1984 No. 368

BUILDING SOCIETIES

Building Societies (Authorised Investments) Order (Northern Ireland) 1984

Made . . . . . *23rd October 1984*

Coming into operation . . . *1st December 1984*

The Registrar, in exercise of the powers conferred upon him by section 58(1) and (2) of the Building Societies Act (Northern Ireland) 1967(**a**) and of every other power enabling him in that behalf, with the consent of the Department of Economic Development(**b**), hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Building Societies (Authorised Investments) Order (Northern Ireland) 1984 and shall come into operation on 1st December 1984.

Interpretation

2.—(1) In this Order "value" in relation to the assets or the investments of a building society means the value at which the assets or the investments, as the case may be, are taken into account in the books of the building society.

(2) Reference in this Order to investing funds or the making of an investment shall include investing funds or the making of an investment by way of reinvestment.

Manner of investment

3.—(1) The manner in which a building society may invest any part of its surplus funds is specified in Parts I, II and III of the Schedule, subject however to Articles 4 and 6 so far as the making of any investment in any manner specified in Parts II and III is concerned and subject to Article 5 so far as the making of any investment in the manner specified in paragraphs 8 and 9 of Part I is concerned.

(2) Part IV of the Schedule shall have effect for the purposes of Parts I, II and III thereof and for the interpretation of those Parts.

Restrictions on investment

4. A building society shall not—

(*a*) make an investment in any manner specified in Part II of the Schedule unless at the time of the making of such investment it holds investments of any kinds specified in Part I amounting in value to not less than seven and one half per cent. of the value of the assets of the building society at the end of its last financial year before that time;

(*b*) make an investment in any manner specified in Part III of the Schedule unless at the time of the making of such investment—

(i) it holds investments of any kinds specified in Parts I and II amounting in value to not less than fifteen per cent. of the value of the assets of the building society at the end of its last financial year before that time, and

(**a**) 1967 c. 31 (N.I.)

(**b**) Consent function transferred from Department of Commerce by S.I. 1982/846 (N.I. 11) Art. 4

(ii) the value of the investments specified in Part I held by it amounts to not less than seven and one half per cent. of the value of the said assets.

5. Without prejudice to Article 4, a building society shall not—

(*a*) make an investment in the manner specified in paragraph 8 of Part I of the Schedule (bills of exchange) if the making of the investment would bring the value of the building society's total holding of such investments to more than one per cent. of the value of the assets of the building society at the end of its last financial year;

(*b*) make an investment in the manner specified in paragraph 9 of Part I of the Schedule (certificates of deposit issued by societies of Great Britain) if the making of the investment would bring the value of the building society's total holding of such investments to more than two and one half per cent. of the value of the assets of the building society at the end of its last financial year.

6.—(1) Funds kept in cash or on current account with or on temporary loan to a bank (being a bank authorised under section 59 of the Building Societies Act (Northern Ireland) 1967 to hold funds of building societies) shall, for the purposes of determining whether an investment in a manner specified in Part II or Part III of the Schedule may be made, be deemed to be investments of a kind specified in Part I of the Schedule.

(2) The expression "temporary loan" in paragraph (1) means a loan which is repayable—

(*a*) in not more than six months after the date on which the investment referred to in paragraph (1) is to be made, or

(*b*) by notice to the bank requiring it to repay the loan, such notice being a notice which will expire in not more than six months from the giving thereof and which may be given at any time after the said date.

Manner of holding investment

7.—(1) In the case of any investment specified in Part I, II or III of the Schedule, a building society may cause that investment to be held on its behalf in the name of an authorised nominee.

(2) The expression "authorised nominee" in paragraph (1) means—

(*a*) any bank which is for the time being authorised under section 59 of the Building Societies Act (Northern Ireland) 1967 to hold funds of building societies; or

(*b*) any company which is a subsidiary, within the meaning of section 148 of the Companies Act (Northern Ireland) 1960(**a**), of any bank specified in (*a*).

Revocation

8. The Building Societies (Authorised Investments) Order (Northern Ireland) 1978(**b**), the Building Societies (Authorised Investments) (Amendment) Order (Northern Ireland) 1980(**c**) and the Building Societies (Authorised Investments) (Amendment) Order (Northern Ireland) 1983(**d**) are hereby revoked.

Dated 23rd October 1984

H. C. Lysk
Registrar of Building Societies

(**a**) 1960 c. 22 (N.I.)
(**b**) S.R. 1978 No. 59
(**c**) S.R. 1980 No. 74
(**d**) S.R. 1983 No. 49

The Department of Economic Development hereby consents to the foregoing Order.

Sealed with the Official Seal of the Department of Economic Development on 23rd October 1984.

(L.S.) *W. T. McCrory*
Assistant Secretary

SCHEDULE

MANNER OF INVESTMENT

PART I

1. In Certificates of Tax Deposit issued by the Treasury, Defence Bonds, National Development Bonds, Ulster Development Bonds, British Savings Bonds, Treasury Bills, Local Authority Bills, National Savings Income Bonds and National Savings Deposit Bonds.

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 of the following descriptions, being securities which will mature for repayment in not more than five years from the relevant date:—

(*a*) securities issued in the United Kingdom by the Government of any overseas territory (as defined by the Overseas Service Act 1958(a)) within the Commonwealth, being securities registered in the United Kingdom;

(*b*) securities issued in the United Kingdom the repayment of the principal of which and the payment of interest on which is guaranteed by the Government of any overseas territory (as defined by the Overseas Service Act 1958) within the Commonwealth, being securities registered in the United Kingdom;

(*c*) securities issued in the United Kingdom by any relevant authority;

(*d*) securities issued in the United Kingdom by the International Bank for Reconstruction and Development, being securities registered in the United Kingdom;

(*e*) securities issued in the United Kingdom by the Inter-American Development Bank;

(*f*) securities issued in the United Kingdom by the European Coal and Steel Community or the European Investment Bank, being securities registered in the United Kingdom;

(*g*) securities issued in the United Kingdom by the African Development Bank, the Asian Development Bank, the Caribbean Development Bank, the European Atomic Energy Community, the European Economic Community, the International Finance Corporation or the International Monetary Fund, being securities registered in the United Kingdom.

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 are 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.

5.—(1) In loans of the descriptions contained in sub-paragraph (2), which are repayable—

(*a*) in not more than six months after the relevant date, or

(*b*) by notice to the borrower requiring it to repay the loan, such notice being a notice which will expire in not more than six months from the giving thereof and which may be given at any time after the relevant date.

(2) The loans referred to in sub-paragraph (1) are:—

(*a*) loans to any relevant authority in the United Kingdom which are charged on all or any of the revenues of the authority, or on a fund into which all or any of its revenues are payable;

(*b*) loans to the Department of Finance and Personnel the principal of and interest on which are charged on the Consolidated Fund of Northern Ireland.

6. In deposits with any relevant authority in the United Kingdom (not being money borrowed by a local authority to which paragraph 11(1) of Schedule 13 to the Local

(a) 1958 c. 14