



Charities and Trustee Investment (Scotland) Act 2005

2005 asp 10

PART 3

INVESTMENT POWERS OF TRUSTEES

94 Exercise of power of investment

After section 4 of the Trusts (Scotland) Act 1921 (c. 58) insert—

“4A Exercise of power of investment: duties of trustee

- (1) Before exercising the power of investment under section 4(1)(ea) of this Act, a trustee shall have regard to—
 - (a) the suitability to the trust of the proposed investment, and
 - (b) the need for diversification of investments of the trust, in so far as is appropriate to the circumstances of the trust.
- (2) Before exercising that power of investment, a trustee shall (except where subsection (4) applies) obtain and consider proper advice about the way in which the power should be exercised.
- (3) When reviewing the investments of the trust, a trustee shall (except where subsection (4) applies) obtain and consider proper advice about whether the investments should be varied.
- (4) If a trustee reasonably concludes that in all the circumstances it is unnecessary or inappropriate to obtain such advice, the trustee need not obtain it.
- (5) In this section, “proper advice” means the advice of a person who is reasonably believed by the trustee to be qualified by the person's ability and practical experience of financial and other matters relating to the proposed investment.”

Changes to legislation: There are currently no known outstanding effects for the Charities and Trustee Investment (Scotland) Act 2005, Section 94. (See end of Document for details)

Annotations:

Commencement Information

II S. 94 in force at 1.1.2006 by S.S.I. 2005/644, art. 2(1), **Sch. 1**

Changes to legislation:

There are currently no known outstanding effects for the Charities and Trustee Investment (Scotland) Act 2005, Section 94.