

EXECUTIVE NOTE

THE LOCAL GOVERNMENT PENSION SCHEME (MANAGEMENT AND INVESTMENT OF FUNDS) (SCOTLAND) REGULATIONS 2010 (S.S.I. 2010/233)

The above instrument was made by the Scottish Ministers in exercise of the powers conferred by section 7 of, and Schedule 3 to, the Superannuation Act 1972 and of all other powers enabling them to do so. Those functions so far as within devolved competence have been transferred to the Scottish Ministers by virtue of the Scotland Act (Transfer of Functions to the Scottish Ministers) Order 1999 (1999/1750). The instrument is subject to negative resolution procedure.

Policy Objectives

The purpose of the instrument is to consolidate the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 1998 (SI 1998/2888) (the 1998 Regulations) as amended, to refine and modernise the drafting of the instrument and to make amendments. The instrument is therefore an amending consolidation.

This Executive Note details firstly those amendments which amount to new policy and secondly those amendments which are necessary in order to produce a satisfactory consolidation. The Table of Destination and Derivation at **Annex A** details the changes to the instrument and highlights in grey the changes which it is considered amount to policy (and which are considered more fully below).

Amendments which amount to new policy

The following paragraphs set out the amendments to the instrument which amount to new policy:

Regulation 3 - Definition of "investment"

The amendment to regulation 3(4) will have the effect of removing a longstanding provision which allows an administering authority to use money from its pension fund for any purpose for which it has a statutory right to borrow.

An authority's statutory right to borrow is set out in the Local Government (Scotland) Act 1975, subject to limits set out in Schedule 3 to that Act. A pension fund will often hold a small percentage of its assets in cash. Where such a cash balance is available for short-term investment and is used by the administering authority under regulation 3(4), the authority may in some cases then pool the pension fund cash with its own cash and invest both together on the money markets, in a way that accords with the authority's treasury management strategy.

Such use under regulation 3(4) has been subject to the prudential investment requirements that apply, and the administering authority must, by virtue of

regulation 16 (previously regulation 12 in the 1998 Regulations) pay the pension fund a specified minimum rate of interest. However, such use is unconventional when compared with the provisions of current legislation in relation to occupational pensions, as a fund administering authority is one of the employers participating in the pension fund. Accordingly, new regulation 3(4) now provides that from 1st April 2011 such use will no longer count as an investment for the purposes of these Regulations.

A consequential amendment has been made to regulation 16 (use of fund money by an administering authority) so as to make it clear that the requirement to pay interest on any fund money used by them under regulation 3(4) still applies.

Regulation 5 - Power to borrow

Regulation 5 gives administering authorities a limited power to borrow on behalf of the pension fund for up to 90 days. The power cannot be used to invest, but only for cash flow management in specified circumstances which should in practice be exceptional, i.e. to ensure that benefits are paid on time, and in transition management situations when the allocation of a pension fund's assets is being changed.

Money can only be borrowed for the purposes mentioned in regulation 5(2) if, at the time of borrowing, the administering authority reasonably believes that the sum borrowed, and any interest charged as a result, can be repaid out of the pension fund within 90 days of the date when the money is borrowed. For example, the authority may be expecting to receive income from contributions, or capital from the planned sale of fund investments.

Pension fund management arrangements presume no borrowing normally. But occasionally unexpected pressures can occur and, in these circumstances, the power would enable administering authorities to avoid becoming forced sellers of fund assets at the wrong time in the market cycle because of a need for cash flow. Borrowing in order to invest on behalf of the fund would not be allowed.

HM Treasury have been consulted and have no objections to the change. Private sector pension schemes have a similar limited borrowing power under the Occupational Pension Scheme (Investments) Regulations 2005 (S.I. 2005/3378).

Regulation 6 - Separate bank account

The intention of this proposal is to improve the transparency of cash transactions between pension funds and general local authority accounts. Some administering authorities may already have a separate bank account but the proposal in regulation 6 which imposes the obligation to have a separate bank account in place from 1 April 2011 allows sufficient lead-in time to enable authorities to introduce new arrangements without any detriment to their investment strategies if that would be helpful.

