

Draft Regulations laid before Parliament under section 207(9) of the Companies Act 1989 on 30th March 1999, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

1999 No.

COMPANIES

LOCAL GOVERNMENT, ENGLAND AND WALES

The Local Authority (Stocks and
Bonds) (Amendment) Regulations 1999

Made - - - -

Coming into force - -

Whereas a draft of these Regulations has been approved by resolution of each House of Parliament;
Now, therefore, the Treasury, in exercise of the powers conferred on them by section 207 of the
Companies Act 1989(1) and now vested in them(2), hereby make the following Regulations:—

1. These Regulations may be cited as the Local Authority (Stocks and Bonds) (Amendment) Regulations 1999 and shall come into force on the Monday after the day on which they are made.

2. Regulation 1(3) of the Local Authority (Stocks and Bonds) Regulations 1974(3) shall be amended—

- (a) by omitting the definition of “the CGO”; and
- (b) in the definition of “CGO Service member”, by substituting for the words, “the Bank of England” the words “CRESTCo Limited (which is now responsible for operating the CGO Service)”.

(1) 1989 c. 40;

(2) By S.I. 1992/1315, article 2(1)(c).

(3) S.I. 1974/519; relevant amending instruments are S.I. 1985/1148, 1986/345, 1990/419; the Regulations were made under the Local Government Act 1972 (c. 70). Schedule 13, paragraph 4(1) which was repealed by the Local Government and Housing Act 1989, section 194(2) and Schedule 12, Part 1; that repeal was brought into force on 1st April 1990 by S.I. 1990/431, article 4, subject to a saving in Schedule 1, paragraph 1(a) in relation to bodies which are not relevant to these Regulations; in relation to bodies in relation to which the repeal was so commenced, paragraph 3 of the said Schedule 1, as amended by S.I. 1990/762, article 4(c), saves the 1974 Regulations with respect to stock issued before 1st April 1990.

Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Authority (Stocks and Bonds) Regulations 1974 so as to enable title to certain stock to continue to be evidenced and transferred without a written instrument after the responsibility for operating the CGO Service is transferred from the Bank of England to CRESTCo Limited (which will occur on a contractual basis on the day these Regulations come into force).

The stock concerned is any stock (other than stock transferable by delivery) issued before 1st April 1990 which is registered at the Bank of England and was issued by, or for which liability is vested in, any of the local authorities specified in Schedule 2 to those Regulations (which was inserted by S.I.1985/1148 and amended by S.I. 1990/419).

Regulation 7 of the 1974 Regulations provides for such stock to be transferable either by instrument in writing or by exempt transfer in accordance with the Stock Transfer Act 1982. Regulation 6A dispenses with the requirement for a stock certificate to be issued following any transfer of title for so long as the transferee is himself capable of transferring the stock by such an exempt transfer. Regulations 7, 8 and 13(2) make ancillary provision relating to exempt transfers.

The amendments relate to certain definitions in the 1974 Regulations which are relevant to the scope of an exempt transfer, which the 1974 Regulations restrict to transfers by a CGO Service member through the medium of the CGO Service. The amendments will ensure that such transfers continue to qualify as exempt transfers under the 1974 Regulations once the responsibility for operating the CGO Service is transferred.