
STATUTORY INSTRUMENTS

1987 No. 821 (L.3)

**COUNTY COURTS SUPREME
COURT OF ENGLAND AND WALES**

FUNDS

The Court Funds Rules 1987

<i>Made</i>	- - - -	<i>7th May 1987</i>
<i>Laid before Parliament</i>		<i>11th May 1987</i>
<i>Coming into force</i>	- -	<i>1st June 1987</i>

COURT FUNDS RULES 1987

The Lord Chancellor, in exercise of the powers conferred on him by section 38(7) of the Administration of Justice Act 1982(1) and with the concurrence of the Treasury, hereby makes the following Rules.

PRELIMINARY

Citation, commencement and revocation

1.—(1) These Rules may be cited as the Court Funds Rules 1987 and shall come into force on 1st June 1987.

(2) The Rules specified in the schedule to these Rules are hereby revoked, except that those Rules shall continue to apply to such extent as may be necessary for giving effect to any order or request made before 1st June 1987.

Interpretation

2.—(1) Unless the context otherwise requires, expressions used in these Rules shall have the same meaning as in the Rules of the Supreme Court 1965(2), or the County Court Rules 1981(3), as the case may be, and those Rules shall be referred to in these Rules as the “RSC” and the “CCR” respectively.

(2) The following expressions shall have the following meanings:

“Accountant General” means the Accountant General of the Supreme Court or an officer appointed by him under rule 4;

(1) 1982 c. 53.

(2) S.I. 1965/1776, as amended.

(3) S.I. 1981/1687, as amended.

“Appointed Officer” means an officer appointed by the Accountant General under rule 4(1);

“Authenticated” means authenticated with the impression of a stamp issued by the Accountant General;

“Authorised Officer” means an officer authorised by the Accountant General under rule 4(2);

“The Bank” means the Bank of England or such bank or banks as may be designated by the Lord Chancellor with the concurrence of the Treasury;

“Basic Account” means a deposit account bearing interest as established under rule 26;

“Capital Fund” means the common investment fund of that name established by the Common Investment Fund Scheme 1965(4);

“Carry over” means to transfer a fund in Court or any part thereof from one account to another in the books of the Court Funds Office;

“Central Investment Branch” means the central investment branch of the Public Trust Office;

“Common Investment Fund” means a fund established by a scheme made under section 42 of the Administration of Justice Act 1982;

“Court” includes, unless otherwise specified, the following:—

- The Supreme Court
- Any county court
- The Employment Appeal Tribunal
- The Lands Tribunal;

“Any county court” means a judge or registrar exercising the powers of a county court in chambers as well as in open court;

“Court Funds Office” means the Court Funds Division of the Public Trust Office;

“Court Funds Office account” means the cash account of the Accountant General at the Bank;

“Duty” means inheritance tax, or capital transfer tax, or estate, succession or legacy duty;

“Employment Appeal Tribunal” means the tribunal established under section 87 of the Employment Protection Act 1975(5);

“Foreign Currency” means currency other than sterling;

“Fund” or “Fund in Court” has the meaning assigned by section 47 of the Administration of Justice Act 1982;

“Holding” means the units in any one common investment fund purchased on any one valuation day and held in respect of a particular long-term investment account;

“Interest” means interest accruing on funds and includes dividends;

“Interest bearing account” means an account of funds established under rule 26;

“Lodge in court” means pay or transfer into court or deposit in court;

“Lodgment Schedule” means a schedule to an order directing funds to be lodged to the account of the Accountant General;

“Master” means a Master of the Supreme Court or Master of the Court of Protection and includes the Admiralty Registrar, a Registrar of the Family Division, a Registrar in Bankruptcy, a District Registrar, a county court Registrar and the Registrar of the Employment Appeal Tribunal;

(4) S.I. 1965/1467.

(5) 1975 c. 71.

“Master of the Court of Protection” means the Master of the Court of Protection, the Public Trustee or any other officer nominated by the Lord Chancellor to act for the purposes of Part VII of the Mental Health Act 1983(6);

“National Savings Stock” means stock registered on the National Savings Stock Register;

“Order” means an order or judgment of the High Court or Court of Appeal or a county court, an order, certificate or direction under the seal of the Court of Protection, an order under the seal of the Employment Appeal Tribunal or an order under the seal of the Lands Tribunal;

“Patient” means a person who, by reason of mental disorder within the meaning of Part VII of the Mental Health Act 1983 is incapable of managing and administering his property and affairs;

“Payment Schedule” means a schedule to an order directing the payment of funds from the account of the Accountant General;

“Person under disability” means a person who is a minor or a patient;

“Proper Officer” means the Registrar of the Employment Appeal Tribunal or of the Lands Tribunal and the Chief Clerk of a Supreme Court Office, a county court, a District Registry, the Principal Registry of the Family Division or a district probate Registry, an officer appointed by the Public Trustee, the Secretary of the Principal Registry of the Family Division and any other officer of the Court acting on behalf of a Chief Clerk or the Secretary of the Principal Registry of the Family Division as the case may be, in accordance with directions given by the Lord Chancellor;

“Securities” includes units purchased and investments effected by placing money to special accounts;

“Special Account” means an investment account bearing interest as established under rule 26;

“Suitors' money” means money in a county court or to be brought into a county court other than a fund;

“Taxing Officer” means any person who by virtue of RSC Order 62, rule 19 or CCR Order 38, rule 2(2) has power to tax costs;

“Unit” means one of the shares into which a common investment fund is treated as being divided.

(3) Unless the context otherwise requires, a rule or Part referred to by number means the rule or Part so numbered in these Rules.

Court Funds Office

3. The office of the Accountant General shall continue to be known as the Court Funds Office.

Discharge of Accountant General's functions

4.—(1) The functions of the Accountant General under these Rules may be discharged, to such extent as he may direct, by any officer appointed by him.

