
STATUTORY INSTRUMENTS

2005 No. 3378

**The Occupational Pension Schemes
(Investment) Regulations 2005**

Transitional provisions

14.—(1) Where on the 6th April 1997 the resources of a scheme were invested in—

- (a) employer-related loans (including such loans as are mentioned in regulation 5(2)(a) of the Occupational Pension Schemes (Investment of Scheme's Resources) Regulations 1992(1) ("the 1992 Regulations") which were in being on 18th December 1996 and to which regulation 13 does not apply; or
- (b) other employer-related investments, to the extent that they exceed five per cent. of the current market value of the resources of the scheme to which regulation 5(2)(d) of the 1992 Regulations applied immediately before 6th April 1997,

those investments may be retained in accordance with paragraph (2).

(2) To the extent that the employer-related investments mentioned in paragraph (1) consist of—

- (a) employer-related loans to which regulation 5(2)(a) of the 1992 Regulations applied before 6th April 1997, they may, where by virtue of contractual or other legal obligations repayment cannot be required immediately, be retained until the earliest date on which repayment can be enforced;
- (b) securities of the type referred to in regulation 12(4)(b) which, immediately before 6th April 1997, were employer-related investments and—
 - (i) regulation 5(2)(d) of the 1992 Regulations applied to them; or
 - (ii) they were investments which did not contravene the 1992 Regulations,

they may be held until the earliest date on which having regard to contractual and other legal obligations, disinvestment may be effected;

- (c) an employer-related loan the terms of which have, before 1st January 1996, been specifically approved by a court having jurisdiction in relation to the scheme as being in the interests of the members of the scheme, then, provided that the terms of the loan as so approved are not changed, such part of the loan, repayment of which cannot be required other than on the commencement of the winding up of the scheme, may be retained until the winding up of the scheme commences;
- (d) any employer-related loans which do not contravene the 1992 Regulations and to which sub-paragraphs (a) to (c) do not apply, they may be retained until the earliest date on which having regard to the contractual and other legal obligations repayment can be enforced;
- (e) other investments mentioned in paragraph (1)(b) (excluding, for the avoidance of doubt, investments in a collective investment scheme), they may be retained.

(3) If any investment referred to in paragraph (2) is listed on a recognised stock exchange, it may be retained for a period of no more than six months beginning with the date on which it was listed.

(4) There shall be no new investment in employer-related investments while the resources of a scheme retained in employer-related investments (other than investments authorised by regulation 13) exceed five per cent. of the current market value of the resources of the scheme.

(5) In this regulation—

“loans” does not include any sums regarded as loans under section 40(3) of the 1995 Act (restrictions on employer-related investments); and

“retained”, in relation to a loan, means left undischarged.