
STATUTORY INSTRUMENTS

2016 No. 946

**The Local Government Pension Scheme (Management
and Investment of Funds) Regulations 2016**

Investment

- 3.—(1) In these Regulations “investment” includes—
- (a) a contract entered into in the course of dealing in financial futures, traded options or derivatives;
 - (b) a contribution to a limited partnership in an unquoted securities investment;
 - (c) a contract of insurance if it is a contract of a relevant class, and is entered into with a person within paragraph (2) for whom entering into the contract constitutes the carrying on of a regulated activity within the meaning of section 22 of the 2000 Act⁽¹⁾.
- (2) The persons within this paragraph are—
- (a) a person who has permission under Part 4A of the 2000 Act (permission to carry on regulated activities)⁽²⁾ to effect or carry out contracts of insurance of a relevant class;
 - (b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to the 2000 Act (EEA passport rights), which has permission under paragraph 15 of that Schedule⁽³⁾ to effect or carry out contracts of insurance of a relevant class; and
 - (c) a person who does not fall within sub-paragraph (a) or (b) whose head office is in an EEA state other than the United Kingdom, and who is permitted by the law of that state to effect or carry out contracts of insurance of a relevant class.
- (3) A contract of insurance is of a relevant class for the purposes of paragraphs (1)(c) and (2) if it is—
- (a) a contract of insurance on human life or a contract to pay an annuity on human life where the benefits are wholly or partly to be determined by reference to the value of, or income from, property of any description (whether or not specified in the contract) or by reference to fluctuations in, or an index of, the value of property of any description (whether or not so specified); or
 - (b) a contract to manage the investments of pension funds, whether or not combined with a contract of insurance covering either conservation of capital or payment of minimum interest.
- (4) For the purposes of this regulation—
- “limited partnership” has the meaning given in the Limited Partnerships Act 1907⁽⁴⁾;
- “recognised stock exchange” has the same meaning as in section 1005 of the Income Tax Act 2007⁽⁵⁾;

(1) Section 22 was amended by section 7(1) of the Financial Services Act 2012 (c. 21).

(2) Part 4A of the 2000 Act was inserted by section 11(2) of the Financial Services Act 2012.

(3) Paragraph 15 was amended by S.I. 2003/2066, 2007/3253, 2012/1906, 2013/1881 and 2015/575.

(4) 1907 c. 24.

(5) 2007 c. 3; section 1005 was substituted by the Finance Act 2007 (c. 11) and amended by the Taxation (International and Other Provisions) Act 2010 (c. 8).

Changes to legislation: There are currently no known outstanding effects for the The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, Section 3. (See end of Document for details)

“traded option” means an option quoted on a recognised stock exchange; and

“unquoted securities investment partnership” means a partnership for investing in securities which are not quoted on a recognised stock exchange when the partnership buys them.

Commencement Information

II [Reg. 3](#) in force at 1.11.2016, see [reg. 1\(2\)](#)

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