(2) The Accountant General, with the approval of the Treasury, may from time to time authorise in writing any officer to authenticate on his behalf any direction issued by him for the purpose of giving effect to these Rules and such authorisation may be either general or in respect of any particular class or classes of transaction.

Power to authorise use of forms

5. Nothing in these Rules shall prejudice the power of the Accountant General to authorise and require the use of such forms as he may consider appropriate for any purpose.

PART I

AUTHORITIES FOR LODGMENT, PAYMENT OUT, TRANSFER ETC

Lodgment Schedule

6.—(1) Where lodgment of funds in court is directed by an order or authorised by a Master, the Accountant General shall not make such lodgment until he has received:—

- (i) in proceedings in the Chancery Division or in the Court of Protection, a lodgment schedule; or
- (ii) in proceedings in the Queen’s Bench Division, Family Division, or any other court or tribunal, a copy of the order

but in the case of proceedings mentioned in sub-paragraph (ii) he may refuse to make such lodgment until he has received a lodgment schedule.

(2) Where proceedings in which money has been lodged in court are ordered to be transferred to another court, the proper officer of the transferring court shall so advise the Accountant General in writing.

Payment Schedule

7.—(1) Where an order directs the manner in which any fund in court is to be dealt with by the Accountant General, a payment schedule shall be lodged with him.

(2) Subject to paragraph (3) a payment schedule signed and authenticated by a proper officer shall be sufficient authority to the Accountant General to deal with a fund in accordance with the schedule.

(3) Where money is lodged in court in proceedings under section 84 of the Law of Property Act 1925(7) and directions are given by the Lands Tribunal instructing the Accountant General to deal with that fund, such directions shall be sufficient authority to the Accountant General to deal with the fund accordingly.

Preparation and amendment of Schedules

8.—(1) In any proceedings other than proceedings in the Court of Protection, the Lands Tribunal or the Employment Appeal Tribunal, where an order is made for the lodgment of or dealing with funds in court, the party having carriage of the order shall prepare and submit the lodgment or payment schedule to the appropriate court office for authentication.

(2) Without prejudice to paragraph (1), the proper officer of a court in which an order has been made for the lodgment of or dealing with funds in court, may prepare the lodgment or payment schedule where he considers it appropriate to do so.

(3) The proper officer of the court in question shall sign and authenticate the lodgment or payment schedule and forward it to the Accountant General.

(4) Any amendment to a schedule needed to correct a clerical or accidental error or omission shall be signed by the proper officer.

Certificate of a Master or Taxing Master

9.—(1) Where a payment schedule directs a Master to ascertain and certify a sum to be dealt with by the Accountant General or directs that costs shall be taxed and paid out of funds in court, the Master or Taxing Officer shall certify:—

- (i) the amount ascertained or the amount of the taxed costs (including the fees of taxation); and
- (ii) the name and address of the person to whom payment is to be made;

and shall send the certificate to the Accountant General in the approved form.

(2) A certificate issued by a Master or Taxing Officer following a taxation shall, unless described as an interim certificate, be deemed to include all the costs directed to be taxed and paid out of funds in court.

Particulars of interest ordered to be paid as directed in judgment or order

10.—(1) Where interest is directed by an order to be paid on any sum in court, the payment schedule shall state:—

- (i) the rate per cent at which interest is payable;
- (ii) the date from which and, if known, the date to which interest is to be calculated;
- (iii) whether the interest should be paid with or without deduction of income tax; and
- (iv) the amount of such interest, if ascertainable when the payment schedule is drawn up.

(2) If the amount of interest cannot be stated in the payment schedule, then either:—

- (i) the schedule shall direct that the amount be ascertained and certified by a Master; or
- (ii) the party having carriage of the order shall agree in writing with the Accountant General the amount of interest.

(3) Whenever interest is required to be calculated for a period which is, or includes, a period of less than a year, the interest shall be calculated on a daily basis in respect of that period.

Regular payments

11. Where a payment schedule directs that regular payments (not being interest payable as it accrues due) are to be made by the Accountant General, the schedule shall state the dates on which payments are to be made and whether the payments are to be made with or without deduction of income tax at the basic rate.

Funds on which duty is payable

12. Where a fund in court is subject to payment of duty but the order relating to it does not provide for such payment, the payment schedule shall state that the fund is subject to duty; and if the payment schedule directs the carry over of any part of a fund subject to duty, the words “subject to duty” shall be written boldly at the top of the first page of the schedule relating to the account to which the fund is to be carried over.

PART II

LODGMET OF FUNDS IN COURT

Accountant General’s directions for payment to the Bank

13. Money shall not be paid directly to the Bank save on the direction of the Accountant General.

Lodgment on receipt of a Lodgment Schedule

14.—(1) Approval for the lodgment of funds in court shall be given by the Accountant General on receipt of a lodgment schedule in proceedings:—

- (i) in the Court of Protection and in the Employment Appeal Tribunal;
- (ii) in the Chancery Division of the High Court, where the lodgment is:—
 - (a) directed by a lodgment schedule; or
 - (b) made under the Life Assurance Companies (Payment into Court) Act 1896⁽⁸⁾ or the Trustee Act 1925⁽⁹⁾, and the lodgment schedule is accompanied by a copy of an affidavit filed in accordance with RSC Order 92; or
 - (iii) in a county court where money is paid into court under the Trustee Act 1925 in accordance with CCR Order 49, rule 20, and the lodgment schedule has been authenticated by the proper officer.

(2) Where the Accountant General receives from a company a notice of claim after the making of the affidavit required under RSC Order 92, rule 1, he shall note the account accordingly.

