
STATUTORY INSTRUMENTS

1997 No. 1709

NATIONAL DEBT

The Government Stock (Amendment) Regulations 1997

Made - - - - - *15th July 1997*

Coming into force - - - - - *1st September 1997*

Whereas a draft of these Regulations has been laid before Parliament in accordance with section 6(1) of the Statutory Instruments Act 1946(1) (which by virtue of section 6(2) of that Act replaces section 47(3) of the Finance Act 1942(2)) and a period of forty days beginning with the date of laying has expired and neither House has resolved that the Regulations be not made:

Now, therefore, the Treasury, in exercise of the powers conferred on them by section 47(1) of the Finance Act 1942, and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1. These Regulations may be cited as the Government Stock (Amendment) Regulations 1997 and shall come into force on 1st September 1997.

2. The Government Stock Regulations 1965(3) shall be amended in accordance with the following provisions of these Regulations.

Amendments relating to strips

3. Regulation 1 shall be amended—

(a) by inserting after paragraph (1) the following—

“(1A) There shall be kept in the office of the Chief Registrar of the Bank of England, in respect of each description of strips, registers wherein shall be entered the name and address of each person who is for the time being a holder of a strip of that description and the amount payable thereunder.

(1) 1946 c. 36.
(2) 1942 c. 21; section 47 was amended by the National Debt Act 1958 (7 & 8 Eliz. 2 c. 6), the Schedule, by the Finance Act 1964 (c. 49), section 24 and Schedules 8 and 9, paragraphs 1 and 2, by the Post Office Act 1969 (c. 48), section 108(1)(d), by the Finance Act 1989 (c. 26), section 183(1), and by the Finance Act 1996 (c. 8), section 202(1) and (2), and extended by the Bank of England Act 1946 (c. 27), section 1(5) and Schedule 1, paragraph 6, by the Coal Industry Nationalisation Act 1946 (c. 59), section 33(6), by the National Loans Act 1968 (c. 13), section 16(3) and (4A) (which was inserted by the Finance Act 1996, section 202(4)), by the Iron and Steel Act 1975 (c. 64), section 38(1) and Schedule 6, paragraph 14(3)(b), and by the Stock Transfer Act 1982 (c. 41), section 3 and Schedule 2, paragraph 2.
(3) S.I.1965/1420, amended by the Iron and Steel Act 1975 (c. 64), section 38(1) and Schedule 6, Part II, paragraph 14(3), by the Family Law Reform Act 1969 (c. 46), section 1(3) and Schedule 1, Part II, by the Age of Majority (Scotland) Act 1969 (c. 39), section 1(3) and Schedule I, Part II, by the Decimal Currency Act 1969 (c. 19), section 10(1), and by S.I. 1981/1004, 1982/670, 1985/1146, 1990/2253.

(1B) Where the terms subject to which the relevant strips are held provide for the members of any class of strips described therein (or in accordance therewith) to be indistinguishable one from another, or to become so indistinguishable on the happening of some contingency, each such class the members of which are for the time being required to be so indistinguishable in accordance with those terms shall be treated as a separate description of strips for the purposes of paragraph (1A) of this Regulation and, accordingly—

- (a) separate registers shall not be kept in respect of different categories of strips comprised within any such description, whether by reference to the description of the parent stock or any other circumstance; and
 - (b) where, in accordance with those terms, strips of any description are required to become indistinguishable from strips of any other description, the registers for those descriptions shall be amalgamated and a single register kept thenceforth in respect of the new description.”;
 - (b) in paragraph (2), by substituting for the words “such register” the words “register kept under paragraph (1) or (1A) of this Regulation”; and
 - (c) in paragraph (4), by inserting “or (1A)” after “(1)”.
4. After regulation 4(3)(4), there shall be inserted the following—

“(4) A strip shall be transferable through, and only through, the medium of the CGO Service.”.

5. After regulation 18, there shall be inserted the following new regulation—

“Exchange of Securities (General) Rules 1979 disappplied in connection with strips

18A The Exchange of Securities (General) Rules 1979 shall not apply to—

- (a) the exchange of any stock for strips, or
 - (b) the exchange of any strips for stock.”.
6. Regulation 23(1) shall be amended—
- (a) in the definition of “English Register”, by inserting “or (1A)” after “1(1)”;
 - (b) by inserting after the definition of “Irish Register” the following—

““parent stock”, means the stock in exchange for which any strips were issued;”;
 - (c) in the definition of “stock”, by substituting for the words “Schedule 2 to these Regulations.” the words “Part I of Schedule 11 to the Finance Act 1942(5) (transfer and registration of Government stock), except that in Regulations 1(1), 4, 17 and 18A hereof “stock” does not include any strip;”; and
 - (d) by inserting after the definition of “stock” 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(6), of any stock, regardless whether that amount corresponds to

(4) Regulation 4(3) was inserted by S.I. 1985/1146.

