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STATUTORY INSTRUMENTS

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**1994 No. 343**

**NATIONAL DEBT**

**The Savings Certificates (Amendment) Regulations 1994**

*Made* - - - - *17th February 1994*  
*Laid before Parliament* *18th February 1994*  
*Coming into force* - - *11th March 1994*

The Treasury, in exercise of the powers conferred upon them by section 11 of the National Debt Act 1972(1), and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Savings Certificates (Amendment) Regulations 1994 and shall come into force on 11th March 1994.

2. The Savings Certificates Regulations 1991(2) shall be amended in accordance with the following provisions of these Regulations.

3. In regulation 2(1)—

(a) for the definition of “amount repayable” there shall be substituted the following—

““amount repayable” and “the amount repayable”, include—

(a) in relation to any money value certificate, any part of the purchase price of that certificate which is repayable separately from the rest of that price under the relevant prospectus, and any interest or bonus or other sum which has accrued due in respect of that certificate or that part of the purchase price which is to be repaid as the case may be, and

(b) in relation to any certificate of a unit series, any interest or bonus or other sum which has accrued due in respect of that certificate;”;

(b) after the definition of “mentally disordered person” there shall be inserted the following—

““money value series” means any series of certificates issued under a prospectus which permits certificates to be issued for amounts which are neither a unit nor a multiple of a unit and “money value certificate” means a certificate of such a series;”;

(c) after the words “a certificate” in the definition of “unit certificate” there shall be inserted the words “of a unit series”; and

(d) at the end there shall be inserted the following—

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(1) 1972 c. 65.

(2) S.I.1991/1031; a relevant amending instrument is S.I. 1992/2835.

“and “unit series” means any series of certificates which is not a money value series.”.

4. In regulation 5—

- (a) for the words “, or hold any” in paragraph (1), there shall be substituted the words “of a unit series, or hold any such”; and
- (b) after paragraph (1) there shall be inserted the following new paragraphs—

“(1A) A person shall not purchase any money value certificates, or hold any such certificates purchased on his behalf under regulation 4(2), if, immediately after the purchase, he will hold (whether solely or jointly with any person) certificates the aggregate purchase price of which will exceed the sum specified by or in accordance with the prospectus as the maximum value of certificates, in terms of purchase price, which may be held by any one person in relation to that description of certificate (and such prospectus may provide that different maximum values shall apply in different circumstances).

(1B) Where any of the certificates, the respective purchase price of which are required to be aggregated for the purposes of paragraph (1A) above, is a replacement certificate issued under regulation 6(2A), the purchase price of any such certificate shall for those purposes be taken to be the amount shown on the replacement certificate.”.

5. After regulation 6(2) there shall be inserted the following new paragraph—

“(2A) Where, in accordance with the prospectus relating to any money value series, a partial repayment of the purchase price is made (together with payment of such interest or bonus or other sum which may have accrued due in respect of the portion repaid under that prospectus), a replacement certificate shall be issued showing as its purchase price the amount of the original purchase price that has not been repaid.”.

6. In regulation 21,—

- (a) after the word “certificate” in paragraph (1)(b) there shall be inserted the words “of a unit series”; and
- (b) after paragraph (2) there shall be inserted the following new paragraph—

“(2A) Subject to the provisions of this regulation, if any person purchases or holds any money value certificate in contravention of regulation 5 (which prescribes the maximum holding of certificates in terms of purchase price), the amount (hereinafter called “the excess”) by which the purchase price of that certificate exceeds the amount for which that certificate could have been purchased without contravening that regulation shall, if the Director of Savings so directs, be forfeited:

Provided that, in any case in which the Director of Savings has directed the forfeiture of any such excess, he may, if he thinks fit, pay to the person concerned or credit to him in the National Savings Bank:

- (i) a sum equal to the excess;
- (ii) interest, at such rate as the Director of Savings thinks fit, on a sum equal to the excess, being interest computed in such manner as the Director of Savings, with the approval of the Treasury, may direct.”.

17th February 1994

*Tim Wood*  
*Andrew Mackay*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Savings Certificates Regulations 1991. Until now, certificates were issued only for an amount equivalent to a unit or multiple of a unit, the unit being the minimum amount which could be purchased. The Regulations facilitate the introduction of a series which may be structured to enable certificates to be purchased for other amounts in the range between any applicable minimum and maximum limits. Certificates of any such series are called in the Regulations “money value certificates”. In relation to such a series, the prohibition of holdings above the maximum specified in the relevant prospectus is modified to reflect this change (regulation 4), and where a certificate is purchased in contravention of such a limit only the amount of the excess will be liable to forfeiture (regulation 6). The partial repayment of money value certificates is also provided for (regulation 5).