
STATUTORY INSTRUMENTS

1998 No. 1749

NATIONAL DEBT

The Government Stock (Amendment) Regulations 1998

Made - - - - 19th July 1998

Coming into force - - 20th July 1998

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 1998 and shall come into force on 20th July 1998.
2. The Government Stock Regulations 1965(3) shall be amended in accordance with the following provisions of these Regulations.

Sale and purchase of stock through the Bank of England

3. After regulation 3B, there shall be inserted the following—

““SALE AND PURCHASE OF STOCK
THROUGH THE BANK OF ENGLAND”

Purchase of stock through the Bank of England

3C.—(1) Stock in the English Register may be purchased through the Bank of England in accordance with the provisions of this regulation.

(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), by the Finance Act 1996 (c. 8), section 202(1) and (2), and by the Bank of England Act 1998 (c. 11), section 34, 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; relevant amending instruments are S.I. 1981/1004, 1997/1709.

(2) Application to purchase stock under this regulation shall be made by delivering to the Bank an application in the approved form accompanied, except where the Bank otherwise directs, by a sum sufficient to include the purchase price of the stock and the proper amount payable under regulation 3E hereof by way of commission on the purchase.

(3) As soon as practicable after receiving such an application the Bank shall effect the purchase of the stock.

(4) If the sum received by the Bank in respect of an application to purchase stock under this regulation is insufficient to defray the aggregate of the purchase price of the stock and the commission payable under regulation 3E hereof, and the Bank nevertheless effects the purchase, the Bank shall send to the applicant a notification of the amount of the deficiency, and, if that amount is not received within seven days after the day on which the notification was sent, the Bank may effect the sale of the stock and may, before paying the proceeds of that sale to the applicant, deduct from those proceeds—

- (a) the amount of the deficiency, and
- (b) the amount payable under regulation 3E hereof by way of commission on the sale.

(5) If the sum received by the Bank in respect of an application to purchase stock under this regulation exceeds the sum required to defray the amount of the purchase price of the stock and the commission payable under regulation 3E hereof in respect of the purchase, the Bank shall return to the applicant the amount of the excess.

(6) The Bank may return any such excess by means of a warrant sent by post and, in the absence of special instructions, any such warrant may be sent to any address given in the application to purchase the stock.

Sale of stock through the Bank of England

3D.—(1) Stock in the English Register may be sold through the Bank of England in accordance with the provisions of this regulation.

(2) Application to sell stock under this Regulation shall be made by sending to the Bank an application in the approved form accompanied, except where the Bank otherwise directs, by any certificate relating to the stock.

(3) Subject to paragraph (4) of this Regulation, as soon as practicable after receiving such an application, the Bank shall effect the sale of the stock.

(4) The Bank may decline to effect a sale under this Regulation unless there is furnished to them such evidence as they may require of the right of the applicant to authorise the sale.

(5) On completion of the sale of any stock under this Regulation, the Bank shall, before paying the proceeds of the sale to the person entitled to it, deduct the amount payable under regulation 3E hereof by way of commission on the sale.

(6) The Bank may pay the net proceeds of the sale by means of a warrant sent by post and, in the absence of special instructions, any such warrant may be sent to any address given in the application to sell the stock or to the address specified in the Register in relation to the person who, immediately before the sale was effected, was registered as the holder of the stock.

Commission chargeable on purchase or sale of stock through the Bank of England

3E Commission shall be payable to the Bank on the purchase or sale of stock through the Bank under regulation 3C or 3D hereof at the rates specified in Schedule 3 to these Regulations.”.

4. Regulation 23 shall be amended—

- (a) by substituting for the definition of “the Bank”, the following—
- ““approved” means approved by the Bank of England;
 - “the Bank”—
- (a) in regulations 3C to 3E hereof, means the Bank of England,
 - (b) in relation to the approval of a form of request to remove stock from the English Register to the Irish Register or from the Irish Register to the English Register, means the Bank of England and the Bank of Ireland, and
 - (c) in any other case, means the Bank of England or the Bank of Ireland;”;
- (b) in the definition of “stock”, by inserting “3C to 3E,” after “1(1)(4)”.

5. After Schedule 2 to the Regulations there shall be inserted the Schedule set out in the Schedule to these Regulations.

Period after which Banks of England and Ireland may destroy instruments of transfer retained by them

6. In regulation 4(2)(5) (which provides that any instrument of transfer which the Bank of England or the Bank of Ireland retain under paragraph (1) of that regulation may be destroyed at any time following the expiration of thirty years after the date of registration of the transfer), for the words “thirty years” there shall be substituted the words “twelve years”.

19th July 1998

Jim Dowd
Graham Allen
Two of the Lords Commissioners of Her
Majesty’s Treasury

(4) “1(1)” was inserted by S.I. [1997/1709](#).
(5) Regulation 4(2) was inserted by S.I. [1981/1004](#).

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SCHEDULE

Regulation 5

“SCHEDULE 3

Regulation 3E

AMOUNT OF COMMISSION ON PURCHASE AND SALE OF STOCK

PURCHASES

<i>Amount of Consideration</i>	<i>Rate of Commission</i>
Where the consideration for the transaction—	
a) does not exceed £5,000	£12.50 or 0.7% of the consideration, whichever is greater
b) exceeds £5,000	£35 and 0.375% of the amount by which the consideration exceeds £5,000.

SALES

<i>Amount of Proceeds</i>	<i>Rate of Commission</i>
Where the proceeds of the transaction—	
a) do not exceed £5,000	0.7% of the proceeds
b) exceed £5,000	£35 and 0.375% of the amount by which the proceeds exceed £5,000.”

EXPLANATORY NOTE

(This Note is not part of the Regulations)

These Regulations further amend the Government Stock Regulations 1965.

The amendments made by regulations 3 and 4 enable stock in the English Register to be purchased and sold through the Bank of England and set out the conditions subject to which this service will be provided. Commission will be payable in accordance with the table set out in the Schedule (which is identical to the table of Commission applicable, immediately before the commencement of these Regulations, to sales and purchases of stock in the National Savings Stock Register through the Director of Savings, by virtue of regulation 12 of, and Schedule 1 to, the National Savings Stock Register Regulations 1976, S.I.1976/2012 as amended by S.I. 1996/156). Application for sale or purchase must be made in a form approved by the Bank accompanied (except where the Bank otherwise directs), in the case of a purchase by a sum sufficient to cover the purchase price and commission, and in the case of a sale by any stock certificate. Where a purchase is made where the sum received by the Bank is insufficient to defray the aggregate of the purchase price and the commission due the Bank may, if the amount of the deficiency is not paid within 7 days of the sending of a deficiency notice to the applicant, sell the stock to recoup the deficiency. Strips of stock may not be purchased or sold through this service.

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The amendment made by regulation 6 reduces from 30 years to 12 years the period after which the Bank of England or the Bank of Ireland may destroy an instrument of transfer which it had retained after registering the transfer.