
STATUTORY INSTRUMENTS

2005 No. 3378

**The Occupational Pension Schemes
(Investment) Regulations 2005**

Restrictions on employer-related investments

- 12.**—(1) This regulation applies to trust schemes except small schemes.
- (2) Subject to regulations 13 to 16—
- (a) not more than five per cent. of the current market value of the resources of a scheme may at any time be invested in employer-related investments; and
 - (b) none of the resources of a scheme may at any time be invested in any employer-related loan.
- (3) None of the resources of a scheme may at any time be invested in any employer-related investment the making of which involves the entering by the trustees or managers into a transaction at an undervalue where the agreement to enter into that transaction was made on or after the 6th April 1997.
- (4) In this regulation and in regulations 14 and 15 “employer-related loan” means—
- (a) a loan mentioned in section 40(2)(d) of the 1995 Act (including, for the purposes of this regulation only, one which falls within section 40(2)(d) by virtue of section 40(3) of that Act);
 - (b) a security mentioned in section 40(2)(a) of the 1995 Act which is an instrument creating or acknowledging indebtedness, except any such security which is listed on a recognised stock exchange; and
 - (c) an employer-related investment prescribed as such by regulation 11(b) or (11)(c).
- (5) In paragraph (3), “transaction at an undervalue” has the same meaning in relation to trustees and managers as it has in section 238(4) of the Insolvency Act 1986 (transactions at an undervalue (England and Wales)) in relation to a company to which that section applies.