



Isle of Man

Ellan Vannin

AT 7 of 1986

BUILDING SOCIETIES ACT 1986



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Received Royal Assent: 28 February 1986

Passed: 18 March 1986

Commenced: 1 November 1986

AN ACT to amend the Industrial and Building Societies Acts 1892 to 1979 and to make new provision relating to building societies.

GENERAL NOTE: The maximum fines in this Act are as increased by the *Criminal Justice (Penalties, Etc.) Act 1993* s 1.

- 1** [Substitutes section 7 of the *Industrial and Building Societies Act 1892*]
- 2** **Restrictions on building societies' borrowing and acceptance of subscriptions for shares**
 [SI 1981/1488/3 and 11]
- (1) to (3) inclusive [Repealed]¹
- (4) The fact that funds are accepted in contravention of section 7 of the *Financial Services Act 2008* shall not affect any civil liability arising in respect of the acceptance or of the funds accepted.²
- (5) Subject to subsection (6), any obligation to make a payment to a building society which, by virtue of section 7 of the *Financial Services Act 2008*, the society is prohibited from accepting, shall be wholly rescinded.³
- (6) If —
- (a) on the date on which this Act comes into operation; or
- (b) at the time when the authorisation granted pursuant to section 7 of the *Financial Services Act 2008* is revoked,⁴
- a member is under an obligation to make payments to a society which represent instalments of the amount due by way of subscription for a share in the society and which by virtue of section 7 of the *Financial Services Act 2008* the society is prohibited from accepting, the obligation shall (subject to anything in the rules of the society or any agreement between the society and the member) be suspended in respect of each

instalment for the period when the society is not authorised; and accordingly, if the society is subsequently granted authorisation, the sum due shall again become payable by instalments.⁵

- (7) Where the authorisation granted to a society pursuant to section 7 of the *Financial Services Act 2008* has been revoked, it shall be the duty of the society to make reasonable arrangements for using the funds of the society to meet applications by depositors or holders of shares in the society (being applications duly made in accordance with the rules of the society) for repayment of the money deposited or subscribed by them.⁶
- (8) If it appears to the Authority that, when the authorisation granted to a society pursuant to section 7 of the *Financial Services Act 2008* has been revoked, the society has been applying an undue proportion of the funds of the society in making advances, in preference to meeting such applications as are mentioned in subsection (7), it may, after giving notice to the society and affording it an opportunity of making representations, present a petition for the winding up of the society, and the court may on such petition order the society to be wound up in accordance with section 24(4) of the 1892 Act.⁷
- (9) Any reference in this section to authorisation is to be construed as a reference to authorisation by virtue of a licence under section 7 of the *Financial Services Act 2008*.⁸

3 and 4 [Repealed]⁹

4A [Repealed]¹⁰

4B and 4C [Repealed]¹¹

5 [Amends sections 2, 16, 22 and 24 respectively of the *Industrial and Building Societies Act 1892*.]

6 Amendment and repeal

- (1) [Amends section 4 of the *Industrial and Building Societies (Amendment) Act 1955*.]
- (2) [Repealed]¹²

6 Interpretation

In this Act —

“**Authority**” means the Isle of Man Financial Services Authority (as established by article 4 of the Transfer of Functions (Isle of Man Financial Services Authority) Order 2015).¹³

“**the Commission**” [Repealed]¹⁴

“**the 1892 Act**” has the meaning assigned by section 1.

7 Short title and commencement

- (1) This Act may be cited as the Building Societies Act 1986 and this Act and the Industrial and Building Societies Acts 1892 to 1979 may be cited together as the Industrial and Building Societies Acts 1892 to 1986.
- (2) This Act shall come into operation on such day as the Treasury may by order appoint and different days may be appointed for different provisions.¹⁵
- (3) An order made under subsection (2) may contain such transitional and consequential provisions as the Treasury thinks fit.

ENDNOTES

Table of Endnote References

- ¹ Subss (1) to (3) inclusive repealed by Financial Services Act 2008 Sch 7 (with savings - see para 5 of Sch 8).
- ² Subs (4) amended by Financial Services Act 2008 Sch 6.
- ³ Subs (5) amended by Financial Services Act 2008 Sch 6.
- ⁴ Para (b) amended by Financial Services Act 2008 Sch 6.
- ⁵ Subs (6) amended by Financial Services Act 2008 Sch 6.
- ⁶ Subs (7) amended by Financial Services Act 2008 Sch 6.
- ⁷ Subs (8) amended by Financial Services Act 2008 Sch 6 and by SD2015/0090 as amended by SD2015/0276.
- ⁸ Subs (9) added by Financial Services Act 2008 Sch 6.
- ⁹ Ss 3 and 4 repealed by Financial Services Act 2008 Sch 7 (with savings - see para 5 of Sch 8).
- ¹⁰ S 4A inserted by Financial Supervision Act 1988 Sch 2 and repealed by Financial Services Act 2008 Sch 7 (with savings - see para 5 of Sch 8).
- ¹¹ Ss 4B and 4C inserted by Fiduciary Services Act 2005 Sch 3 and repealed by Financial Services Act 2008 Sch 7 (with savings - see para 5 of Sch 8).
- ¹² Subs (2) repealed by Statute Law Revision Act 1992 Sch 2.
- ¹³ Definition of “Authority” inserted by SD2015/0090 as amended by SD2015/0276.
- ¹⁴ Definition of “Commission” repealed by SD2015/0090 as amended by SD2015/0276.
- ¹⁵ ADO (whole Act) 1/11/1986 (GC332/86).