
STATUTORY INSTRUMENTS

1998 No. 2505

NATIONAL DEBT

The Exchange of Securities (General) (Amendment) Rules 1998

Made - - - - *8th October 1998*
Coming into force - - *21st October 1998*

The Treasury, in exercise of the powers conferred on them by section 14(3) of the National Loans Act 1968(1), and of all other powers enabling them in that behalf, hereby make the following Rules:—

Title and commencement

1. These Rules may be cited as the Exchange of Securities (General) (Amendment) Rules 1998 and shall come into force on 21st October 1998.

Amendment of principal Rules

2. The Exchange of Securities (General) Rules 1979(2) shall be amended in accordance with the following provisions of these Rules.

Notices and forms etc to be issued by the Treasury or an agent of the Treasury

3.—(1) In rule 3—

- (a) in the definitions of “acceptance”, “new securities” and “old securities”, for the words “the Bank or the Director of Savings” there shall, wherever they occur, be substituted the words “the Treasury or an agent of the Treasury”; and
- (b) the definition of “appropriate authority” shall be omitted.

(2) In rule 6(1)(a), for the words “the appropriate authority” there shall be substituted the words “the Treasury or an agent of the Treasury”.

Lodgment of acceptance forms with the Treasury

4. In rule 5—

(1) 1968 c. 13; section 14 is prospectively amended for certain purposes by the National Loans Act 1968 (c. 13), Schedule 5A, paragraph 5 (Schedule 5A is inserted by the Finance Act 1998 (c. 36), Schedule 26, paragraph 1(3) which is not yet in force, no order having been made under paragraph 3 of the said Schedule 26).

(2) S.I. 1979/1678, amended by S.I. 1985/1147.

- (a) for “**5** Acceptances” there shall be substituted “**5—(1)** Subject to paragraph (2) of this Rule, acceptances”; and
- (b) at the end there shall be inserted the following new paragraph—
 - “(2) An acceptance form may be lodged with the Treasury for onward transmission to the person to whom the acceptance is required to be lodged by paragraph (1) of this Rule, and where the terms of issue of the old security or, as the case may be, the notice offering exchange or inviting applications for exchange require an acceptance to be lodged by any particular time it shall be sufficient if the acceptance is lodged with the Treasury by that time.”.

Electronic acceptance by CGO Service members

- 5. In rule 6—
 - (a) for the word “An” at the beginning of paragraph (1) there shall be substituted the words “Subject to paragraph (4) of this Rule, an”;
 - (b) in paragraph (1)(c), the words from “except where” to “exempt transfer,” shall be omitted; and
 - (c) after paragraph (1), there shall be inserted the following new paragraph—
 - “(1A) Where the acceptance relates to a holding entered in the registers of the Bank of England in the name of a CGO Service member and which at the time of such acceptance is transferable by means of an exempt transfer—
 - (a) paragraph 1(c) of this Rule shall not apply, and
 - (b) the acceptance may be made by such means of electronic communication, and subject to such conditions, as the Treasury may approve for that purpose.”.

Revocation of provisions relating to the National Debt Commissioners

- 6.—(1) In rule 3, the definition of “the Commissioners” shall be omitted.
- (2) Rule 4 shall be omitted.

8th October 1998

Bob Ainsworth
Jim Dowd
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Rules)

These Rules further amend the Exchange of Securities (General) Rules 1979. The amendments—

- (a) enable an offer of exchange (or notice inviting applications for exchange), to be made by the Treasury or an agent of the Treasury (the Rules previously contemplated that this would be done only by the Bank of England, the Bank of Ireland or the Director of Savings), and provide for acceptance forms to be supplied by such a person (the Rules previously provided for this to be done by the person with whom the acceptance was required to be lodged);
- (b) enable an acceptance form to be lodged with the Treasury for onward transmission to the person with whom it would otherwise have to be lodged;
- (c) enable an acceptance by a CGO Service member in respect of a holding transferable by exempt transfer to be made by electronic means approved by the Treasury; and
- (d) remove some provisions relating to the role of the National Debt Commissioners in relation to the National Savings Stock Register in consequence of the Commissioners having lost their functions with respect to that Register by virtue of the National Savings Stock Register (Closure of Register to Gilts) Order 1998 (S.I.1998/1446; see Schedule 2, Part II, the revocation of regulation 3 of S.I. 1976/2012).