

GENERAL GUIDANCE

BUILDING SOCIETY AUTHORISATION

"Authorisation" refers to the approval required for a building society to begin trading in the Isle of Man.

An existing building society (eg one authorised/incorporated in the UK) may establish a presence in the Isle of Man either:

- (1) as a fully staffed branch of a building society, which will require an authorisation under the [Building Societies Act 1986](#); or
- (2) by establishing a subsidiary company, which will require a banking licence – see [Banking handbook](#).

Building societies operating in the Isle of Man are governed by the Industrial and Building Societies Acts 1892 to 1979 and the Building Societies Act 1986 ("the Act").

Authorisations are issued under section 2 of the Act, as applied by section 4A of that Act. Section 4A extends the provisions of sections 2 to 4 of the Act to a UK building society carrying on business in the Isle of Man. Section 2(2) enables the Commission to issue an authorisation subject to conditions. These may be [standard authorisation conditions](#) or conditions specific to one society.

FEES

The annual fee currently payable by building societies is £12,100. An additional fee of £5,700 is payable upon initial authorisation.

DEPOSITORS COMPENSATION SCHEME

There is no provision for building societies to be participants in the Isle of Man's Depositors Compensation Scheme at present.

REPORTING REQUIREMENTS

Supervisory information is required from building societies at the end of each calendar quarter on specified [reporting forms](#). The Commission attaches great importance to accurate and timely reporting. Late, incomplete, or inaccurate returns are never a good sign and are often a symptom of serious problems. In any case, prompt and accurate reporting is an important part of the Commission's criterion that the business shall be conducted with prudence and professional skill, which is part of the "fit and proper" test.