STATUTORY INSTRUMENTS

1968 No. 1029

SAVINGS BANKS

The Trustee Savings Banks (Special Investments) Regulations 1968

Laid before Parliament in draft

Made - - -	1*st July* 1968
Coming into Operation	5*th July* 1968

The Treasury, in exercise of the powers conferred upon them by section 3 of the Trustee Savings Banks Act 1968(a) and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1. Subject to the provisions of Regulations 2, 3 and 4 of these Regulations, the trustees of a trustee savings bank may invest moneys received for special investment in any manner specified in paragraphs 1, 2, 3, 8 and 9 of Part II of Schedule 1 to the Trustee Investments Act 1961(b).

2. The provisions of Regulations 3 and 4 of these Regulations shall apply to the securities mentioned in paragraphs 1, 2, 3 and 8 of Part II of the said Schedule and to the fixed-interest securities mentioned in paragraph 9 thereof (referred to in the said Regulations as "the prescribed securities").

3. The trustees of a trustee savings bank shall not invest any moneys received for special investment in any of the prescribed securities unless the last or only date on which such securities will mature for repayment is not more than forty years after the date of investment.

4.—(1) The trustees of a trustee savings bank shall not invest any moneys received for special investment in any of the prescribed securities which are long term securities if the total redemption value of all the prescribed securities being long term securities 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 prescribed securities 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) In this Regulation, "redemption value", in relation to any security, means the amount which will be repaid in respect of that security on maturity.

5.—(1) In these Regulations, the expression "moneys received for special investment" includes any moneys forming part of the assets held by a bank on account of special investments.

(a) 1968 c. 6. (b) 1961 c. 62.

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

6. The Trustee Savings Banks (Special Investments) Regulations 1960(b) are hereby revoked.

7. These Regulations may be cited as the Trustee Savings Banks (Special Investments) Regulations 1968, and shall come into operation on 5th July 1968.

E. Alan Fitch,
Joseph Harper,
Two of the Lords Commissioners
of Her Majesty's Treasury.

1st July 1968.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

Section 3 of the Trustee Savings Banks Act 1968 empowers the trustees of trustee savings banks, subject to Regulations made by the Treasury, to invest moneys received for special investment in any such manner of investment specified in Part II of Schedule 1 to the Trustee Investments Act 1961 as may be specified in the Regulations.

These Regulations (which supersede the Trustee Savings Banks (Special Investments) Regulations 1960) specify the manners of investment contained in paragraphs 1, 2, 3, 8 and 9 of Part II of that Schedule, subject to the following restrictions as regards the securities mentioned in paragraphs 1, 2, 3 and 8 and the fixed-interest securities mentioned in paragraph 9 ("the prescribed securities"):—

(i) investment in the prescribed securities is restricted to those maturing for repayment at a date not more than 40 years after the date of investment; and

(ii) no investment may be made in any of the prescribed securities 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 prescribed securities maturing after 25 years would exceed one fifth of the redemption value of the holdings of all prescribed securities.

(a) 1889 c. 63. (b) S.I. 1960/1071 (1960 III, p. 3069).