STATUTORY INSTRUMENTS

# 1987 No. 723

# BUILDING SOCIETIES

# The Building Societies (Prescribed Bands for Disclosure) Order 1987

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| *Made - - - -* | *9th April 1987* |
| *Laid before Parliament* | *15th April 1987* |
| *Coming into force* | *2nd June 1987* |

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred on it by paragraph 9 of Schedule 10 to the Building Societies Act 1986(a) hereby makes the following Order:

**Citation and commencement**

**1.** This Order may be cited as the Building Societies (Prescribed Bands for Disclosure) Order 1987 and shall come into force on 2nd June 1987.

**Interpretation**

**2.** In this Order, "the Schedule" means Schedule 10 to the Building Societies Act 1986 (which deals with particulars of business associates).

**Prescription of bands**

**3.**—(1) The prescribed band, in relation to any number of cases to which a single subparagraph of a paragraph of Part II of the Schedule applies, is the band of 100 cases, the higher end of which is 100 or a multiple of 100, within which the estimate of that number falls.

(2) The prescribed band, in relation to any monetary aggregate to which a single subparagraph of a paragraph of Part II of the Schedule applies, is–

(a) the band up to £1,000,

(b) the band above £1,000 but no greater than £5,000,

(c) the band above £5,000 but no greater than £10,000,

(d) the band above £10,000 but no greater than £25,000, or

(e) the band of £25,000 the higher end of which is a multiple of £25,000,

within which the estimate of that aggregate falls.

In witness whereof the common seal of the Building Societies Commission is hereunto fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 8th April 1987.

(a) 1986 c.53.

L.S.

*D. B. Severn*
Secretary to the Commission

We consent to this Order.

*Mark Lennox-Boyd*
*Tony Durant*

9th April 1987 — Two of the Lords Commissioners of Her Majesty's Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order prescribes bands for the disclosure by a building society of the number of cases in which a business associate has acted for the society, and the aggregate of monetary amounts paid to it in respect of such cases. A business associate of a society is a conveyancing, valuing and surveying, accountancy or insurance agency business in which a director or other officer of the society has an interest. Section 69 of and Schedule 10 to the Building Societies Act 1986 require disclosure of the exact number of cases and aggregate monetary amount in respect of each specified activity of a business associate, save where bands are prescribed for disclosure by the Order, as here; where bands are prescribed a building society which so elects before the beginning of the financial year may instead disclose the band within which an estimate of the relevant number of cases and of the relevant aggregate falls. Any such election must be made in writing to the Building Societies Commission.

There is an exemption from the requirement to disclose cases and monetary amounts where the total income of the business associate from such cases amounts to no more than £5,000 (or, where the election to disclose bands has been made, where the aggregate of upper limits of each band within which a monetary estimate falls amounts to no more than £5,000); this exemption is provided for in section 69(12) and Schedule 10, paragraph 10(2).

By virtue of Article 9 of the Building Societies Act 1986 (Powers and Miscellaneous Transitional Provisions) Order 1986 (S.I. 1986/2169) the obligation to disclose matters under section 69 of, and Schedule 10 to, the 1986 Act is excluded in respect of financial years beginning before 1st January 1987, and that exclusion is not affected by this Order.

By virtue of the same Article an election to use bands, in respect of the first financial year of the society to which the disclosure obligation applies, may be made at any time before the end of that financial year, if this Order comes into force during that financial year. This Order comes into force on 2nd June 1987. Accordingly the election may validly be made–

(a) in respect of any financial year beginning on or before 2nd June 1987, at any time before the end of the financial year, and

(b) in respect of any financial year beginning after that date, before the beginning of the financial year.

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