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STATUTORY INSTRUMENTS

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**1996 No. 3127**

**The Occupational Pension Schemes  
(Investment) Regulations 1996**

**PART II**

**RESTRICTIONS ON EMPLOYER-RELATED INVESTMENTS**

**Prescription of investments as employer-related investments**

**4.** For the purposes of section 40(2)(e) of the 1995 Act the following are prescribed as employer-related investments—

- (a) the proportion attributable to the scheme's resources (whether directly or through any intervening collective investment scheme) of any investments which—
  - (i) have been made by the operator of any collective investment scheme, and which
  - (ii) would have been employer-related investments if they had been made by the scheme;
- (b) any guarantee of, or security given to secure, obligations of the employer or of any person who is connected with, or an associate of, the employer and for the purposes of section 40 of the 1995 Act and these Regulations a guarantee or security given by the trustees or managers shall be regarded as an investment of resources of the scheme equal to the amount of the obligations guaranteed or secured;
- (c) any loan arrangement entered into with any person whereby the trustees' or managers' right to or expectation of repayment depends on the employer's actions or situation unless it was not the trustees' or managers' purpose in entering into the arrangement to provide financial assistance to the employer;
- (d) where any of a scheme's resources are invested in a policy of insurance the terms of which permit the premiums or other consideration for the rights acquired under the policy, or any monies otherwise credited to or for the benefit of the trustees or managers or the members, to be invested in a fund created only for the purposes of that policy, the proportion of the scheme's resources invested in that policy which is the same proportion as B is of A where
  - A represents all the assets of the insurer held in the fund, and
  - B represents that part of A which would, if invested by the scheme, be employer-related investments; and
- (e) where any of a scheme's resources are invested in a policy of insurance (not being resources invested in a fund created only for the purposes of that policy) the terms of which permit the trustees or managers or the employer to direct that some or all of the premiums or other consideration for the rights acquired under the policy, or any monies otherwise credited to or for the benefit of the trustees or managers or the members, are invested in employer-related investments, any investments made by the insurer from those premiums or other consideration or monies, which would have been employer-related investments if they had been made by the scheme.