Lodgment on receipt of a written request

15.—(1) Approval for the lodgment of funds in court shall be given by the Accountant General on receipt of a written request in proceedings:—

- (i) in the Queen’s Bench or Family Divisions of the High Court where the request is accompanied by a sealed copy order directing the lodgment, or where in Admiralty proceedings the lodgment is made under RSC Order 75, rule 24, and the request is made by the Admiralty Marshal;
- (ii) in the Chancery Division of the High Court where the lodgment is made in proceedings:—
 - (a) under section 84 of the Law of Property Act 1925; or
 - (b) under the Trustee Act 1925 where the written request is signed by or on behalf of the personal representative; or
 - (c) under any enactment other than those mentioned in rule 14(1)(ii) or in this paragraph where it is accompanied by the appropriate document authorising lodgment where specific authority to lodge is required by the relevant enactment;
 - (iii) in any Division of the High Court where the lodgment is made under RSC Order 22, rule 1:—
 - (a) in satisfaction of a claim and the request is accompanied by a copy of the writ and the notice of payment into court; or
 - (b) a defence of tender is pleaded and the request is accompanied by a copy of the writ and a copy of the defence;
 - (iv) in the Admiralty Registry if the request is sealed by the Registry.

(2) The Accountant General may give approval for lodgment of funds in court notwithstanding that a request is not accompanied by a sealed copy order directing lodgment in accordance with paragraph (1)(i), provided that he is satisfied that such an order has been made and the reason why a copy of the order does not accompany the request is stated in the request.

⁽⁸⁾ 1896 c. 8.
⁽⁹⁾ 1925 c. 19.

Lodgment of money in Court

16.—(1) Money to be lodged in court in accordance with rules 14 or 15, save money representing the proceeds of sale or redemption of National Savings Stock, shall be paid into the Court Funds Office, either directly or in accordance with paragraph (2).

(2) Where money is paid into a District Registry it shall be forwarded within one working day of the date of receipt to the Court Funds Office, together with a request in the approved form giving the full circumstances under which the lodgment has been made.

(3) Where money is paid under paragraphs (1) or (2), cheques or other instruments shall be made payable to the Accountant General of the Supreme Court.

(4) Money received in the Court Funds Office shall be paid into the Bank for the credit of the Accountant General's account as soon as practicable.

(5) Lodgments of money which are not required to be paid into the Court Funds Office under this rule shall be made directly to the Bank to the credit of the Accountant General's account.

(6) The effective date of lodgment shall be:—

- (i) in the case of cash or a banker's draft, the date of its receipt in the Court Funds Office or, where paragraph (2) applies, in the District Registry;
- (ii) in the case of a cheque or instrument other than one subject to sub-paragraph (1) the date of its receipt in the Court Funds Office or District Registry as the case may be or such later date as the Accountant General may determine;
- (iii) in the case of a lodgment to which paragraph (5) applies, the date certified by the Bank as that on which the money was placed to an account for the credit of the Accountant General.

(7) Any person who desires or is directed to pay money into a county court under any statute and has complied with the requirements of the relevant County Court Rules shall pay the money into the appropriate court office, by a cheque or other instrument made payable to the Accountant General of the Supreme Court which shall be forwarded to the Accountant General within one working day of the date of receipt.

Securities transferable by delivery and deposit of effects

17.—(1) The lodgment in the Supreme Court of securities transferable by delivery and the deposit of effects shall be made either by delivery to the Court Funds Office or, if the Accountant General so directs, by delivery to the Bank.

(2) Where lodgment under paragraph (1) is made by delivery to the Bank:—

- (i) effects so delivered shall be secured in locked boxes or otherwise to the satisfaction of the Bank, and any person delivering effects shall, if the Bank so requires, permit them to be inspected in his presence by an officer of the Bank; and
- (ii) the Bank shall give a written receipt for the delivery of any securities or effects.

(3) Any person who deposits effects in court in accordance with these Rules shall provide the Accountant General with an inventory of those effects signed and certified by him as a true and accurate record.

(4) Any person who desires or is directed to deposit securities in a county court under any statute, and has complied with the requirements of the relevant County Court Rules, shall deposit the securities with the proper officer who shall give the depositor a receipt of the deposit and shall forward the security certificate or certificates to the Accountant General.

Return of Lodgment directions

18. Where:—

(i) money lodged directly with the Bank has been received and credited to the Accountant General's account; or

(ii) securities transferable by delivery or effects have been delivered to the Bank; or

(iii) securities (other than those transferable by delivery) have been transferred into the Accountant General's name in the books of the Bank or in the books of a company, the Bank or company, as the case may be, shall certify on the lodgment direction issued under rule 14 that funds have been lodged and shall send it to the Court Funds Office.

Payment of suitors' money into a county court

19. Suitors' money to be paid into a county court may be paid by post or otherwise into the court office, and payment may be made during office hours on any day on which the office is open and the proper officer shall give a receipt for it.

20.—(1) Subject to paragraph (2), all monies payable under a judgment or order of a county court shall be paid into court.

(2) Paragraph (1) shall not apply to costs payable under any order or where the order made in a matrimonial cause as defined by section 32 of the Matrimonial and Family Proceedings Act 1984⁽¹⁰⁾, otherwise provides.

21. Money received under rule 19 which is not required for making authorised payments shall be paid by the proper officer into the cash account within one working day of the day of receipt.

22. An officer of a county court who receives money under the process of the court shall give a written receipt for every sum so received in the form prescribed.

23. Money transmitted from one court to another pursuant to County Court Rules shall be transmitted to the proper officer of the receiving court by crossed payable order drawn in favour of Her Majesty's Paymaster General.

24. Where money has been paid into court in an action or matter proceeding in the High Court, and the action or matter is transferred to a county court, the proper officer of the county court shall notify the Accountant General accordingly and, on receipt of such a notice, the Accountant General shall deal with it as if it had been transferred to him under rule 31.

PART III

APPROPRIATION

25.—(1) Where a defendant has lodged money in court in accordance with RSC Order 14 as a condition of liberty to defend and he desires to appropriate the whole or any part of such money in satisfaction of the whole or any part of the plaintiff's claim pursuant to RSC Order 22, rule 8, he shall lodge with the Accountant General a notice of appropriation in the approved form.

