STATUTORY INSTRUMENTS

1968 No. 657

BUILDING SOCIETIES

The Building Societies (Authorised Investments) (Amendment) Order 1968

Made - - - -	*24th April* 1968
Laid before Parliament	*2nd May* 1968
Coming into Operation	*6th May* 1968

The Chief Registrar of Friendly Societies, with the consent of the Treasury, in exercise of the powers conferred upon him by section 58 of the Building Societies Act 1962(a) and of all other powers enabling him in that behalf, hereby makes the following Order:—

1.—(1) This Order may be cited as the Building Societies (Authorised Investments) (Amendment) Order 1968, and shall come into operation on 6th May 1968.

(2) The Interpretation Act 1889(b) shall apply to the interpretation of this Order as it applies to the interpretation of an Act of Parliament.

2. The Building Societies (Authorised Investments) Order 1962(c), as amended (d) (which prescribes the manner in which a building society may invest funds which are not immediately required for its purposes) shall be amended by:—

(*a*) in paragraph (1) of article 2, for the words "the following article" the substitution of the words "articles 3 and 3A of this Order"

(*b*) after article 3, the insertion of the following article:—

"3A.—(1) Funds kept in cash or on current account with or on temporary loan to a bank (being a bank authorised under section 59 of the Building Societies Act 1962 to hold funds of building societies) shall, for the purposes of determining whether an investment in a manner specified in Part II or Part III of the Schedule to this Order may be made, be deemed to be investments of a kind specified in Part I of the said Schedule.

(2) The expression "temporary loan" in the preceding sub-paragraph means a loan which is repayable—

(*a*) in not more than six months after the date on which the investment referred to in the preceding sub-paragraph is to be made, or

(*b*) by notice to the bank requiring it to repay the loan, such notice being a notice which will expire in not more than six months from the giving thereof and which may be given at any time after the said date."

(a) 1962 c. 37. (b) 1889 c. 63. (c) S.I. 1962/2044 (1962 III, p. 2461).
(d) The amending instruments are S.I. 1964/671 (1964 II, p. 1268) and S.I. 1966/1338 (1966 III, p. 3667).

(*c*) in paragraph 1 of the Schedule, after the words "Ulster Development Bonds" the insertion of the words "British Savings Bonds"

(*d*) at the end of sub-paragraph (*g*) of paragraph 2 of the Schedule, the addition of the words "or securities issued in the United Kingdom by the Inter-American Development Bank"

(*e*) in the definition of "local authority" in paragraph 10 of the Schedule, for the word "metropolitan" the substitution of the word "London" and after the words "a parish" the insertion of the words "the Greater London Council"

(*f*) in the definition of "marketable fixed-interest securities" in paragraph 10 of the Schedule, after the words "Belfast Stock Exchange" the insertion of the words "or bonds issued by a local authority in whole or in part to a bank, discount house, issuing house, or broker in the City of London".

Dated 24th April 1968.

S. D. Musson,
Chief Registrar of Friendly Societies.

We consent to this Order.
Dated 24th April 1968.

Joseph Harper,
Harry Gourlay,
Two of the Lords Commissioners of Her Majesty's Treasury.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order amends the Building Societies (Authorised Investments) Order 1962 by adding to the classes of securities in which building societies may invest. The additions include British Savings Bonds and local authority bonds which have been issued in whole or in part to discount houses and others. It also allows building societies to take into account cash and short term deposits when determining whether they may make medium and long term investments under the Order of 1962.