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## EXPLANATORY NOTE

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

These Regulations replace regulations P5, P6, P12(4) and P15(3) of the Local Government Superannuation (Scotland) Regulations 1987 (S.I. [1987/1850](#)) which are now revoked.

The only changes of substance are—

- (a) the inclusion, as investments, of insurance contracts with persons for whom making an insurance contract is business within class III in Schedule 1 to the Insurance Companies Act 1982 (c. 50) (linked long term business);
- (b) the inclusion of sub-underwriting as an investment with a limit on such investment in any single sub-underwriting contract of one per cent of the total value of the fund; and
- (c) the inclusion in the limit of 25 per cent of the total value of the fund of investments in open-ended investment company schemes.

The Occupational Pension Schemes (Investment) Regulations 1996 (S.I. [1996/3127](#)), which impose restrictions on the amount of the resources of an occupational pension scheme which may be invested in employer-related investments, may further restrict or limit investments of fund money. Those regulations are made under powers conferred by, amongst others, section 40 of the Pensions Act 1995 (c. 26) (restrictions on employer-related investments).