1960 No. 1071

The Trustee Savings Banks (Special Investments) Regulations, 1960

Made - - - - 23*rd June*, 1960
Coming into Operation 4*th July*, 1960

The Lords Commissioners of Her Majesty's Treasury, in exercise of the powers conferred upon them by subsection (1) of section 2 of the Trustee Savings Banks Act, 1958(a), and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1. The trustees of a trustee savings bank shall not invest any moneys received for special investment in any securities of the descriptions set out in sub-paragraphs (*b*) to (*e*) of paragraph 1 of the First Schedule to the Act if the total redemption value of all the securities of those descriptions which would be held by them in respect of special investments immediately after the investment would exceed the total redemption value of all the securities of the description set out in sub-paragraph (*a*) of that paragraph held by them in respect of special investments.

2.—(1) The trustees of a trustee savings bank shall not invest any moneys received for special investment in any long term securities of the descriptions set out in paragraph 1 of the First Schedule to the Act if the total redemption value of all the long term securities of those descriptions which would be held by them in respect of special investments immediately after the investment would exceed one fifth of the total redemption value of all the securities of those descriptions which would be held by them in respect of special investments immediately after the investment.

(2) For the purposes of this Regulation, a security shall at any time be taken to be a long term security if the last or only date on which it will mature for repayment is more than twenty-five years after that time.

3.—(1) In these Regulations, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say:—

"the Act" means the Trustee Savings Banks Act, 1958;

"moneys received for special investment" includes any moneys forming part of the assets held by a bank on account of special investments;

"redemption value", in relation to any security, means the amount which will be repaid in respect of that security on maturity.

(2) The Interpretation Act, 1889(b), shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

4. The Trustee Savings Banks (Special Investments) Regulations, 1958(c), are hereby revoked.

(a) 6 & 7 Eliz. 2. c. 8. (b) 52 & 53 Vict. c. 63. (c) S.I. 1958/589 (1958 II, p. 2127).

5. These Regulations may be cited as the Trustee Savings Banks (Special Investments) Regulations, 1960, and shall come into operation on the fourth day of July, nineteen hundred and sixty.

Dated this twenty-third day of June, nineteen hundred and sixty.

Michael Hughes-Young,
P. E. O. Bryan,
Two of the Lords Commissioners of Her Majesty's Treasury.

EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

Section 2 of the Trustee Savings Banks Act, 1958, and the First Schedule to that Act set out the securities in which trustees of Trustee Savings Banks may invest moneys received for special investment. These Regulations (replacing previous regulations made in 1958—S.I. 1958 No. 589) regulate investment in these permitted securities.

No limit is now placed on investment in—

(i) Government securities (that is to say, securities of the British Government and of the Government of Northern Ireland, including securities guaranteed by one of those Governments), subject to the limitation below as regards securities maturing for repayment after 25 years, or

(ii) local authority mortgages which are repayable on six months or some shorter notice.

No investment may be made in any of the permitted securities which is not a Government security if as a result the redemption value of the holdings of such non-Government securities would exceed the redemption value of the holdings of Government securities.

No investment may be made in any security maturing for repayment at a date more than 25 years after the date of investment if as a result the redemption value of the holdings of all permitted securities maturing after 25 years would exceed one fifth of the redemption value of the holdings of all securities of whatever date. (The Act itself prohibits investment in any security maturing after 40 years from the date of investment).