(2) Where a defendant wishes to appropriate money which has been paid into a county court and placed to a basic account under rule 31(4) he shall notify the proper officer and the Accountant General accordingly in the approved form.

(3) On receipt of a notice of appropriation the Accountant General shall note the relevant account accordingly and shall withdraw the sum mentioned in the notice from the basic account.

(10) 1984 c. 42.

(4) If the plaintiff does not give notice of acceptance within the time limited by the RSC or the CCR, as the case may be, the Accountant General shall place the money in the basic account 21 days after he has received the notice of appropriation.

(5) Where, before appropriation, interest has accrued on the money in question the interest may be included in the appropriation, and this rule shall apply to the interest in the same way as it applies to the money lodged.

PART IV

PLACING OF MONEY OTHER THAN FOREIGN CURRENCY TO AN INTEREST BEARING ACCOUNT

Establishment of interest bearing accounts

26. There shall be established the following two interest bearing accounts, namely a basic account (that is to say, a deposit account) and a special account (that is to say, an investment account) to which shall accrue, in accordance with these Rules, interest derived from the transfer to, and investment by, the National Debt Commissioners of the money placed to all the accounts of those kinds.

Interest on money placed to an interest bearing account

27.—(1) The rate at which interest on money placed to a basic account or a special account is to accrue shall be as prescribed from time to time by a direction made by the Lord Chancellor with the concurrence of the Treasury.

(2) Interest on money placed to a basic account or a special account shall accrue from day to day from the day on which the money is placed to the account until the day preceding its withdrawal from the account.

(3) Accrued interest shall be credited:—

(i) on the capital sum when it is withdrawn from the account; or

(ii) on transfer of the capital sum from a basic account to a special account; and

(iii) on 31st March and 30th September each year in respect of money placed to a basic account and on 31st May and 30th November each year in respect of money placed to a special account.

(4) Accrued interest shall be credited without deduction of income tax.

Time for placing money to an interest bearing account

28.—(1) Subject to the provisions of this part of the Rules and to any direction of the court, all money (including interest) shall be placed to a basic account or, in the case of a person under disability, to a special account, on the day on which the schedule or other authority is received in the Courts Fund Office or on the effective date of lodgment of the money, whichever is the later.

(2) Where judgment is given in favour of a person under disability, or settlement of his claim is approved by the court, the money to which he is entitled shall, subject to any directions of the court, be placed to a special account in his name as at the date of the judgment or on the effective date of lodgment of the money, whichever is the later, without further authority.

(3) Interest shall not accrue from a date earlier than that on which the money is placed to an interest bearing account in accordance with this rule.

Money not to be placed to a basic account

- 29.** Money, including interest, shall not be placed to a basic account where the money:—
- (i) has been directed by an order or other authority to be dealt with other than by being placed to a basic account; or
 - (ii) has been carried over to an account of unclaimed balances under rule 57; or
 - (iii) stood to the credit of a fund in court before 1st October 1965, without a request that it be placed on deposit; or
 - (iv) was paid into court in satisfaction of a claim before 1st April 1983, without a direction that it be placed on deposit; or
 - (v) amounts to a sum which is less than £10.

Money to be placed to a special account

30. Money, including interest, shall only be placed to a special account where the person entitled to it is under a disability and it amounts to a sum which is not less than £10.

Money paid in satisfaction, etc.

31.—(1) Where money is lodged in the Supreme Court under RSC Order 22, rule 1 or is appropriated under RSC Order 22, rule 8 in satisfaction of a claim and is not accepted within the time limited by RSC Order 22, rule 3(1), it shall be placed to a basic account 21 days after the effective date of lodgment or appropriation.

(2) Where money is paid into a county court in satisfaction of a claim and the plaintiff has not given notice of acceptance of the payment within the time limited by the CCR, the proper officer shall remit the amount of the payment to the Court Funds Office 22 days after the effective date of payment into that court.

(3) Where money is paid into a county court in such circumstances that it is to await the outcome of an order of court, whether it is paid into court as a condition of obtaining relief or otherwise, the proper officer shall remit the amount of the payment to the Court Funds Office on, or as soon as practicable after, the effective date of payment into that court.

(4) Where money is remitted under paragraphs (2) or (3) the remittance shall be accompanied by a notice stating the date and the reason why the money was paid into court, and on receipt of such a remittance and notice in the Court Funds Office, the Accountant General shall place the money to a basic account.

(5) Where the plaintiff is under a disability money lodged or paid into court under paragraphs (1) or (2) shall be placed to a basic account in any event, whether or not he has accepted it, until the claim is determined or settlement is reached, unless the court otherwise directs.

Interest on money paid in satisfaction

32.—(1) Subject to paragraphs (4) and (5), interest on money remitted to the Court Funds Office under rule 31(2) shall start to accrue 21 days after the effective date of payment into the county court.

(2) Subject to paragraphs (4) and (5), interest on money remitted to the Court Funds Office under rule 31(3) shall start to accrue from the effective date of payment into the county court.

(3) Where a court determines a claim, or, as the case may be, approves a settlement on behalf of a person under a disability, any interest which has accrued on the money in court shall be dealt with as the court orders.

(4) Where money placed to a basic account under rule 31(1) is accepted within the time limited by RSC Order 22, rule 3(1), no interest shall be payable in respect of the period between lodgment or

appropriation, or where there has been more than one lodgment or appropriation between the latest lodgment or appropriation, and the date of acceptance.

(5) Where money has been placed to a basic account under rule 31(4) but it appears that the plaintiff, having accepted the money within the time limited by the CCR, has become entitled to have it paid out to him, no interest shall be payable on that money in respect of the period between lodgment, or where there has been more than one lodgment, between the last lodgment and the date of acceptance.

(6) Where money appropriated under the CCR in satisfaction of a claim is accepted within the time limit, no interest shall be payable in respect of the period between appropriation, or where there has been more than one appropriation between the latest appropriation, and the date of acceptance.

