
STATUTORY INSTRUMENTS

1998 No. 1831

**The Local Government Pension Scheme(Management
and Investment of Funds) Regulations 1998**

Preliminary

Definition of “investment”

- 3.—(1) In these Regulations “investment” and similar expressions have their normal meaning.
- (2) But the following provisions of this regulation specify things which count as investments for these Regulations, although they might not otherwise do so, and exclude things which might otherwise count.
- (3) A contract entered into in the course of dealing in financial futures or traded options is an investment.
- (4) If the administering authority use fund money for any purpose for which they may borrow money, that counts as an investment.
- (5) An insurance contract is an investment if and only if the contract is made with a person within paragraph (6) for whom making the contract is business within class III or class VII in Schedule 1 to the Insurance Companies Act 1982(1) (linked long term and pension fund management business).
- (6) The persons within this paragraph are—
- (a) a person whom that Act permits to carry on such business, and
 - (b) an insurance company which, because it has its head office in a member State, is permitted under the law of such a State to carry on insurance business of a similar sort.
- (7) A stock lending arrangement is an investment if and only if, in respect of it, the conditions in regulations 5.58 and 5.60 of Section L of the Financial Services (Regulated Schemes) Regulations 1991 are complied with, modified as specified in paragraph (8).
- (8) Those modifications are—
- (a) for the references in regulation 5.58 to section 129 of the Income and Corporation Taxes Act 1988 substitute a reference to section 263B of the Taxation of Chargeable Gains Act 1992;
 - (b) delete paragraphs 1a, 1c(ii) and 2b;
 - (c) for the references in both those regulations to the trustee, substitute a reference to the administering authority; and
 - (d) for the reference in paragraph 1c(iii) of regulation 5.58 to Guidance of the Board, substitute a reference to Guidance Release 4/91 issued by the Securities and Investments Board in June 1991.
- (9) It is an investment to contribute to a limited partnership in an unquoted securities investment partnership.
- (10) A sub-underwriting contract is an investment.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.