Paragraph (3) makes it clear that the separate bank account established under paragraph (1) is not subject to any right of set-off which the deposit-taker may have in relation to any other accounts which the administering authority (or any party connected to the administering authority) may hold with them.

Regulation 10 – Review of investment manager’s performance

Paragraph (2) of regulation 10 has been extended to make it clear that as well as the administering authority requiring to review the investments which the investment manager has made, they must also review any other action that the investment manager has taken in relation to the fund. This change will allow Administering Authorities wider scope in reviewing the overall performance of investment managers.

Regulation 12 - Statement of Investment Principles

The amendments made to regulation 12(2)(c) and 12(2)(h) specify additional content for an administering authority’s statement of investment principles. A statement must already set out the principles governing the authority’s investment strategy, covering the types of investment to be held, the balance between them, and risk. For transparency and as good practice, an administering authority must now also include information on any stock lending activity it undertakes (likely to be relevant in practice for a minority of authorities), and on the ways in which risk is measured and managed. (A similar requirement on risk applies to private sector occupational schemes under pension legislation.)

An administering authority may well include all of this information in its statement already, but it is considered useful to confirm what is expected.

Regulation 12(3) now provides that administering authorities are to have regard to guidance given by the Scottish Ministers on investment decision making and to state in their statement of investment principles how far they comply with that guidance. This replaces the requirement to have regard to guidance issued by CIPFA and enables the Scottish Public Pensions Agency to be more responsive to changes in circumstances. The new guidance will be issued to administering authorities before the regulation comes into force.

Regulation 12(4) requires the first such statement to be published no later than 1 December 2010.

Regulation 12(5) makes it clear that the statement must be reviewed and, if necessary, revised. Any revision of a statement (following any material change in the authority’s policy on the matters mentioned in regulation 12(2) and 12(3)) must be completed within 6 months of the date of the change.

Schedule 1 - paragraph 13 - column (1) - Table

In relation to paragraph 13 in the table in Part 1 of Schedule 1, this was increased from "25%" to "35%" by virtue of the Local Government Pension

Scheme (Scotland) Amendment Regulations 2007 (SSI 2007/514), regulation 21(a) . It is considered that this was an error and accordingly the opportunity has been taken to correct this in these Regulations.

Amendments necessary to produce a satisfactory consolidation

There are a number of amendments which have been made to the instrument so as to produce a satisfactory consolidation. These changes are included in the Table of Derivation and Destination which is attached at **Annex A**. The changes include minor drafting changes so as to clarify and improve the quality of the instrument, gender neutral drafting, the removal of out of date statutory references and renumbering. It is considered that these types of amendment do not amount to policy changes to the instrument.

Consultation

A short, 4 week, technical consultation exercise on draft regulations commenced on 11 November 2009. The Regulations were amended as a result of comments received from consultees. It was not thought necessary to hold a lengthy consultation exercise as the new policy proposals had previously been consulted upon between 16 July and 9 October 2009.

Financial Effects

The instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Public Pensions Agency
17 June 2010

ANNEX A

The Local Government Pension Scheme (Management and Investment of Funds)(Scotland) Regulations 2010

TABLE OF DESTINATION AND DERIVATION

The Table of Destination and Derivation below has been prepared in order to identify individual regulations in the Local Government Pension Scheme (Management and Investment of Funds)(Scotland) Regulations 2010 (the 2010 Regulations) with the equivalent provisions in the superseded Local Government (Management and Investment of Funds)(Scotland) Regulations 1998 (the 1998 Regulations) and vice versa. The Table has been prepared to assist readers of these Regulations and do not have any legal effect.

Note: comments in the remarks box shaded grey amount to new policy. The italicised comments in the remarks box detail the SSIs which amended the corresponding regulation in the 1998 Regulations. The additional comments in the remarks box detail the new amendments made to the 1998 Regulations as consolidated.

