STATUTORY INSTRUMENTS

1986 No. 406

BUILDING SOCIETIES

The Building Societies (Authorised Investments) (Amendment) Order 1986

Made - - -	*5th March* 1986
Laid before Parliament	*10th March* 1986
Coming into Operation	*1st April* 1986

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 1986 and shall come into operation on 1st April 1986.

(2) In this Order references to "the 1983 Order" mean the Building Societies (Authorised Investments) (Amendment) Order 1983(**b**).

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

(*a*) In paragraph (1) of article 2 (as amended by the 1983 Order) the words "paragraph 6C" shall be substituted for the words "paragraphs 6B and 6C".

(*b*) Sub-paragraph (*a*) of article 3A (as inserted by the 1983 Order), and the letter "(*b*)" immediately following that sub-paragraph, shall be deleted.

(*c*) In paragraph 1 of the Schedule to the Order, there shall be added at the end the words "and Bills issued by relevant authorities", and in paragraph 14 of the Schedule there shall be inserted in alphabetical position the following definition—" "Bills issued by relevant authorities" means bills issued in the United Kingdom by a relevant authority under powers conferred on it by any Act of Parliament".

(*d*) In sub-paragraph (*a*) of paragraph 6B of the Schedule (as inserted by the 1983 Order), the figures "187" shall be substituted for the figures "180".

(**a**) 1962 c.37. (**b**) S.I. 1983/1769.
(**c**) S.I. 1977/2052, amended by S.I. 1979/1301, 1982/1761 and 1983/1769.

(*e*) In paragraph 14 of the Schedule, in the definition of "relevant authority", there shall be added the following sub-paragraphs —

"(*g*) a residuary body within the meaning of section 105(1) of the Local Government Act 1985(**a**);

(*h*) the Inner London Education Authority established under section 18 of the Local Government Act 1985."

J. M. Bridgeman,
Chief Registrar of Friendly Societies.

Dated 27th February 1986.

We consent to this Order,

Donald Thompson,
A. G. Hamilton,
Two of the Lords Commissioners of Her Majesty's Treasury.

Dated 5th March 1986.

EXPLANATORY NOTE

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

This Order makes four further amendments to the Building Societies (Authorised Investments) (No. 2) Order 1977 which specifies the forms of investment in which societies are authorised to hold funds "surplus to their purpose", namely their liquidity. First, the Order removes the limit on a building society's holding of eligible bills of exchange of 1% of the value of its assets. Second, it allows societies to invest in eligible bills of exchange whose initial maturity is not more than 187 days, rather than not more than 180 days. Third, it adds to the list of authorised investments certain categories of securities issued by, and loans to, the residuary bodies and the new Inner London Education Authority established under the Local Government Act 1985. Finally, it adds bills issued by these bodies and by certain other bodies wholly or largely constituted by local authorities.

(**a**) 1985 c.51.

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