
STATUTORY INSTRUMENTS

1993 No. 2013 (S.224)

PENSIONS

**The Local Government Superannuation
(Scotland) Amendment (No.2) Regulations 1993**

Made - - - - 5th August 1993
Laid before Parliament 18th August 1993
Coming into force - - 13th September 1993

The Secretary of State, in exercise of the powers conferred on him by sections 7 and 12 of the Superannuation Act 1972((1)) and of all other powers enabling him in that behalf, after consultation with such associations of local authorities as appeared to him to be concerned and such representatives of other persons likely to be affected by the Regulations as appeared to him to be appropriate in accordance with section 7(5) of that Act, and not having considered consultation with any individual local authority desirable, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Local Government Superannuation (Scotland) Amendment (No.2) Regulations 1993 and shall come into force on 13th September 1993.

Interpretation

2. In these Regulations “the principal Regulations” means the Local Government Superannuation (Scotland) Regulations 1987((2)).

Stocklending

3. Regulation P6 of the principal Regulations is amended—

(a) by substituting for paragraph (2)(a) the following paragraph:—

“any contract entered into in the course of dealing in financial futures or traded options,”;

(b) by adding after paragraph (2)(c)—

(1) 1972 c. 11; section 7(3) was extended by the Pensions (Increase) Act 1974 (c. 9), section 2(2); section 12 was amended by the Pensions (Miscellaneous Provisions) Act 1990 (c. 7), section 10.
(2) S.I.1987/1850, amended by S.I. 1988/625, 1989/422, 802 and 967, 1990/422 and 1284, 1991/78, 1992/1220 and 3025 and 1993/1593.

“and

(d) a stocklending arrangement.”;

(c) by adding after paragraph (4)(e)–

“or

(f) enter into a stocklending arrangement so as to bring the total value of the securities transferred, or agreed to be transferred, by the administering authority pursuant to stocklending arrangements to an amount which exceeds 25% of the value of all investments of fund monies at the date of entering into such arrangement.”;

(d) by adding after paragraph (7)–

“(7A) An administering authority shall enter into a stocklending arrangement under paragraph (2)(d) only if it complies with the provisions of regulations 5.58 and 5.60 of Section L of the Financial Services (Regulated Schemes) Regulations 1991((3)) and, for this purpose–

(a) the reference in paragraph 1c (iii) of regulation 5.58 to the Guidance of the Board shall be taken to be a reference to paragraphs 12 and 13 of Guidance Release 4/91 issued by the Securities and Investments Board in June 1991; and

(b) any reference to the trustee in those Regulations shall be taken to be a reference to the administering authority.”; and

(e) by inserting in paragraph (10) after the definition of the expression “single holding” the following definitions:–

““stocklending arrangement” means an arrangement such as is mentioned in subsection (1) or (2) of section 129 of the Income and Corporation Taxes Act 1988((4));

“traded option” means an option which is for the time being quoted on a recognised stock exchange within the meaning of section 841 of the Income and Corporation Taxes Act 1988 or on the London International Financial Futures Exchange;”.

St. Andrew’s House,
Edinburgh
5th August 1993

Fraser of Carmyllie
Minister of State, Scottish Office

(3) Those Regulations are made under sections 52, 81, 85, 86(3), 87(4), 88(10) and 90 of the Financial Services Act 1986 (c. 60). The power of the Secretary of State to make Regulations under these provisions was transferred to the Securities and Investments Board under the Financial Services Act 1986 (Delegation) Order 1987, (S.I. 1987/942), and the Companies Act 1989 (Commencement No.3, Transitional Provisions and Transfer of Functions under the Financial Services Act 1986) Order 1990, (S.I. 1990/354).

(4) 1988 c. 1.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Government Superannuation (Scotland) Regulations 1987 in relation to the powers of investment conferred on local authorities. They allow local authorities, as part of the investment of fund moneys, to enter into stocklending arrangements subject to a limit of 25% of the value of the fund and compliance with certain provisions in the Financial Services (Regulated Schemes) Regulations 1991 and Guidance Release 4/91 issued by the Securities and Investments Board. Copies of the 1991 Regulations and the Guidance Release are available from Securities and Investments Board, Gavrelle House, 2-14 Bunhill Row, London EC1Y 8RA.