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
Arrangement of Regulations	Contents	Contents updated to reflect revised numbering and insertion of new regulations.
Preamble	Preamble	Amended to take account of devolution and modern drafting practice.
Preliminary		
Reg 1 - Citation and commencement	Reg 1 - Citation and commencement	
Reg 2 - General definitions	Reg 2 - General definitions	<i>Regulation 2 of the 1998 Regulations was amended by SSI 2000/74, regulation 3 and by SSI 2001/3649, Part 7, Part II, article 256(1)(b)-(e).</i>
2(1)	2(1)	The following definitions have been <u>inserted</u> :

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
		<p>“the 2000 Act”; and</p> <p>“the Administration Regulations”.</p> <p>The following definitions have been <u>amended</u>:</p> <p>“administering authority”, to refer to Administration Regulations which supersede the 1998 Regulations;</p>
		<p>“proper advice” minor drafting change;</p> <p>“recognised stock exchange”, to update the reference to the Income Tax Act 2007;</p> <p>“statement of investment principles”, to update cross references and to reflect it covers a revised statement;</p> <p>“stock lending arrangement”, minor drafting change;</p> <p>“sub-underwriting contract”, to ensure gender neutral.</p> <p>The following definitions are now contained in regulation 3(12):</p> <p>“limited partner”; “traded option”; and “unquoted securities investment partnership”.</p> <p>The following definitions are now contained in regulation 4(7):</p> <p>“member” and “Transitional Regulations”.</p> <p>The definition of “relevant institution” is now contained in Part 3 of Schedule 1.</p> <p>The following definitions have been <u>removed</u>:</p> <p>“the 1998 Regulations” which are superseded by the Administration Regulations;</p> <p>“FSAVC scheme” as this option is no longer available to scheme members (see regulation 4(6) of the 2010 Regulations below).</p> <p>“Taxes Act” consequential on the amendment to the definition of “recognised stock exchange”.</p>

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
2(2)	2(2)	Amended to reflect revised numbering as a result of consolidation.
Reg 3 - Definition of "investment"	Reg 3 – Definition of "investment"	<i>Regulation 3 of the 1998 Regulations was amended by SI 2001/3649, Part 7, Part II, article 257(1) and (2).</i>
3(1)	3(1)	
3(2)	3(2)	Minor drafting changes.
3(3)	3(3)	
3(4)	3(4)	Amended so that where an authority uses fund money for any purpose for which it may borrow money, that use only counts as an investment where the use is prior to 1 st April 2011. Minor drafting changes.
3(5)	3(5)	Minor drafting changes and insertion of reference to "2000 Act" (now defined in regulation 2(1)).
3(6)	3(6)	As regulation 3(5) of 2010 Regulations above.
3(6)(a)	3(6)(a)	As regulation 3(5) of 2010 Regulations above.
3(6)(b)	3(6)(b)	As regulation 3(5) of 2010 Regulations above.
3(6)(c)	3(6)(c)	As regulation 3(5) of 2010 Regulations above and amended to ensure gender neutral.
3(6A)	3(7)	
3(7)	3(8)	Amended to update reference to rules in Financial Services Authority Sourcebook (COLL) which adapt COLL Chapter 5.4 to the LGPS context.
3(8)	3(9)	As regulation 3(8) of 2010 Regulations above.
3(8)(a)	3(9)(a)	

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
3(8)(b)	Footnote (b) to regulation 3(8)	Footnote (a) also inserted to indicate that DCLG have produced a document setting out rules 5.4.4R and 5.4.6R of COLL as modified by regulation 3(9) and where that document may be obtained.
-	3(9)(b) - New	As regulation 3(9) of 2010 Regulations above.
-	3(9)(c) - New	As regulation 3(9) of 2010 Regulations above.
-	3(9)(d) - New	As regulation 3(9) of 2010 Regulations above.
-	3(9)(e) - New	As regulation 3(9) of 2010 Regulations above.
-	3(9)(f) - New	As regulation 3(9) of 2010 Regulations above.
-	3(9)(g) - New	As regulation 3(9) of 2010 Regulations above.
3(9)	3(10)	
3(10)	3(11)	
-	3(12) - New	Amended to include the following definitions moved from regulation 2(1); "limited partnership", "traded option" and "unquoted securities investment partnership".
Reg 4 - Definition of "investment manager"	Reg 7 – Definition of "investment manager"	<i>Regulation 4 of the 1998 Regulations was amended by SI 2001/3649, Part 7, Part II, article 258(1).</i>
4(1)	-	Removed as superfluous.
4(2)	7(a) – (c)	Minor drafting changes and amended to ensure gender neutral.
Management of Pension Fund		
Reg 5 - Management of Pension Fund	Reg 4 - Management of Pension Fund	<i>Regulation 5 of the 1998 Regulations was amended by SSI 2001/23, regulation 2.</i>

