

1985 No. 1144**SECURITIES****The Stock Transfer (Gilt-edged Securities)
(CGO Service) Regulations 1985**

<i>Made</i> - - - - -	<i>24th July 1985</i>
<i>Laid before Parliament</i>	<i>25th July 1985</i>
<i>Coming into Operation</i>	<i>2nd January 1986</i>

The Treasury, in exercise of the powers conferred on them by section 3(1) of the Stock Transfer Act 1982(a) and of all other powers enabling them in that behalf, hereby make the following Regulations:—

Citation and Commencement

1. These Regulations may be cited as the Stock Transfer (Gilt-edged Securities) (CGO Service) Regulations 1985 and shall come into operation on 2nd January 1986.

Interpretation

2. In these Regulations:—

“the Bank” means the Bank of England;

“the CGO” means the Central Gilts Office of the Bank;

“the CGO Service” means the computer-based system established by the Bank and The Stock Exchange to facilitate the transfer of gilt-edged securities;

“CGO Service member” means a person who is entitled under a contract with the Bank to use the CGO Service;

“an exempt transfer” means a transfer of securities from a CGO Service member through the medium of the CGO Service;

“securities” means securities in respect of which provision has been made in accordance with section 1 of the Stock Transfer Act 1982 permitting their transfer through the medium of the CGO Service; and

references to the registrar shall, in the case of securities on a register kept by the Bank, be treated as references to the office of the Chief Registrar of the Bank.

Representation by the Bank

3. Where the Bank indicates through the CGO Service or on an instrument of transfer in writing that securities are, or have been, held within the CGO Service for the account of a person, such indication shall be taken as a representation by the Bank to any person acting on the faith of it that—

- (a) the person for whose account the securities are, or have been, held is or was a CGO Service member at the time the securities are or were so held, and
- (b) there has been produced to the Bank prima facie evidence of title in that CGO Service member to the securities,

but such indication shall not be taken as a representation that the CGO Service member has or had any title to the securities.

Form and effect of notification of transfer to the registrar

4.—(1) Where securities are being transferred by means of an exempt transfer the CGO shall notify the registrar of—

- (a) the description and number or amount of the said securities.
- (b) particulars sufficient for the registrar to identify the transferor, and
- (c) particulars sufficient for the registrar to ascertain the full name and address of the transferee whether from the notification itself or from a separate document.

(2) A notification under paragraph (1) of this Regulation shall be in any form which can be read by a computer or in writing.

(3) For the purposes of any provision made by or under any enactment or contained in any prospectus or other document and requiring or relating to the lodging or deposit of any instrument of transfer, notification of an exempt transfer to the registrar in accordance with paragraph (1) of this Regulation shall be regarded as lodging or depositing an instrument of the transfer concerned.

Issue of certificates etc.

5.—(1) Where securities are transferred to a CGO Service member (whether or not by means of an exempt transfer) the registrar shall not be required to issue to the Transferee a certificate or other document of or evidencing title to the said securities if, following the said transfer, the transferee could himself transfer the said securities by means of an exempt transfer.

(2) If at any time after a transfer to which paragraph (1) of this Regulation applies the transferee ceases to be able himself to transfer the said securities by means of an exempt transfer but remains the registered holder of the said securities, he shall thereupon be entitled to any certificate or other document of or evidencing title to which he would have been entitled in the absence of paragraph (1) of this Regulation and the registrar shall, upon receiving notice of such entitlement, issue the said certificate or other document as if the said notice were a written instrument of transfer.

Protection of the Bank in relation to trusts

6. The Bank shall not be bound by or compelled to recognise any express, implied or constructive trust in respect of securities which are for the time being transferable by means of an exempt transfer, even if it has actual or constructive notice of the said trust.

Ian B. Lang,
Donald Thompson,
Two of the Lords Commissioners
of Her Majesty's Treasury.

24th July 1985.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

The Regulations make provision in connection with the operation of the computer-based system established by the Bank of England and The Stock Exchange to facilitate the transfer of gilt-edged securities ("the CGO Service"). As a result of other Regulations and Rules coming into force on 2nd January 1986, simultaneously with these Regulations, members of the CGO Service will be able to transfer almost all gilt-edged securities managed by the Bank of England through the new system. Such a transfer ("an exempt transfer") will be effective under section 1(2) of the Stock Transfer Act 1982 without the need for an instrument in writing.

The other Regulations and Rules mentioned above are:

the Stock Transfer (Gilt-edged Securities) (Exempt Transfer) Regulations 1985 (S.I. 1985/1145), the Government Stock (Amendment) Regulations 1985 (S.I. 1985/1146), the Gas (Stock) (Amendment) Regulations 1985 (S.I. 1985/1149), the Local Authority (Stocks and Bonds) (Amendment) Regulations 1985 (S.I. 1985/1148) and the Exchange of Securities (General) (Amendment) Rules 1985 (S.I. 1985/1147).

These Regulations provide that an indication by the Bank of England through the CGO Service or on an instrument of transfer in writing that securities are, or have been, held in the CGO Service for the account of any person is to be taken as a representation by the Bank of England that that person is or was a CGO Service member and that he has or had prima facie title to the relevant securities but not that he has or had title to them.

In addition, the Regulations specify the information which must be notified to the registrar by the Central Gilts Office in the case of an exempt transfer and provide that such a notification shall be treated as equivalent to the lodging or deposit of an instrument of transfer.

The Regulations also provide that a certificate of or evidencing title shall not be issued to a person if, and for so long as, that person could transfer the relevant securities by means of an exempt transfer.

In the course of operating the CGO Service the Bank of England may receive notice of a trust relating to securities held by a CGO Service member. The Regulations provide that the Bank of England shall not be bound by or compelled to recognise such a trust.

SI 1985/1144
ISBN 0-11-057144-4

