



Number 24 of 2006

BUILDING SOCIETIES (AMENDMENT) ACT 2006

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ACTS REFERRED TO

Asset Covered Securities Act 2001	2001, No. 47
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Consumer Credit Act 1995	1995, No. 24
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Housing (Miscellaneous Provisions) Act 2002	2002, No. 9
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Registration of Business Names Act 1963	1963, No. 30



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BUILDING SOCIETIES (AMENDMENT) ACT 2006

AN ACT TO AMEND CERTAIN PROVISIONS OF THE BUILDING SOCIETIES ACTS 1989 AND 1992, IN PARTICULAR, TO ALTER THE POWERS OF BUILDING SOCIETIES; TO FACILITATE THE EXTENSION OF THE MEMBERSHIP OF BUILDING SOCIETIES; TO INCREASE THE INVESTMENT POWERS OF BUILDING SOCIETIES; TO AMEND PROVISIONS REGARDING THE CONVERSION OF BUILDING SOCIETIES TO PUBLIC LIMITED COMPANIES, AND TO PROVIDE FOR MISCELLANEOUS MATTERS RELATING TO BUILDING SOCIETIES.

[16th July, 2006]

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

PART 1

PRELIMINARY AND GENERAL

- 1.—(1) This Act may be cited as the Building Societies (Amendment) Act 2006. Short title, collective citation and construction.
- (2) The Building Societies Acts 1989 and 1992 and this Act may be cited together as the Building Societies Acts 1989 to 2006 and shall be construed together as one Act.
- 2.—This Act shall come into operation on such day or days as the Minister may appoint by order or orders either generally or with reference to any particular purpose or provision, and different days may be so appointed for different purposes or different provisions. Commencement.
- 3.—In this Act “Principal Act” means the Building Societies Act 1989. Definition.

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PART 2

AMENDMENTS TO THE PRINCIPAL ACT

Amendment of
section 2 of
Principal Act.

4.—Section 2 of the Principal Act is amended—

- (a) by substituting the following for the definition of “associated body”:

“ ‘associated body’ means a body to which section 28 applies, in which a building society invests in accordance with section 28;”,

- (b) by substituting the following for the definition of “associated home loan”:

“ ‘associated home loan’, in relation to an associated designated credit institution or an associated body, means a housing loan (as defined in section 2 of the Consumer Credit Act 1995) in respect of which the institution or body is the creditor or one of the creditors;”,

- (c) by inserting the following after the definition of “Central Bank”:

“ ‘Codified Banking Directive’ has the meaning given to it by section 3 of the Asset Covered Securities Act 2001;”,

- (d) by inserting the following after the definition of “Court”:

“ ‘credit institution’ has the meaning given to it by section 3 of the Asset Covered Securities Act 2001;

‘deferred shares’ has the meaning given to it by section 17(10);”,

- (e) by substituting the following for the definition of “Minister”:

“ ‘Minister’ means the Minister for the Environment, Heritage and Local Government;”,

and

- (f) by inserting the following after the definition of “repealed enactments”:

“ ‘securities’ includes shares of any class, debentures, notes, debt instruments, loan stock or any other similar instrument whether secured or unsecured, whether perpetual or redeemable and whether interest bearing or not;”.

Amendment of
section 9 of
Principal Act.

5.—Section 9(2) is amended—

- (a) in paragraph (a) by inserting “save as provided for in section 36(2),” after “it must be adopted by the society”, and

- (b) in paragraph (b) by substituting “Central Bank Acts 1942 to 1998” for “Currency and Central Bank Acts 1927 to 1971”.

6.—Section 13 of the Principal Act is amended—

Amendment of
section 13 of
Principal Act.

(a) in subsection (1), by substituting “Subject to subsection (3) the words” for “The words”, and

(b) by substituting the following for subsection (3):

“(3) (a) Save where paragraph (b) applies, a society shall not use any name or title other than its registered name.

(b) A society may carry on business under a name other than its registered name provided that—

(i) the details of the name proposed by it to be so used are furnished to and approved by the Central Bank, and

(ii) that name is duly registered under the Registration of Business Names Act 1963.”.

7.—Section 16 of the Principal Act is amended by inserting the following after subsection (2A) (inserted by the Asset Covered Securities Act 2001):

Amendment of
section 16 of
Principal Act.

“(2B) Subject to subsection (2C), a building society may permit any or all of the following to be a member:

(a) a person who is indebted in respect of a loan (other than or in addition to a loan of the type referred to in subsection (2)), made by the building society or an associated body of that society;

(b) a person who holds any savings or investment products of the society or an associated body of that society;

(c) a person who holds securities issued by the society or an associated body of that society;

(d) a person who holds a deposit with the society or an associated body of that society; and

(e) a shareholder of an associated body of that society,

but no person referred to in paragraphs (a) to (e) shall be required to hold a share in the society and the person’s liability as such a member must not be any greater than would be the case if the rules treated the person as being a holder of shares in the society because any of paragraphs (a) to (e) refers to that person.

(2C) A society may permit membership under subsection (2B) only if—

(a) its rules so permit,

(b) its members have passed a special resolution approving such membership, and