Withdrawal of money from an interest bearing account

33. Money shall only be withdrawn from an interest bearing account where the money, including any interest which has accrued at the time of withdrawal, is required to be withdrawn for the purpose of giving effect to a direction of the court or these Rules; provided that such interest shall not be used if directed by the court to be otherwise dealt with.

PART V

RANGE OF INVESTMENTS

Range of investments

34.—(1) Subject to paragraph (3), money under the control of, or subject to an order of the court, may be invested or reinvested by the Accountant General in accordance with these Rules, in the following ways:—

- (i) it may be placed to a basic account or, in the case of a person under a disability, to a special account;
- (ii) it may be transferred to such of the funds established by common investment schemes as may be specified;
- (iii) it may be invested in any manner specified in Part I, paragraphs 1 to 10 and 12 of Part II and paragraphs 2 and 3 of Part III of Schedule 1 to the Trustee Investment Act 1961⁽¹¹⁾, as supplemented by the provisions of Part IV of that Schedule.

(2) Money subject to an order of the court may be invested or reinvested by the Accountant General in accordance with instructions received by him from the Central Investment Branch.

(3) Money under the control of or subject to an order of the Court of Protection may be invested or reinvested by the Accountant General in such investments as that court may direct.

Time for investment

35. Subject to the provisions of Part IV and this Part of the Rules and to any directions of the court, money, including interest, shall be invested as soon as it is available.

(11) 1961 c. 62.

Amount for investment

36.—(1) Notwithstanding rule 34, no sum of money or interest shall be invested in any case where in the view of the Accountant General the cost of investment, by way of commission or otherwise, would be disproportionate to the amount of money involved.

(2) Any money which is not invested shall be placed, in the case of a person under a disability, to a special account and in all other cases to a basic account and shall be drawn from the account and invested when it, together with the interest credited to it, and further sums of money or interest credited to the account which are required to be invested in the same manner, amount to a sum in respect of which the cost of investment is not disproportionate.

Investment in Common Investment Fund

37.—(1) Where funds are required to be invested in Common Investment Fund units or such units are required to be realised, the purchases and sales shall be effected on the first available valuation day.

(2) Funds shall not be directed to be invested in Capital Fund Units unless the authority giving the direction is satisfied that the funds are likely to remain so invested for at least five years: provided that this paragraph shall not apply in any case where there is an express request for investment in Capital Fund Units by or on behalf of one or more of the persons interested in the fund, or, if such person is ascertained or traceable, by the person who pays the funds into court.

PART VI

DEALINGS WITH FOREIGN CURRENCIES

38.—(1) Foreign currency may only be lodged in court when:—

- (i) it is lodged under RSC Order 22, rule 1 in satisfaction of a claim for a debt or liquidated demand, and is in the currency in which the claim is made; or
- (ii) the court so directs or permits.

(2) Foreign currency lodged in accordance with paragraph (1) shall be paid into court in the manner approved by the Accountant General.

39.—(1) Where foreign currency is lodged in court, the court may direct that it shall be placed in an interest bearing account in that currency or any other currency, and any interest shall accrue from the date of the order or the date of placing it in the account, whichever is the later; and the Accountant General shall deal with the interest as the court may direct.

(2) Any charges incurred by placing foreign currency to an account shall be deducted from the currency so placed or from the accrued interest, as may be appropriate.

(3) Where income from a security in court is received in a foreign currency, the court may give such direction as it thinks fit, and in the absence of such direction the foreign currency shall be converted into sterling and invested in accordance with the provisions of Part IV.

PART VII

PAYMENT, TRANSFER AND DELIVERY OF FUNDS OUT OF COURT

Payments out of money by post and identification of payees

40.—(1) In this rule the person entitled to the payment out of money lodged in court is referred to as the payee.

(2) Subject to paragraphs (3) and (4) below, the payment out of money lodged in court shall be made by the Accountant General, by a cheque crossed generally, by post as follows:—

- (i) where the address of the payee is stated in the Payment Schedule or supplementary authority and that schedule or authority is dated not more than one year prior to the date on which the Accountant General is able to make payment, he shall make payment to the payee at the address so stated;
- (ii) where the Payment Schedule or supplementary authority is dated more than one year prior to the date on which the Accountant General is able to make payment, he shall make payment on receipt of a written request from the payee in the approved form.

(3) On receipt of a written request from the payee or a donee under a power of attorney given by the payee the Accountant General may make payment to a bank in the United Kingdom for the credit of the account of the payee at that bank or at a bank in the country in which he resides.

(4) The Accountant General may, if he thinks fit, refuse to make a payment until he is satisfied as to the identity and entitlement of any person claiming to be the payee and the Accountant General may refuse to make a remittance by post in any individual case and may require the personal attendance of the payee at the Court Funds Office or a court office as a condition of payment.

Payment etc. after a change of name or style

41. Where a person entitled to payment of a fund in court changes his name or style before the fund is paid, transferred or delivered to him, the Accountant General shall, except where payment is to be made to the person as Receiver under Part VII of the Mental Health Act 1983, require evidence of the change before dealing with the fund.

Payment pursuant to direction of the Court of Protection

42. Where a patient is entitled to a fund in court (other than pursuant to an order made under Part VII of the Mental Health Act 1983) the Accountant General shall, on receipt of a direction from the Master of the Court of Protection, either pay the money to the patient's Receiver or carry it over to such account as the Master may direct.

Payment etc. to representatives of deceased persons

43.—(1) Where a person entitled to a fund in court either in his own right or as sole or sole surviving executor dies, the Accountant General may, where the fund exceeds £5,000, pay it to the personal representative of the deceased on production of a grant of probate or office copy thereof, or, where the deceased was entitled to the fund in his own right, letters of administration in respect of the deceased's estate.

(2) Where a person entitled to a fund in court in his own right dies intestate and no grant of administration has been issued, the Accountant General may, where the assets of the deceased (including the fund in court and after deduction of debts and funeral expenses) do not exceed £5,000, pay the fund to the person who appears to him to have the prior right to a grant of administration of the estate, on lodgment in the Court Funds Office of a written declaration of kinship.