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
5(1)	4(1)	
5(2)	4(2)	Minor drafting changes and amended to refer to the relevant parts of the Administration Regulations, the Benefits Regulations and the Transitional Regulations.
5(2)(a)	4(2)(a)	As regulation 4(2) of the 2010 Regulations above.
5(2)(b)	4(2)(b)	As regulation 4(2) of the 2010 Regulations above.
5(2)(c)	4(2)(c)	
5(2)(d)	4(2)(d)	
5(2)(e)	4(2)(e)	As regulation 4(2) of the 2010 Regulations above.
5(3)	4(3)	Amended to refer to relevant part of Administration Regulations.
5(4)	4(4)	Amended to reflect revised numbering as a result of consolidation.
5(5)	4(5)	Amended to refer to relevant part of Administration Regulations.
5(6)	4(6)	
5(6)(a)	-	Reference to the FSAVC scheme removed as is no longer of relevance due to the repeal by the Finance Act 2004 of section 591(2) of the Income and Corporation Taxes Act 1988.
5(6)(b)	-	Text now incorporated into regulation 4(6) above.

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
-	4(7) New	The definition of "member" moved from regulation 2(1) and amended to bring into line with the definition used in the Regulations which comprise the LGPS Scheme ¹ and definition of "Benefits Regulations" inserted.
-	Reg 5 - Power to borrow NEW	New provision which prohibits an administering authority from borrowing money when the borrowing is liable to be repaid out of its pension fund, except in specified situations.
-	5(1) - New	
-	5(2) - New	
-	5(2)(a) - New	
-	5(2)(b) - New	
-	5(3) - New	
-	Reg 6 – Separate bank account - NEW	New provision which requires an administering authority to hold monies held for the purpose of the pension fund in a separate account after 1 st April 2011.
-	6(1) - New	
-	6(1)(a) - New	
-	6(1)(b) - New	
-	6(2) - New	
-	6(2)(a) - New	
-	6(2)(b) - New	
-	6(2)(c) - New	
-	6(2)(d) - New	

¹ Those Regulations are the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 (SSI 2008/228), the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (SSI 2008/230) and the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 (SSI 2008/229).

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
-	6(3) - New	
Investment managers		
Reg 6 - Choice of investment managers	Reg 8 – Choice of investment managers	
6(1)	8(1)	Minor drafting changes.
6(2)	8(2)	Minor drafting changes.
6(3)	8(3)	Minor drafting changes and amended to ensure gender neutral.
6(4)	8(4)	Minor drafting changes.
6(5)	8(5)	
6(5)(a)	8(5)(a)	Minor drafting changes.
6(5)(b)	8(5)(b)	Amended for clarification to provide that where there is more than one investment manager the value of fund money managed by one investment manager must now not be 'disproportionate in comparison with the value of fund money managed by other investment managers'; previously this referred to 'excessive'.
6(6)	8(6)	Minor drafting changes.
Reg 7 - Terms of appointment of investment manager	Reg 9 – Terms of appointment of investment manager	<i>Regulation 7 of the 1998 Regulations was amended by SSI 2000/74, regulation 4(a) and (b).</i>
7(1)	9(1)	Minor drafting changes.
7(2)	9(2)	Minor drafting change.
7(3)	9(3)	Minor drafting change and amended to ensure gender neutral.
7(4)	9(4)	Amended to ensure gender neutral.
7(5)	9(5)	

