
STATUTORY INSTRUMENTS

1997 No. 1329

SECURITIES

**The Stock Transfer (Gilt-Edged Securities)
(CGO Service) (Amendment) Regulations 1997**

Made - - - - 19th May 1997
Laid before Parliament 20th May 1997
Coming into force - - 1st September 1997

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

1. These Regulations may be cited as the Stock Transfer (Gilt-Edged Securities) (CGO Service) (Amendment) Regulations 1997 and shall come into force on 1st September 1997.
2. The Stock Transfer (Gilt-Edged Securities) (CGO Service) Regulations 1985(2) shall be amended in accordance with the following provisions of these Regulations.
3. Regulation 2 shall be amended—
 - (a) by inserting after the definition of “the CGO” the following—

““the CGO Rules” means any rules or procedures relating to the operation of the CGO Service which may from time to time be established or amended by the Bank in accordance with the contracts under which persons are entitled to use the CGO Service;”;
 - (b) by inserting after the words “the CGO Service” in the definition of “an exempt transfer” the words “, and includes a transfer effected in accordance with regulation 7 below”; and
 - (c) by inserting after the definition of securities the following—

““strip” means a security representing any amount, being one penny or any multiple thereof, payable under one or more strips, within the meaning of section 47 of the Finance Act 1942(3), of any stock or bond, regardless whether that amount corresponds to the total amount payable under any security issued for the purpose of effecting any particular exchange of any stock or bond for strips.”.
4. After regulation 6 there shall be inserted the following new regulation—

(1) 1982 c. 41.
(2) S.I.1985/1144, amended by S.I. 1987/1293.
(3) 1942 c. 21; the definition of “strip” in section 47(1B) and (1C) was inserted by the Finance Act 1996 (c. 8), section 202(2).

“Protection of Bank in relation to certain transfers of strips

7.—(1) This regulation applies where the CGO Rules make relevant provision for cases in which any person’s membership of the CGO Service is suspended or terminated, whether by reason of death, incapacity, bankruptcy, sequestration of his estate, winding-up, dissolution or any other cause, and any such person is referred to in this regulation as “the relevant person”.

(2) In this Regulation, “relevant provision” means provision for transfers of strips registered in the name of the relevant person to be effected through the medium of the CGO Service by the Bank acting on the instructions of any person whose instructions the Bank would be entitled to accept as sufficient authority to effect a transfer by instrument in writing of—

- (a) those strips, or
- (b) where, by virtue of regulations made under section 47(1) of the Finance Act 1942, strips are not transferable by instrument in writing, any stock held by the relevant person which would be so transferable in accordance with those regulations.

(3) The Bank may effect any transfer in accordance with any relevant provision notwithstanding that the suspension or termination of the relevant person’s membership of the CGO Service, or any event occasioning the same, has terminated any contractual authority to the Bank arising from or in connection with that membership, and, as regards the liability of the Bank to any person, any such transfer shall be treated as if such authority had not terminated, but without prejudice to any right which any person may have against any other person, not being the Bank.”.

*Bob Ainsworth
Jon Owen Jones*

Two of the Lords Commissioners of Her Majesty’s Treasury

19th May 1997

EXPLANATORY NOTE

(This Note is not part of the Regulations)

These Regulations amend the Stock Transfer (Gilt-Edged Securities) (CGO Service) (Regulations) 1985 to make provision in connection with strips of Government stock or bonds. The amendments enable the Bank of England to effect a transfer of strips through the CGO Service notwithstanding that the registered holder's membership of that Service has been suspended or terminated. In such circumstances, the amendments enable the Bank to effect such a transfer on the instructions of any person whose instructions the Bank would be entitled to accept as sufficient authority to effect a transfer by instrument in writing of the strips (or, if strips are not transferable by instrument in writing, any stock held by the relevant person which would be so transferable).