
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Government Stock Regulations 1965 to enable stock which has been transferable through the medium of the CGO Service (referred to below) by means of an exempt transfer (referred to below) to be transferred instead in accordance with the Uncertificated Securities Regulations 1995 by means of a relevant system (within the meaning of the 1995 Regulations) operated by a person, currently only CRESTCo Limited, who has been approved under the 1995 Regulations. Under the 1995 Regulations title to stock may be evidenced otherwise than by a certificate and transferred without a written instrument.

Regulation 2(4) increases the fee payable for defaced lost or destroyed certificates.

Regulation 2(6) inserts new Regulation 4A into the Principal Regulations. This provides that no stock or strip may be transferred through the CGO Service if it is permitted to be transferred in accordance with the 1995 Regulations.

Regulations 2(8) and 2(9) insert new paragraphs into respectively Regulation 6 and Regulation 12 of the Principal Regulations. This is to make the Principal Regulations consistent with the 1995 Regulations in relation to stock held in uncertificated form.

The CGO Service referred to above is a computer-based system established by the Bank of England and the London Stock Exchange under the Stock Transfer Act 1982 (c. 41) to facilitate the transfer of specified securities within the meaning of that Act which includes gilt edged securities. An exempt transfer referred to in that Act is a transfer made through the medium of the CGO Service.