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
7(5)(a)	9(5)(a)	
7(5)(b)	9(5)(b)	Minor drafting changes.
7(5)(c)	-	Text incorporated into regulation 9(5)(b) above.
7(5)(d)	9(5)(c)	
7(6)	9(6)	Minor drafting change and amended to ensure gender neutral.
7(7)	9(7)	Minor drafting change and amended to reflect revised numbering as a result of consolidation.
7(8)	9(8)	
Reg 8 - Review of investment managers' performance	Reg 10 – Review of investment manager's performance	
8(1)	10(1)	Amended to ensure gender neutral.
8(2)	10(2)	Amended to require that the administering authority must review any other action taken by the investment manager in relation to the fund, as well as the investments made by the investment manager.
8(3)	10(3)	Amended to ensure gender neutral.
8(4)	10(4)	
8(4)(a)	10(4)(a)	Amended to reflect revised numbering as a result of consolidation.
8(4)(b)	10(4)(b)	
Investments		
Reg 9 - Use and investment of fund money	Reg 11 – Investment Policy and Investment of pension fund money	

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
-	11(1) New	Amended to make clear that an administering authority require to formulate a policy for the investment of its fund money; previously this was only implied by regulation 11(2).
9(1)	11(3)	Amended to require that the administering authority must invest 'in accordance with its investment policy' any fund money not needed immediately to make payments from the fund.
9(2)	11(4)	Minor drafting changes.
9(3)	11(2)	Minor drafting changes.
9(4)	11(5)	Minor drafting changes.
9(5)	11(6)	Minor drafting changes.
Reg 9A - Statement of investment principles	Reg 12 – Statement of investment principles	<i>Regulation 9A of the 1998 Regulations was inserted by SSI 2000/74, regulation 5 and further amended by SSI 2003/138, regulation 3(a).</i>
9A(1)	12(1)	Minor drafting changes.
9A(2)	12(2)	Minor drafting change.
9A(2)(a)	12(2)(a)	
9A(2)(b)	12(2)(b)	
9A(2)(c)	12(2)(c)	Amended to provide that the statement of investment principles (SIP) is to include the policy on the ways in which risks are to be measured and managed.
9A(2)(d)	12(2)(d)	
9A(2)(e)	12(2)(e)	
9A(2)(f)	12(2)(f)	Minor drafting change.
9A(2)(g)	12(2)(g)	Minor drafting change.
-	12(2)(h) - New	Amended to provide that SIP to include policy on stock lending.

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
9A(3)	12(4)	Amended to provide that first SIP to be published no later than 1 December 2010.
9A(3A)	12(3)	Amended to provide that the SIP must cover the extent to which the administering authority complies with guidance given by the Scottish Ministers, and where it does not, why not; previously required compliance with CIPFA Guidance.
9A(3A)(a)	-	Text incorporated into regulation 12(3) above.
9A(3A)(b)	-	Text incorporated into regulation 12(3) above.
9A(4)	12(5)	Amended to provide that the SIP must be reviewed from time to time, and revised if necessary. This must be done within six months of the date of any material change in policy.
9A(4)	12(6)	Requirement to publish revised SIP originally contained in the second part of regulation 9A(4).
Reg 10 - Investments under s11 of the Trustee Investments Act 1961	Reg 13 – Investments under s.11 of the Trustee Investments Act 1961	
10(1)	13	Minor drafting changes.
10(2)	-	Text incorporated into regulation 13 above.
Reg - 11 Limits on investments	Reg 14 – Restrictions on investments	<i>Regulation 11 of the 1998 Regulations was amended by SSI 2004/134, regulation 3(1).</i>
11(1)	14(1)	Minor drafting changes and footnote inserted to refer to the Occupational Pension Scheme (Investments) Regulations 2005 (SI 2005/3378). Whilst these will not apply in all cases there may be cases where these Regulations create further restrictions and therefore the footnote serves as a signpost for users of the legislation.