(3) Where two or more persons were entitled to payment of a fund in court as personal representatives and any of them dies before the fund is dealt with, the Accountant General may pay the fund to the surviving personal representatives on proof of the death of the deceased personal representative; and where the fund does not exceed £5,000 the Accountant General may, unless a court otherwise directs, pay the fund to any one of them.

Payment out without order of money lodged in satisfaction

44.—(1) In this rule and in rule 45 a person in respect of whose cause of action a sum has been paid into court in satisfaction, whether by way of claim or counterclaim, is referred to as a plaintiff and a person against whom such a cause of action lies is referred to as a defendant.

(2) The Accountant General shall, on receipt of a written request, pay by cheque to the plaintiff money lodged in court in satisfaction of a claim, or appropriated in accordance with rule 25, and accepted by him in accordance with Rules of Court: provided that where a solicitor is acting for the plaintiff in the proceedings in which the money was lodged or appropriated by virtue of a legal aid certificate issued in accordance with the Legal Aid (General) Regulations 1980⁽¹²⁾, the Accountant General shall pay the money to that solicitor, or to the Law Society if there is no longer a solicitor acting.

(3) In the case of proceedings in a District Registry, the plaintiff shall, when he sends the written request to the Court Funds Office, send a copy of it to the District Registry in question.

(4) The Accountant General shall not make any payment under paragraph (1) where:—

- (i) money has been lodged by one, or some, only off several defendants sued jointly or in the alternative, unless the plaintiff discontinues the action against all the other defendants and those defendants consent in writing to the payment, and a copy of the notice of discontinuance and the written consent of each consenting defendant required by RSC Order 22, rule 4 or CCR Order 11, rule 4(3), as the case may be, is lodged with the Accountant General; or
- (ii) a defence of tender before action has been pleaded; or
- (iii) the claim is made by, or on behalf of, a minor or a patient; or
- (iv) money has been lodged in proceedings under the Fatal Accidents Act 1976⁽¹³⁾ and the Law Reform (Miscellaneous Provisions) Act 1934⁽¹⁴⁾, or under the first mentioned Act alone where more than one person is entitled to the money; or
- (v) money has been lodged in court, or money in court has been increased by a further lodgment, and has been accepted after the hearing of the action has begun, except in circumstances provided for under RSC Order 22, rule 3.

Payment out to defendant without order

45. Where money lodged or appropriated by the defendant in satisfaction of the whole of the plaintiff's claim has been accepted and paid to the plaintiff in accordance with rule 44, the Accountant General shall forthwith pay any accrued interest remaining in court in respect of that claim to the defendant but no interest shall be payable to the defendant after the date on which the plaintiff serves notice of acceptance.

⁽¹²⁾ S.I. 1980/1894, as amended.

⁽¹³⁾ 1976 c. 30.

⁽¹⁴⁾ 1934 c. 41.

Payment out of interest on securities

46. Where securities are lodged in court under rule 15 or money lodged under that rule is invested, any interest which accrues shall (subject to any contrary provision contained in the relevant enactment) be paid by the Accountant General to the person in whose name the lodgment was made.

Transfer or delivery of securities

47.—(1) Subject to paragraph (2) where pursuant to directions of the court or under these Rules the Accountant General is required to transfer or deliver any securities or effects held in his name he shall issue directions accordingly which shall be sufficient authority for the transfer or delivery and, in the case of a transfer of securities on sale, for the Bank to receive the proceeds of sale.

(2) The directions of the Accountant General shall not be required for the transfer of National Savings Stock, on sale or otherwise.

Charges on purchase or sale of securities

48. Except where rule 34 applies and subject to any directions of the court:—

- (i) where money in court is invested in the purchase of securities, the payment for the purchase shall include all applicable charges; and
- (ii) where securities in court are sold, all applicable charges shall be deducted from the proceeds of sale:

provided that, if the schedule directing a purchase or sale also directs that charges are not to be deducted from the fund in court, the transaction shall not be completed until such charges have been paid either to the stockbroker or to the Accountant General, as the case may be.

Application of funds dealt with before receipt of Payment Schedule

49. Unless otherwise directed by the court, where an order has been made dealing with a fund and, after the date of the order but before the Payment Schedule relating to it is received in the Court Funds Office, interest has accrued or money and interest have been dealt with in accordance with a previous direction of the court or under these Rules, the part of the fund attributable to accrued interest or to money or interest shall be treated as follows:—

- (i) interest on securities directed to be transferred, delivered or carried over shall be dealt with as the securities are directed to be dealt with under the Payment Schedule;
- (ii) interest which has accrued on securities directed to be sold shall be dealt with as the proceeds of sale are directed to be dealt with under the Payment Schedule, except where the sale is to raise a specified sum of money, when the interest is included with the capital;
- (iii) where interest which has accrued on securities directed to be transferred, delivered or carried over has been invested in the purchase of further securities, the securities so purchased and any interest on them shall be dealt with as the original securities are directed to be dealt with;
- (iv) where interest which has accrued on securities directed to be sold has been invested in the purchase of further securities, the securities so purchased shall be sold and the proceeds of sale added to the proceeds of the original securities;
- (v) money or accrued interest which has been placed to a basic or special account shall be withdrawn and, together with any interest credited on withdrawal, applied as directed by the Payment Schedule: provided that where such money is directed to be invested, any interest credited on withdrawal shall be applied as interest accruing on the investment is directed to be applied.

Payment of suitors' money out of a county court

50.—(1) Subject to the provisions of this rule, the proper officer of each county court shall appoint a day in the week on which all payments out of court shall be made, and may appoint a different day from time to time.

(2) In each week on the appointed day the proper officer shall, without demand, pay to each entitled person all money to which that person has become entitled since the appointed day in the previous week.

