STATUTORY INSTRUMENTS

1979 No. 866

INDUSTRIAL AND PROVIDENT SOCIETIES

Credit Unions (Authorised Investments) Order 1979

Made - - - -	12*th July* 1979
Laid before Parliament	30*th July* 1979
Coming into Operation	20*th August* 1979

The Chief Registrar of Friendly Societies, with the consent of the Treasury, in exercise of the powers conferred on him by sections 13(1) and 29 of the Credit Unions Act 1979**(a)**, and of all other powers enabling him in that behalf, hereby makes the following Order:—

1. This Order may be cited as the Credit Unions (Authorised Investments) Order 1979 and shall come into operation on 20th August 1979.

2. In this Order—

"the Act" means the Credit Unions Act 1979;

"surplus funds" has the meaning assigned to it by section 13(4) of the Act;

"credit union" has the meaning assigned to it by section 31(1) of the Act.

3. (i) The manner in which a credit union is authorised to invest any part of its surplus funds is specified in Part I of the Schedule to this Order.

(ii) Part II of the Schedule to this Order shall have effect for the purposes of Part I thereof and for the interpretation of that Part.

K. Brading,
Chief Registrar of Friendly Societies

Dated 12th July 1979

We consent to this Order

John MacGregor,
Peter Morrison,
Two of the Lords Commissioners of Her Majesty's Treasury

Dated 12th July 1979

(a) 1979 c. 34.

SCHEDULE

PART I

MANNER OF INVESTMENT

1. In Defence Bonds, National Development Bonds, British Savings Bonds, Treasury Bills and Local Authority Bills.

2. In marketable securities issued by Her Majesty's Government in the United Kingdom or the Government of Northern Ireland, being securities which will mature for repayment in not more than five years from the relevant date.

3. In marketable fixed-interest or variable-interest securities issued in the United Kingdom by any local authority, being securities which will mature for repayment in not more than five years from the relevant date.

4. In marketable fixed-interest securities of the following descriptions, being securities which will mature for repayment in not more than five years from the relevant date:—

(*a*) securities the repayment of the principal of which and the payment of interest on which is guaranteed by Her Majesty's Government in the United Kingdom or the Government of Northern Ireland;

(*b*) securities issued in the United Kingdom by a public authority or nationalised industry or undertaking in the United Kingdom;

(*c*) loan stock of the Bank of Ireland.

5. In shares or deposits in any building society designated under section 1 of the House Purchase and Housing Act 1959**(a)**.

PART II

INTERPRETATION

6. In this Schedule—

"fixed-interest securities" means securities on which the rate of interest is fixed by the terms of their issue;

"local authority" means any of the following authorities:—

(*a*) in England and Wales, a county council, the Greater London Council, a district council, a London borough council, a parish or community council, the Common Council of the City of London, and the Council of the Isles of Scilly;

(*b*) in Scotland, a local authority within the meaning of section 235 of the Local Government (Scotland) Act 1973**(b)**;

(*c*) in Northern Ireland, a district council within the meaning of section 1 of the Local Government Act (Northern Ireland) 1972**(c)**;

"Local Authority Bills" means bills issued in the United Kingdom by a local authority under powers conferred on it by any Act of Parliament;

(a) 1959 c. 33.
(b) 1973 c. 65.
(c) 1972 c. 9(N.I.).

"marketable" in relation to securities means securities the price of which is quoted on The Stock Exchange or bonds issued in the United Kingdom by a local authority in whole or in part to a bank, discount house, issuing house, or broker in the City of London;

"relevant date" in relation to any security or loan in which an investment is at any time to be made means the date on which that investment is to be made;

"securities" includes stock, debentures, debenture stock and bonds, but does not include any securities where the holder is not entitled to require the repayment of the principal, and the payment of interest, in sterling;

"Treasury Bills" includes Bills issued by Her Majesty's Government in the United Kingdom and Northern Ireland Treasury Bills;

"variable-interest securities" means securities on which the rate of interest is variable by reference to one or more of the following:—

(i) the Bank of England's minimum lending rate;

(ii) the average rate of discount on allotment on 91-day Treasury Bills;

(iii) a yield on 91-day Treasury Bills;

(iv) a London sterling inter-bank offered rate;

(v) a London sterling certificate of deposit rate.

7. For the purposes of this Schedule—

(*a*) the date on which any security will mature for repayment shall be the last or only date on which that security shall be repayable by or under its terms of issue;

(*b*) the date on which a loan will be repayable shall be the last or only date on which that loan shall be repayable by or under the terms of the making of the loan, except that if under the terms of any loan the lender may require its repayment at any date, the date shall be the earliest date on which repayment may be so required.

EXPLANATORY NOTE

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

This Order prescribes the manner in which credit unions may invest funds not immediately required for their purposes.

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