STATUTORY INSTRUMENTS

1986 No. 1715

BUILDING SOCIETIES

The Building Societies (Designation of Qualifying Bodies) Order 1986

Made - - -	2*nd October* 1986
Laid before Parliament	3*rd October* 1986
Coming into Operation	14*th October* 1986

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred upon it by section 18(2)(*c*) of the Building Societies Act 1986(**a**), and of all other powers enabling it in that behalf, hereby makes the following Order:—

Citation and commencement

1. This Order may be cited as the Building Societies (Designation of Qualifying Bodies) Order 1986 and shall come into operation on 14th October 1986.

Interpretation

2. In this Order —

"the Act" means the Building Societies Act 1986;

"housing association" has the meaning which it bears in section 1 of the Housing Associations Act 1985(**b**);

"housing trust" has the meaning which it bears in section 2 of the Housing Associations Act 1985; and

"society" means a building society.

Qualifying bodies

3. Articles 4 to 9 below shall have effect for the purposes of section 18 of the Act (which contains power to designate a particular body or descriptions of bodies corporate as suitable for investment and support or for support by societies).

(**a**) 1986 c.53. (**b**) 1985 c.69.

United Kingdom companies operating in Europe

4. (1) A company with the objects of carrying on in another member state businesses which consist wholly or mainly in lending money on the security of land and do not (where that is not the whole business) include lending on land in the United Kingdom shall, subject to article 9 below, be a qualifying body suitable for investment and support for the purposes set out in paragraph (2) below.

(2) The purposes referred to in paragraph (1) above are those of enabling the company to carry on such businesses.

Housing associations and housing trusts

5. A body corporate which is a housing association or a housing trust shall, subject to article 9 below, be a qualifying body suitable for —

(*a*) investment and support, or

(*b*) support.

Bodies corporate listed in Part I of the Schedule

6. The companies listed in Part I of the Schedule to this Order shall be qualifying bodies suitable for —

(*a*) investment and support, or

(*b*) support.

Bodies corporate listed in Part II of the Schedule

7. (1) The companies listed in Part II of the Schedule to this Order shall be qualifying bodies suitable for —

(*a*) investment and support, or

(*b*) support,

by a society for the purposes set out in paragraph (2) below.

(2) The purposes referred to in paragraph (1) above are those of facilitating either —

(*a*) the provision of money transmission services, or

(*b*) the provision of the service of making or receiving payments as agents,

by the society or an associated body of the society (other than one of those companies).

Date of first exercise of power to invest in or support qualifying bodies

8. (1) Subject to paragraph (2) below —

(*a*) the power to invest in or support any qualifying body designated, or of a description designated, in article 5, 6 or 7 above shall not become exercisable until 1st January 1987; and

(*b*) the power to invest in and support any qualifying body of the description designated in article 4 above shall not become exercisable until 1st January 1988.

(2) Nothing in paragraph (1) above shall prohibit the specification of any of those qualifying bodies in a memorandum agreed by a society before either of those dates.

Restriction on investment and support power

9. No power to invest in or support any qualifying body of a description designated in article 4 or 5 above is available to a building society which does not for the time being have a qualifying asset holding, but the cessation of its availability by virtue of this article does not require the disposal of any property or rights.

In witness whereof the common seal of the Building Societies Commission is hereunto affixed on 2nd October 1986.

L.S.

G. M. Binns,
Secretary to the Commission
(an Authorised Signatory).

We consent to this Order.

2nd October 1986.

Nigel Lawson,
Michael Neubert,
Two of the Lords Commissioners of
Her Majesty's Treasury.

Articles 6 and 7 SCHEDULE

DESIGNATED COMPANIES

NAME OF COMPANY	REGISTRATION NUMBER
Part I	
Electronic Funds Transfer Limited	1762109
Funds Transfer Sharing Limited	1850222
LINK Interchange Network Limited	2012106
Part II	
APACS (Administration) Limited	1935025
BACS Limited	1023742
CHAPS and Town Clearing Company Limited	1962902
Cheque and Credit Clearing Company Limited	1962903
EFT-POS Administration Limited	1952127

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order designates certain bodies corporate as qualifying bodies which building societies may invest in, for example by acquiring shares, and provide with supporting services, in circumstances where the bodies would not otherwise qualify as suitable for investment and support under section 18 of the Building Societies Act 1986.

Article 4 designates United Kingdom companies doing business in Europe corresponding to building society business as qualifying bodies suitable for investment and support. These bodies are parallel to the corresponding European bodies referred to in section 18(2)(*b*) of that Act.

Article 5 designates housing associations and housing trusts as qualifying bodies suitable for investment and support or for support.

Articles 6 and 7 designate the specific companies listed in the Schedule to this Order as qualifying bodies suitable for investment and support or for support.

The power to invest in and support the qualifying bodies designated in articles 4 and 5 is only available to building societies with a qualifying asset holding. A building society has a qualifying asset holding where the aggregate value of its total commercial assets is not less than £100 million.

Article 8 makes it clear that societies holding meetings in 1986, after the coming into operation of this Order, may specify the qualifying bodies described in this Order in the memoranda agreed upon at such meetings, but prevents the exercise of the power to invest and support —

(*a*) in respect of bodies specified in article 4, before 1st January 1988, and

(*b*) in respect of bodies specified in articles 5, 6 and 7, before 1st January 1987.

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