
STATUTORY INSTRUMENTS

1996 No. 3127

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

PART II

RESTRICTIONS ON EMPLOYER-RELATED INVESTMENTS

Transitional provisions

7.—(1) Where on the commencement date the resources of a scheme are invested in—

- (a) employer-related loans (including such loans as are mentioned in regulation 5(2)(a) of the Occupational Pension Schemes (Investment of Scheme's Resources) Regulations 1992⁽¹⁾ (“the 1992 Regulations”)) which were in being on 18th December 1996 and to which regulation 6 does not apply; or
- (b) other employer-related investments, to the extent that they exceed five per cent. of the current market value of the resources of the scheme, to which regulation 5(2)(d) of the 1992 Regulations applied immediately before the commencement date,

those investments may be retained in accordance with paragraph (2).

(2) To the extent that the employer-related investments mentioned in paragraph (1) consist of—

- (a) employer-related loans to which regulation 5(2)(a) of the 1992 Regulations applied before the commencement date, they may, where by virtue of contractual or other legal obligations repayment cannot be required immediately, be retained until the earliest date on which repayment can be enforced;
- (b) securities of the type referred to in regulation 5(3)(b) which, immediately before the commencement date, were employer-related investments and—
 - (i) regulation 5(2)(d) of the 1992 Regulations applied to them, or
 - (ii) they were investments which did not contravene the 1992 Regulations,they may be held until—
 - (I) the 6th April 2002, or
 - (II) if by virtue of contractual or other legal obligations, disinvestment cannot be effected by 6th April 2002, the earliest date on which disinvestment may be effected;

- (c) an employer-related loan the terms of which have, before 1st January 1996, been specifically approved by a court having jurisdiction in relation to the scheme as being in the interests of the members of the scheme, then, provided that the terms of the loan as so approved are not changed, such part of the loan, repayment of which cannot be required other than on the commencement of the winding up of the scheme, may be retained until the winding up of the scheme commences;

- (d) any employer-related loans to which sub-paragraphs (a) to (c) do not apply, they may be retained until the 6th April 2002 or, if by virtue of contractual or other legal obligations repayment cannot be required by that date, be retained until the earliest date on which repayment can be enforced;
 - (e) other investments mentioned in paragraph (1)(b) (excluding, for the avoidance of doubt, investments in a collective investment scheme), they may be retained without limit of time.
- (3) If any investment referred to in paragraph (2) is listed on a recognised stock exchange it may be retained for a period of no more than six calendar months beginning with—
- (a) the date on which it was listed, if that date is on or after the commencement date; or
 - (b) the commencement date, if the date on which it was listed is before the commencement date.
- (4) There shall be no new investment in employer-related investments while the resources of a scheme retained in employer-related investments (other than investments authorised by regulation 6) exceed five per cent. of the current market value of the resources of the scheme.
- (5) In this regulation—
- “loans” does not include any sums regarded as loans under section 40(3) of the 1995 Act; and
 - “retained”, in relation to a loan, means left undischarged.