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
11(2)	14(2)	Minor drafting changes.
11(2A)	14(3)	Minor drafting changes and amended to reflect revised numbering as a result of consolidation.
11(3)	14(4)	Minor drafting changes.
11(4)	14(5)	Minor drafting changes.
11(5)	-	Removed as unnecessary due to minor drafting changes at regulation 14(1) above.
11(6)	14(6)	Minor drafting changes.
Reg 11A - Requirements for increased limits	Reg 15 – Requirements for increased limits	<i>Regulation 11A of the 1998 Regulations was inserted by SSI 2004/134, regulation 3(2) and further amended by SSI 2007/514, regulation 20(a) and (b).</i>
11A(1)	15(1)	Minor drafting changes and amended to reflect revised numbering as a result of consolidation.
11A(2)	15(2)	Minor drafting changes.
11A(3)	15(3)	Minor drafting changes and amended to reflect revised numbering as a result of consolidation.
11A(3A)	15(4)	Minor drafting changes and amended to reflect revised numbering as a result of consolidation.
11A(4)	15(5)	Minor drafting change.
11A(4)(a)	15(5)(a)	
11A(4)(b)	15(5)(b)	
11A(4)(c)	15(5)(c)	Minor drafting change.
11A(4)(d)	15(5)(d)	
11A(4)(e)	15(5)(e)	

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
11A(4)(f)	15(5)(f)	
11A(5)	15(6)	Minor drafting change.
11A(6)	15(7)	Amended to reflect revised numbering as a result of consolidation.
11A(6)(a)	15(7)(a)	
11A(6)(b)	15(7)(b)	
11A(7)	15(8)	Minor drafting changes and amended to reflect revised numbering as a result of consolidation.
Reg 12 - Use of fund money by an administering authority	Reg 16 – Use of fund money by an administering authority	
12(1)	16(1)	Amended to include reference to regulation 3(4).
12(2)	16(2)	
Supplementary		
Reg 13 – Consequential amendments and revocations	Reg 17 – Consequential amendments and revocations	
13(1)	17(1)	
13(2)	17(2)	Amended to reflect previous revocations spent and amending instruments which the 2010 Regulations replace require to be revoked.
Schedule 1	Schedule 1	
Limits on Investments	Limits on Investments	
Part I	Part 1	<i>The Table in Part I of Schedule 1 to the 1998 Regulations was substituted by SSI 2004/134, regulation 3(3) and further amended by SSI 2007/514, regulation 21(a) and (b).</i>

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
Rows 1 – 11 (including 9A and 9B)	Rows re-numbered 1 - 13	Minor drafting changes and amended to reflect revised numbering as a result of consolidation. The entry in paragraph 13 in the table in Part 1 has been amended to “25%”; this was increased to “35%” by virtue of SSI 2007/514, regulation 21(a). This was an error and opportunity taken now to amend it.
Part II	Part 2	<i>Part II of Schedule 1 to the 1998 Regulations was amended by SSI 2000/74, regulation 6(b).</i>
Exceptions to Limits in Part 1	Exceptions to Limits in the table in Part 1	
12	14	
13	15	
13(a)	15(a)	
13(b)	15(b)	
14	16	Amended to more fully explain the statutory references previously contained in regulation 14(a) of the 1998 Regulations.
14(a)	16(a)	As regulation 16 of the 2010 Regulations above.
	16(b) - New	As regulation 16 of the 2010 Regulations above.
	16(c) - New	As regulation 16 of the 2010 Regulations above.
14(b)	16(d)	
Part III	Part 3	<i>Part III of Schedule 1 to the 1998 Regulations was amended by SI 2001/3649, Part 7, Part II, article 259(3)(a) and by SSI 2003/138, regulation 4(2).</i>
Interpretation	Interpretation	

DERIVATION	DESTINATION	REMARKS
Reg No. in 1998 Regulations as amended	Reg No. in 2010 Regulations	
15	17	Minor drafting changes and definition of "relevant institution" (previously in regulation 2(1) inserted.
Schedule 2	Schedule 2	
Consequential Amendments	Consequential Amendments	Sets out amendments required to the Administration Regulations which contain references to the 1998 Regulations which are superseded by the 2010 Regulations.
	Schedule 3 - New	Sets out enactments which are revoked by virtue of regulation 17(2) of the 2010 Regulations above.