
STATUTORY INSTRUMENTS

1993 No. 3100

INDUSTRIAL AND PROVIDENT SOCIETIES

The Credit Unions (Authorised Investments) Order 1993

Made - - - - *8th December 1993*
Laid before Parliament *10th December 1993*
Coming into force - - *31st December 1993*

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

1. This Order may be cited as the Credit Unions (Authorised Investments) Order 1993 and shall come into force on 31st December 1993.

2. In this Order, “the 1979 Order” means the Credit Unions (Authorised Investments) Order 1979(2).

3. The 1979 Order is hereby revoked.

4.—(1) A credit union is authorised to invest any part of its surplus funds in any investment specified in Part I of the Schedule to this Order.

(2) The definitions in Part II of the Schedule to this Order have effect in respect of the interpretation of that Schedule.

5.—(1) A credit union which —

- (a) has invested all or any part of its surplus funds in any investment authorised by the 1979 Order but which is not authorised by this Order,
- (b) invested in such an investment before 31st December 1993, and
- (c) has held such an investment continuously since 31st December 1993, is authorised to continue to hold such an investment notwithstanding the revocation of the 1979 Order.

(2) In this Article, “investment” means a particular investment and not a class of investment.

(1) 1979 c. 34: section 31(2) applies the definition of “chief registrar” in section 73(1)(a) of the Industrial and Provident Societies Act 1965 (c. 12).
(2) S.I.1979/866.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

2nd December 1993

Rosalind Gilmore
Chief Registrar of Friendly Societies

We consent to this Order

8th December 1993

Timothy Kirkhope
Timothy Wood
Two of the Lords Commissioners of Her
Majesty's Treasury

SCHEDULE

Article 4

PART I

AUTHORISED INVESTMENTS.

1. Securities issued by the government of a relevant state, being securities which will mature for repayment in not more than five years from the relevant date.

2. Fixed-interest securities guaranteed by the government of a relevant state, being securities which will mature for repayment in not more than five years from the relevant date, provided that any guarantee is unconditional in respect of the payment of both principal and interest on those securities.

- (a) (a) Building society shares (other than deferred shares) and deposits.
- (b) Deposits with a European authorised institution which is not a European deposit-taker.
- (c) Withdrawable shares in a European authorised institution.

PART II

INTERPRETATION.

4. In this Schedule—

“building society” means a society registered under the Building Societies Act 1986⁽³⁾;

“deferred shares” has the meaning given to that term in section 119(1) of the Building Societies Act 1986;

“deposits” means deposits as defined in the Banking Act 1987⁽⁴⁾ but excluding transferable instruments;

“EFTA state” means any of Austria, Finland, Iceland, Liechtenstein, Norway and Sweden;

“European authorised institution” has the meaning given to that term in regulation 3 of the Banking Coordination (Second Council Directive) Regulations 1992⁽⁵⁾;

“European deposit-taker” has the meaning given to that term in regulation 82(3) of the Banking Coordination (Second Council Directive) Regulations 1992;

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

“relevant date” means, in relation to any security in which an investment is made, the date on which that investment is made;

“relevant state” means any member State and any EFTA State;

“securities” means any debt evidenced by any bill of exchange, bond, debenture, debenture stock, or stock which is either—

- (a) listed on a stock exchange, or
- (b) traded on a money market supervised by a central bank or a government agency of any relevant state “stock exchange” means any stock exchange in any relevant state;

“transferable instruments” means transferable bearer instruments and transferable non-bearer instruments as defined in section 7(19) of the Building Societies Act 1986.

⁽³⁾ 1986 c. 53.

⁽⁴⁾ 1987 c. 22.

⁽⁵⁾ S.I.1992/3218.

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5. For the purposes of this Schedule, the date on which any security shall mature for repayment shall be the last or only date on which that security shall be repayable by or under its terms of issue.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order supersedes the Credit Unions (Authorised Investments) Order 1979. It gives effect to Council Directive [88/361/EEC](#) (OJ No.L 178, 8.7.88, p.5), Article 73b of the Treaty establishing the European Community following the Treaty on European Union signed at Maastricht and the Agreement on the European Economic Area signed at Oporto in respect of the investments in which credit unions can invest their surplus funds. It also removes certain classes of investment (in particular, local authority securities) and makes transitional provision for credit unions who invested their funds in such investments before this Order came into force to be able to continue to hold such investments.

A review of the cost of compliance with this Order has been undertaken and the resulting compliance cost assessment may be purchased from the Registry of Friendly Societies, 15, Great Marlborough Street, London W1V 2AX.