(5) Part I of Schedule II was amended by the Finance Act 1963 (c. 25), Schedule IV, Part VII, by the National Loans Act 1968 (c. 13), section 16(3) and 14(A) (which was inserted by the Finance Act 1996 (c. 8), section 202(4)) and Schedule 6, Part II, by the Statute Law (Repeals) Act 1986 (c. 12), Schedule 1, Part III, and by the Finance Act 1989 (c. 26), Schedule 17, Part XI, and extended for this purpose by the Bank of England Act 1946 (c. 27), section 1(5) and Schedule 1, paragraph 6, and by the Coal Industry Nationalisation Act 1946 (c. 59), section 33(6).

(6) 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).

the total amount payable under any security issued for the purpose of effecting any particular exchange of stock for strips.”.

7. Schedule 2 shall be omitted.

Amendments relating to Scots law

8. For regulation 14 and the heading thereto, there shall be substituted the following—

“Stock held by persons under the age of 16 years domiciled in Scotland

14.—(1) Where any stock is transferred by a person under the age of sixteen years domiciled in Scotland, the requirements of regulation 4 hereof shall be deemed to have been complied with if the transfer is subscribed on his behalf by his legal representative.

(2) The Bank may give effect to a written dividend mandate relating to any stock in the name of a person under the age of sixteen years domiciled in Scotland (whether alone or jointly with another) or written directions as to the payment or reinvestment of money attributable to any such stock or any part thereof which becomes payable by reason of the redemption (whether wholly or in part) of that stock, if the instrument is subscribed as aforesaid.

(3) In a case where a person under the age of sixteen years has two or more legal representatives and any decree or deed conferring or regulating the right to act as that person’s legal representative provides that the right shall not be exercised without the consent of the other or, as the case may be, others also having that right, the preceding provisions of this regulation shall have effect as if for any reference therein to a legal representative there were substituted a reference to a quorum of his legal representatives, being a quorum entitled to act by virtue of that decree or deed.

(4) The Bank may decline to give effect to an instrument purporting to be subscribed in accordance with this regulation unless there is furnished to them a statutory declaration in such form as they may require that the person by whom the stock in question is transferred, or in whose name it is entered, as the case may be, is a person under the age of sixteen years and is domiciled in Scotland, and that any person subscribing the instrument for that person as his legal representative is his legal representative and, where there is one such signatory, that he is entitled to subscribe the instrument without the consent of any other legal representative, or, where there are two or more such signatories, that they form a quorum by virtue of a decree or deed conferring or regulating their rights to act as the legal representatives of that person.

(5) In this regulation the expression “legal representative” means a person entitled to act as a child’s legal representative within the meaning of Part I of the Children (Scotland) Act 1995(7).”

9. Regulation 16 shall be amended—

- (a) in paragraph 1—

(i) by substituting for the word “executed” the word “subscribed”; and

(ii) by substituting for the words “section 18 of the Conveyancing (Scotland) Act 1924” the words “section 9 of the Requirements of Writing (Scotland) Act 1995(8)”; and

- (b) in paragraph 2, by substituting for the words “executed in accordance with the said section 18” the words “subscribed in accordance with the said section 9”; and

(7) 1995 c. 36.

(8) 1995 c. 7.

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

- (c) in paragraph 3, by substituting for the word “executed”, in both places where it occurs, the word “subscribed”.

Graham Allen

Jim Dowd

Two of the Lords Commissioners of Her
Majesty’s Treasury

15th July 1997.

EXPLANATORY NOTE

(This Note is not part of the the Regulations)

These Regulations amend the Government Stock Regulations 1965. The amendments made by regulations 3–7 relate to strips of Government stock or bonds and make provision—

- for the keeping of registers of strips (regulations 3 and 6(a));
- for strips to be transferable only through the CGO Service (regulation 4);
- for the Exchange of Securities (General) Rules 1979 not to apply to the exchange of stock for strips or the exchange of strips for stock (regulations 5 and 6(b)); and
- extending the definition of stock to include strips for the purposes of the 1965 Regulations (except in certain cases), and defining “strip” for the purpose of those Regulations (regulations 6(c) and (d) and 7).

The other amendments take into account recent changes in Scots law. The amendments to regulation 14 of the 1965 Regulations reflect the reform of Scots law relating to legal capacity and age, whereby a person of sixteen years or more now has legal capacity to enter into any transaction. The amendments also take account of the fact that Scots law no longer makes a distinction between minors and pupils, in that a person under the age of sixteen years generally does not have legal capacity. Moreover, a person entitled to act as a child’s legal representative (within the meaning of Part I of the Children (Scotland) Act 1995) now has the powers and duties which a tutor previously had in relation to a pupil. These amendments to Scots law were made by the Age of Legal Capacity (Scotland) Act 1991 (c. 50) and the Children (Scotland) Act 1995.

The amendments made to regulation 16 of the 1965 Regulations reflect the changes made to Scots law by the Requirements of Writing (Scotland) Act 1995, regarding the subscription of writings where the grantor is blind or unable to write.