

**INTERIM PRUDENTIAL SOURCEBOOK FOR BUILDING SOCIETIES
(LIMITS ON AGGREGATE HOLDINGS OF OTHER SOCIETIES' LIABILITIES)
INSTRUMENT 2006**

Powers exercised

- A. The Financial Service Authority makes this instrument in the exercise of its power in section 157(1) (Guidance) of the Financial Services and Markets Act 2000 (“the Act”).

Commencement

- B. This instrument comes into force on 1 January 2007.

Amendments to the Handbook

- C. The Interim Prudential sourcebook for Building Societies (IPRU (BSOC)) is amended in accordance with the Annex to this instrument.

Citation

- D. This instrument may be cited as the Interim Prudential Sourcebook for Building Societies (Limits on Aggregate Holdings of Other Societies' Liabilities) Instrument 2006.

Annex

Amendments to the Interim Prudential sourcebook for Building Societies (IPRU (BSOC))

In this Annex, underlining indicates new text and striking through indicates deleted text.

ANNEX 5C

Inter-society Holdings

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- 5C.2 G A society's aggregate holding of other societies' liabilities should not exceed ~~5%~~ 7.5% SDL or £5m whichever is the higher. The total should also include undrawn as well as drawn amounts under committed facilities provided to other societies. This measure is to be continuous.
- 5C.3 G The FSA expects societies to invest no more than ~~20%~~ 30% of their prudential liquidity or £5m, whichever is the higher (up to a limit of ~~5%~~ 7.5% SDL or £5m whichever is the higher) in aggregate holdings of other societies' liabilities.

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