(3) Money paid out of court under paragraph (2) shall be paid by crossed payable order to the person entitled to it or to his solicitor and the proper officer shall, at the same time, furnish him with a statement of the money so paid.

(4) Notwithstanding anything in this rule, the proper officer may, on request, pay money out of court to the person who he is satisfied is entitled to it on a day other than the appointed day.

Specially created account

51.—(1) In apportioning to any account the interest received in respect of securities the Accountant General shall exclude all fractions of one penny and shall carry over the aggregate of such fractions to a specially created account.

(2) The Accountant General shall from time to time transfer to the cash account of Her Majesty's Paymaster General, for the credit of the Administration of Justice: England and Wales (Lord Chancellor's Department) Vote all sums standing to the specially created account.

PART VIII

CONVERSION, ALLOTMENT AND WRITE-OFF OF SECURITIES

Application to the court concerning conversion and allotment

52. Where a question has arisen as to an allotment or conversion of securities which have been paid into court under section 63 of the Trustee Act 1925, or in any other case in which he considers it appropriate because no application will otherwise be made, the Accountant General may apply to the court for directions as to how the securities should be dealt with.

Conversion and allotment of securities

53.—(1) Where a security in court has been converted into another security the Accountant General shall write-off the original security from the account to which it is standing and shall place to that account the whole, or where appropriate a proportionate part, of the substituted security and shall, so far as practicable and unless otherwise directed by the court, deal with the substituted security and any interest on it in the same manner as the original security and interest.

(2) Where a security in court is paid off and the money received is invested or placed to an interest bearing account, the security purchased or money in the account and any interest on it shall, unless the court otherwise directs, be dealt with by the Accountant General in the same manner as the original security and interest.

(3) Where an allotment is made in respect of a security in court the Accountant General may:—

- (i) credit the whole, or where appropriate a proportionate part, of the allotment to the account of the original security if the allotment is fully paid; or
- (ii) sell the allotment and credit the whole, or a proportionate part, of the proceeds of sale to that account or otherwise as the court may direct if the allotment is not fully paid;

- (iii) sell any non-apportionable shares and apportion such proceeds as nearly as practicable to the appropriate account.

Arrangements with the Bank over paid off securities, etc.

54.—(1) Where bearer or similar bonds or securities deposited at the Bank to the credit of the Accountant General are being paid off, the Bank shall take the necessary steps to receive the principal money and interest due and shall inform the Accountant General in writing of the amounts of the securities paid off and of the principal money and interest received.

(2) Where the interest on securities in court is payable on the presentation of coupons in a series and the last coupon of any such series has been presented and paid, the Bank shall take the necessary steps to obtain a new series of coupons.

Securities of dissolved companies

55. Where a company has been wound up and the Accountant General has received:—

- (i) written notice from the liquidator or from the Department of Trade that no assets are or will be distributable in respect of the securities of the company; and
- (ii) written notice from the Registrar of the Companies Registration Office that the company has been dissolved;

he shall withdraw from the Bank the certificate representing any security in that company and shall write-off any such security from the account to which it stands.

PART IX

NATIONAL DEBT COMMISSIONERS

National Debt Commissioners

56.—(1) Where, in the opinion of the Accountant General, the cash balance in his account at the Bank exceeds the amount that he requires to satisfy current demands, he shall remit the excess to the National Debt Commissioners; and where, in his opinion the balance is insufficient to meet such demands, the Commissioners shall remit to that account such amount as the Accountant General may in writing request.

(2) As soon as practicable after half-yearly interest accruing on money placed to an interest bearing account has been credited to the appropriate account in accordance with these Rules, the Accountant General shall certify to the National Debt Commissioners the amount of the interest and the Commissioners shall credit that amount to the account kept by them of money received from the Accountant General.

PART X

UNCLAIMED FUNDS IN COURT

Unclaimed funds

57.—(1) Subject to the provisions of this rule, the Accountant General may carry over an unclaimed fund in court to an account of unclaimed balances when five years have elapsed since an account was opened for the fund.

(2) Subject to paragraph (3), a fund shall be treated as unclaimed if:—

- (i) it stands to the credit of an account which has not been dealt with for a period of five years otherwise than by the continuous investment or placing on deposit of accrued interest, the compulsory conversion, redemption or acquisition of securities or the placing on deposit of any money arising therefrom; and
- (ii) the Accountant General is satisfied that all reasonable steps have been taken to trace the person entitled to it and to pay it to him.

(3) Where a fund was lodged in court for the benefit of a minor, the period of five years mentioned in paragraph 2(i) shall not begin to run until the minor's 18th birthday, or, if his date of birth is not known, until 18 years have elapsed since the account was opened.

(4) Where the person entitled to a fund was a patient, the Accountant General may at any time, if so requested by the proper officer of the Court of Protection, and provided he is satisfied that all reasonable steps have been taken to trace the person entitled to the fund and to pay it to him, carry the fund over to an account of unclaimed balances.

(5) In the case of a fund paid into court by the Public Trustee under the Trustee Act 1925, the Accountant General may at any time, provided he is satisfied that all reasonable steps have been taken to trace the person entitled to the fund and to pay it to him, carry the fund over to an account of unclaimed balances.

(6) On receipt of a Payment Schedule directing a dealing with a fund carried over in accordance with this rule, the Accountant General shall carry back the unclaimed balance to the appropriate account.

(7) Where a fund is carried back under paragraph (6) simple interest shall be credited to the fund in respect of the whole period during which the fund stood to an account of unclaimed balances at the rate of interest prescribed at the date when the fund is carried back, for money placed in a basic account.

Lists of unclaimed funds

58.—(1) The Accountant General shall maintain a list of the accounts in respect of which funds have been carried over to an account of unclaimed balances under rule 57, which may be inspected at the Court Funds Office during normal office hours.

(2) The proper officer of each county court shall maintain a list of unclaimed funds in the custody of that court, which may be inspected at the court office; and he shall send to the Accountant General a copy of the list from time to time.

