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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 1998.

Regulation 5 adds a new regulation which requires administering authorities to publish a written statement of the principles governing their policy on investments. The statement must cover the same matters as those the trustees of a trust scheme must include in the statement that they are required to prepare under section 35 of the Pensions Act 1995 (c. 26). The statement must include their policy on the extent to which social, environmental or ethical considerations are taken into account.

Regulations 3 and 4 contain consequential amendments.

Regulation 6 clarifies the 25% limit on investments in unit trust schemes and collective investment schemes. It also amends the definition of open ended investment companies to include companies registered outside the United Kingdom so that they are taken into account in that 25% limit.