

SCHEDULE

Regulation 3

Part I

LIQUID ASSETS

1. Banknotes or coinage of any country or territory.
 2. Deposits with—
 - (a) the central bank of any member State of the European Community and of Canada, Japan, Sweden, Switzerland and the United States of America,
 - (b) the National Savings Bank,
 - (c) any credit institution authorised by the competent authorities of a member State of the European Community,
 - (d) any gilt-edged market maker, or
 - (e) any Stock Exchange money broker.
 3. Securities—
 - (a) (1) (a) issued or guaranteed by the government of a state mentioned in paragraph 2(a),
 - (b) issued, guaranteed or, in the case of bills of exchange, accepted by credit institutions authorised by the competent authorities of any member State of the European Community,
 - (c) issued by international organisations the capital of which is subscribed in whole or part by any member State of the European Community,
 - (d) issued by any relevant authority, or
 - (2) in the form of commercial paper issued or guaranteed by
 - (a) companies of the types to which Directive 78/660/EEC(1) as amended by the Acts of Accession of Greece(2) and of Spain and Portugal(3) applies, or
 - (b) by public companies incorporated in Canada, Japan, Sweden, Switzerland and the United States of America,
- provided that any guarantee is unconditional in respect of the payment of both principal of and interest on these securities.
4. Mortgage backed securities.
 5. Certificates of Tax Deposit issued by the Treasury.
 6. National Savings Bonds.
 7. Loans to—
 - (a) the Department of Finance and Personnel (Northern Ireland), or
 - (b) any relevant authority.
 8. Stock lending rights against any Stock Exchange money broker.

(1) O.J. L. 222 of 14.8.78.

(2) O.J. L. 291 (Article 21, Annex 1, Part II(c), point 4) of 19.11.79.

(3) O.J. L. 302 (Article 26, Annex I, Part II, Point 4) of 15.11.85.

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PART II

PROVISIONS APPLICABLE TO CERTAIN DESCRIPTIONS OF ASSETS

1. A deposit which comes within paragraph 2(d) or (e) or a stock lending right which comes within paragraph 8 of Part I is a liquid asset only where it is secured by the transfer to the society of liquid assets which come within paragraphs 2(a) or (c), 3(1)(a) of that Part.
2. A loan which comes within paragraph 7(a) of Part I is a liquid asset only where it is secured by a charge on the Consolidated Fund of Northern Ireland.
3. A loan which comes within paragraph 7(b) of Part I is a liquid asset only where—
 - (a) it is secured by a charge on revenues of the relevant authority or on a fund into which such revenues are payable, or
 - (b) it is made on the giving of—
 - (i) a receipt for the loan by the Treasurer or other similar officer of the relevant authority, and
 - (ii) an undertaking by the relevant authority that, if requested to charge the loan on revenues of the authority or on a fund into which such revenues are payable, it will either comply with the request or repay the loan.
4. For the purpose of paragraphs 2(c) and 3(1)(b) of Part I, a credit institution is authorised by the competent authorities of any member State of the European Community only if such authorisation is within the ambit of Directive [77/780/EEC](#)(4).

PART III

INTERPRETATION

In this Schedule—

“accepted” means, in relation to a security in the form of a bill of exchange, signed by the acceptor as a bill of exchange addressed to the signatory;

“commercial paper” means a promissory note which may not be redeemed in whole or in part until after seven days beginning with the date of issue but which must be redeemed within one year beginning with the date of issue;

“competent authorities” means the national authorities which are empowered by law to supervise credit institutions;

“deposit” means a sum of money paid on terms—

- (a) under which it will be repaid, with or without interest or a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it; and
- (b) which are not referable to the provision of property or services or the giving of security; and,

for the purposes of this definition, money is paid on terms which are referable to the provision of property or services or to the giving of security if, and only if—

- (i) it is paid by way of advance or part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services is not or are not in fact sold, hired or otherwise provided;

(4) O.J. L. 322 of 17.12.77.

- (ii) it is paid by way of security for the performance of a contract or by way of security in respect of loss which may result from the non-performance of a contract; or
- (iii) without prejudice to paragraph (ii) above, it is paid by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise.

“gilt-edged market maker” means—

- (a) at any time when any list is being maintained by the Bank of England for the purposes of section 43 (listed money market institutions) of the Financial Services Act 1986⁽⁵⁾, a person then included in any such list whose business includes the sale, directly to the Bank of England, of securities issued in the United Kingdom by Her Majesty’s Government, and
- (b) at any other time, a person whose business includes the sale, directly to the Bank of England, of securities issued in the United Kingdom by Her Majesty’s Government;

“local authority” means any of the following authorities:

- (a) in England and Wales, a county council, a district council, a London borough council, a parish or community council, the common Council of the City of London, and the Council of the Isle of Scilly;
- (b) in Scotland, a local authority within the meaning of section 235 of the Local Government (Scotland) Act 1973⁽⁶⁾;
- (c) in Northern Ireland, a district council within the meaning of section 1 of the Local Government Act (Northern Ireland) 1972⁽⁷⁾;

“mortgage backed securities” means either

- (i) securities for which the collateral consists principally of interests in loans advanced on the security of land in any member State of the European Community, or
- (ii) securities which are guaranteed by the Government National Mortgage Association of the United States of America;

“relevant authority” means any of the following:

- (a) a local authority;
- (b) any authority all the members of which are appointed or elected by one or more local authorities,
- (c) any authority the majority of the members of which are appointed or elected by one or more local authorities in the United Kingdom, being an authority which by virtue of any enactment has power to issue a precept to a local authority in England and Wales, or a requisition to a local authority in Scotland, or to the expenses of which, by virtue of any enactment, a local authority in the United Kingdom is or can be required to contribute;
- (d) the Receiver for the Metropolitan Police District or a combined police authority (within the meaning of the Police Act 1964⁽⁸⁾);
- (e) a passenger transport executive within the meaning of section 9(1) of the Transport Act 1968⁽⁹⁾;
- (f) a residuary body within the meaning of section 105(1) of the Local Government Act 1985⁽¹⁰⁾;

⁽⁵⁾ 1986 c. 60.

⁽⁶⁾ 1973 c. 65.

⁽⁷⁾ 1972 c. 9 (N.I.).

⁽⁸⁾ 1964 c. 48.

⁽⁹⁾ 1968 c. 73.

⁽¹⁰⁾ 1985 c. 51..

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“securities” means any debt evidenced by any bill of exchange, bond, certificate of deposit, commercial paper, debenture, debenture stock, note or stock which is either listed on a stock exchange, or traded on a money market supervised by a central bank or a government agency of one of the states mentioned in paragraph 2(a) of Part I;

“stock exchange” means any stock exchange in any of the states mentioned in paragraph 2(a) of Part I;

“Stock Exchange money broker” means—

- (a) at any time when any list is being maintained by the Bank of England for the purposes of section 43 of the Financial Services Act 1986, a person then included in any such list whose business includes the receipt of securities and an obligation to transfer those securities to, or to the order of, a gilt-edged market maker, and
- (b) at any other time, a person whose business includes the receipt of securities and an obligation to transfer those securities to, or to the order of, a gilt-edged market maker.