Disposal of unclaimed effects in court

59.—(1) Where effects have been deposited in court on or after 3rd July 1978 and have been carried over to an account of unclaimed balances under rule 57, the Accountant General may send to the court a copy of any inventory provided to him in accordance with rule 17(3) in respect of such effects when 25 years have elapsed since he received the authority for such lodgment.

(2) On receipt of an inventory sent in accordance with paragraph (1) the court may:—

- (i) cause enquiries to be made whether any party to the proceedings in which the effects were deposited wishes to make any application in respect of them, or whether any other person who may have an interest in the effects can be found; and
- (ii) of its own motion and without reference to any party or person (other than a party or person who may have an interest and whose whereabouts or the whereabouts of whose personal representatives are known), order the final disposal of the effects by sale, realisation or

otherwise; provided that the court shall not order the destruction of any effects unless it is satisfied that they have no realisable value.

(3) For the purpose of any reference to a party or other person who may have an interest in the effects in question it shall not be necessary to revive any proceedings which may have abated or to issue any summons unless the court so directs and an order for such final disposal may be made after oral or written communication with such party or person.

(4) The amount of the net proceeds of any sale or realisation under paragraph (2) should be certified by the proper officer and placed to the credit of the unclaimed balance account in which the effects were held prior to the sale or realisation.

Disposal of unclaimed securities in court

60.—(1) Where any securities (including Common Investment Fund units) are carried over under rule 57, or are standing to an account of unclaimed balances on 1st June 1987 the Accountant General shall sell the securities and pay the proceeds into the account of unclaimed balances.

(2) The Accountant General shall write-off any securities carried over under rule 57 or standing to an account of unclaimed balances on 1st June 1987 which have no value.

(3) Where any sum carried over under rule 57 stands to an interest bearing account the Accountant General shall withdraw the sum and place it to the account of unclaimed balances.

Repayment of closed county court funds

61.—(1) Where a fund in a county court has been closed a person may apply to the court at which the funds account was kept for repayment of all or part of the fund to him.

(2) Where the court is satisfied that the claimant is entitled to the whole or part of the fund, it may order the payment to him of money standing to the credit of the account as at the date of its closure or of a sum of money representing the value of the fund at the date of its closure.

(3) Where the court makes an order under paragraph (2) the proper officer shall send a sealed copy of the court's order to the Accountant General.

(4) On receipt of the order the Accountant General shall take such steps as may be necessary to give effect to it, and shall forward a remittance for the amount of the fund to the claimant.

Unclaimed money in county court

62. This part of these Rules shall apply, with such modifications as may be necessary, to unclaimed moneys which have not been dealt with for a period of one year immediately before the preceding 1st March.

PART XI

CERTIFICATES IN RESPECT OF FUNDS IN COURT

Certificates of funds in court, copies of accounts etc.

63.—(1) The Accountant General may, on receipt of a written request from a person appearing to him to be interested in a fund in court, issue to him a certificate as to lodgment in court, non-payment into court under an order, carry over of the fund to an account of unclaimed balances or any other dealing with the fund; and the certificate shall, where appropriate, state the account to which the fund has been placed, the amount standing to its credit, and particulars of any charges or restraints on the fund of which the Accountant General is aware.

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(2) On receipt of a written request the Accountant General may issue to a person appearing to him to be interested in a fund in court a copy of the account relating to the fund, which shall be authenticated by the National Audit Office if that person so requires.

(3) The Accountant General shall supply an annual statement of any fund in court for the benefit of a minor to that person or to his representative.

Dated 5th May 1987

Hailsham of St. Marylebone, C.

We concur,

Dated 7th May 1987

Michael Neubert
Mark Lennox-Boyd
Two of the Lords Commissioners of Her
Majesty's Treasury

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SCHEDULE

Rules Revoked

Title	Reference
Supreme Court Funds	Rules 1975 S.I. 1975/1803
Supreme Court Funds (Amendment)	Rules 1976 S.I. 1976/2235
Supreme Court Funds (Amendment)	Rules 1979 S.I. 1979/106
Supreme Court Funds (Amendment No. 2)	Rules 1979 S.I. 1979/1620
Supreme Court Funds (Amendment)	Rules 1980 S.I. 1980/1858
Supreme Court Funds (Amendment)	Rules 1981 S.I. 1981/1589
Supreme Court Funds (Amendment)	Rules 1982 S.I. 1982/123
Supreme Court Funds (Amendment No. 2)	Rules 1982 S.I. 1983/787
Supreme Court Funds (Amendment)	Rules 1983 S.I. 1983/290
Supreme Court Funds (Amendment)	Rules 1984 S.I. 1984/285
Supreme Court Funds (Amendment)	Rules 1986 S.I. 1986/1142
Supreme Court Funds (Amendment No. 2)	Rules 1986 S.I. 1986/2115
County Court Funds	Rules 1965 S.I. 1965/1500
County Court Funds (Amendment No. 2)	Rules 1969 S.I. 1969/1547
County Court Funds (Amendment)	Rules 1971 S.I. 1971/260
County Court Funds (Amendment)	Rules 1972 S.I. 1972/334
County Court Funds (Amendment)	Rules 1976 S.I. 1976/2234
County Court Funds (Amendment)	Rules 1978 S.I. 1978/750
County Court Funds (Amendment No. 2)	Rules 1982 S.I. 1982/786
County Court Funds (Amendment)	Rules 1983 S.I. 1983/291

EXPLANATORY NOTE

(This note is not part of the Rules)

These Rules amalgamate, with corrections and detailed changes, the Supreme Court Funds Rules and the County Court Funds Rules. The main changes of detail which they make are:—

- (a) the allocation of day to day interest on the Special Investment Account (formerly called the Short Term Investment Account) instead of in respect of whole months only (rules 26 and 27(2));

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- (b) the crediting of interest on sums held to the account of unclaimed balances which are eventually paid out of court (rule 57(7)).