raise to £1 million the minimum assets to be held and lay down a sliding scale of reserves. They also make certain transitional provisions.

(a) 1967 c. 31 (N.I.). (b) 1962 c. 37. (c) 1889 c. 63.