STATUTORY INSTRUMENTS

1979 No. 1301

BUILDING SOCIETIES

The Building Societies (Authorised Investments) (Amendment) Order 1979

Made - - - -	*8th October* 1979
Laid before Parliament	*5th November* 1979
Coming into Operation	*3rd December* 1979

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. This Order may be cited as the Building Societies (Authorised Investments) (Amendment) Order 1979 and shall come into operation on 3rd December 1979.

2. The Building Societies (Authorised Investments) (No. 2) Order 1977(b) (which prescribes the manner in which a building society may invest funds not immediately required for its purposes) shall be amended as follows:—

(*a*) after article 4, there shall be inserted the following article:—

"**4A**—(1) In the case of any investment specified in Parts I, II or III of the Schedule to this Order, a building society may cause that investment to be held on its behalf in the name of an authorised nominee.

(2) The expression "authorised nominee" in the preceding subparagraph means—

(*a*) any bank which is for the time being authorised under section 59 of the Act to hold funds of building societies; or

(*b*) any company which is a subsidiary, within the meaning of section 154 of the Companies Act 1948(c), of any bank specified in (*a*) above."

(*b*) after paragraph 6 of the Schedule to the Order, there shall be inserted the following paragraph:

"**6A.** In certificates of deposit issued by a bank (being a bank authorised under section 59 of the Act to hold funds of building societies and permitted by the Treasury under section 10 of the Exchange Control Act 1947(d) to issue certificates of deposit) which will mature for payment in not more than five years from the date of issue."

(*c*) in paragraph 14 of the Schedule to the Order—

(a) 1962 c. 37.
(b) S.I. 1977/2052.
(c) 1948 c. 38.
(d) 1947 c. 14.

(i) before the definition of "fixed-interest securities" there shall be inserted the following definition—

" "certificates of deposit" means certificates relating to money in sterling deposited with the issuer which recognise an obligation to pay a stated amount to bearer or to order, with or without interest, and by the delivery of which, with or without endorsement, the right to receive that stated amount, with or without interest, is transferable."

(ii) in the definition of "relevant authority", there shall be added the following subparagraph—

"(*f*) a passenger transport executive within the meaning of section 9(1) of the Transport Act 1968(a);".

K. Brading,
Chief Registrar of Friendly Societies.

Dated: 21st September 1979.

We consent to this Order.

John MacGregor,
Carol Mather,
Two of the Lords Commissioners of Her Majesty's Treasury.

Dated: 8th October 1979.

EXPLANATORY NOTE

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

This Order amends the Building Societies (Authorised Investments) (No. 2) Order 1977 by adding to the classes of investments in which building societies may place funds not immediately required for their purposes. The additions are investments in sterling certificates of deposit issued by certain banks, and in Passenger Transport Executives. This Order further amends the Order of 1977 by permitting societies to hold their investments in the names of specified nominees.

(a) 1968 c. 73.

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