



Stock Transfer Act 1982

CHAPTER 41

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ELIZABETH II



Stock Transfer Act 1982

1982 CHAPTER 41

An Act to amend the law relating to the transfer, registration and redemption of securities, and for purposes connected therewith. [30th July, 1982]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) In the exercise of the appropriate power (as defined in subsection (3) below) provision may be made permitting a transfer in certain cases of specified securities to which the power extends through the medium of a computer-based system to be established by the Bank of England and The Stock Exchange. Transfer of certain securities through a computerised system.

(2) A transfer which (pursuant to any provision made under the appropriate power) is effected as mentioned in subsection (1) above is in this Act referred to as an “exempt transfer” and, notwithstanding anything in any enactment or in any prospectus or other document relating to the terms of issue, holding or transfer of specified securities, an exempt transfer shall be effective without the need for an instrument in writing.

(3) In this section “the appropriate power” means the power to make regulations or orders under—

- 1942 c. 21. (a) section 47 of the Finance Act 1942 (Government stock) or section 11(1)(c) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950 (Northern Ireland Exchequer stock); or
- 1950 c. 3 (N.I.)
- 1972 c. 70. (b) paragraph 4 of Schedule 13 to the Local Government Act 1972, paragraph 5 of Schedule 3 to the Local Government (Scotland) Act 1975 or section 70 of the Local Government Act (Northern Ireland) 1972 (local authority stocks); or
- 1975 c. 30.
- 1972 c. 9 (N.I.)
- 1975 c. 48. (c) section 16(3) of the Electricity Act 1957 or Article 20 of the Electricity Supply (Northern Ireland) Order 1972 (electricity stock); or
- S.I. 1972/1072 (N.I.)
- 1972 c. 60. (d) section 21(2) of the Gas Act 1972 (British Gas Stock); or
- (e) subsection (4) below.

(4) Subject to subsection (5) below, with respect to any specified securities to which none of the provisions referred to in paragraphs (a) to (d) of subsection (3) above applies, the Treasury may by regulations under this subsection make the provision referred to in subsection (1) above; and any such regulations shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(5) No provision shall be made, in the exercise of the appropriate power, for the application of the procedure of an exempt transfer to any securities or securities of any class except with the agreement of the person issuing the securities or, as the case may be, securities of that class or, if the liability for those securities or securities of that class has vested in another person, of that other person.

Specified securities.

2.—(1) In this Act “specified securities” means, subject to subsection (2) below, securities for the time being specified in the list in Schedule 1 to this Act.

(2) Notwithstanding that a security may at any time be specified as mentioned in subsection (1) above, it is not at that time a specified security for the purposes of this Act if, on a transfer of it at that time effected by a written instrument, that instrument would be liable to stamp duty.

(3) The Treasury may from time to time, after consultation with the Bank of England, by order—

- (a) add a security or class of securities to the list in Schedule 1 to this Act; or

(b) remove a security or class of securities from that list (whether the security or class of securities was included in the list as originally enacted or was added by virtue of this subsection).

(4) The power to make an order under subsection (3) above shall be exercisable by statutory instrument which shall be laid before Parliament after being made.

3.—(1) The Treasury may by regulations made by statutory instrument make provision in connection with the operation of the system referred to in section 1(1) above. Regulations and amendments relating to the computerised system and exempt transfers.

(2) Without prejudice to the generality of subsection (1) above, but subject to any express provision made by or by virtue of any amendment contained in Schedule 2 to this Act, regulations under subsection (1) above may provide—

(a) that, for the purposes of any provision made by or under any enactment or contained in any prospectus or other document and requiring or relating to the lodging or deposit of any instrument of transfer, notification of an exempt transfer in the manner required by the regulations is to be regarded as lodging or depositing an instrument of the transfer concerned ; and

(b) that, in such circumstances as may be specified in the regulations, certificates or other documents of or evidencing title to specified securities are or are not to be issued to persons who (by virtue of their participation in the system referred to in section 1(1) above) are or have been able to transfer such securities by exempt transfers.

(3) The amendments specified in Schedule 2 to this Act shall have effect in consequence of the preceding provisions of this Act.

(4) The Secretary of State may by order made by statutory instrument repeal or amend any provision of—

(a) any local Act passed before or in the same session as this Act (including an Act confirming a provisional order), or

(b) any order or other instrument made under an Act so passed,

if it appears to him that the provision has become unnecessary or requires alteration in consequence of any of the preceding provisions of this Act.

(5) A statutory instrument made in the exercise of the power conferred by subsection (1) or subsection (4) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Redemption of
Government
stock.
1921 c. 32.

4.—(1) Schedule 3 to the Finance Act 1921 (provisions for carrying out redemption of Government stock) shall be amended in accordance with subsections (2) and (3) below.

(2) At the end of paragraph 1 (redemption moneys payable in cash at the Bank of England etc. or, on request, by cheque or warrant sent by post) there shall be added the following paragraph—

“ Nothing in the preceding provisions of this paragraph prevents the Bank, a trustee savings bank or the Director of Savings, as the case may require, making special arrangements with any other person for the payment of any such principal moneys which are receivable by that person, whether on his own behalf or by virtue of any such request as is referred to above or otherwise.”

(3) In paragraph 2 (Treasury regulations) after the word “ regulations ” there shall be inserted—

“ (a) enabling the Bank to require the production and delivery up to the Bank of documentary evidence of, or an indemnity relating to, the title of the stockholder before making a payment of any principal moneys payable on the redemption of any Government stock ; and

(b) ”.

Custody and
destruction of
documents
relating to
local authority
stocks and
bonds.
1972 c. 70.

5.—(1) In paragraph 4 of Schedule 13 to the Local Government Act 1972 (power of Secretary of State to make regulations relating to mortgages, stocks or bonds created or issued for the purpose of local authority borrowing) in sub-paragraph (1) the following paragraph shall be inserted after paragraph (d)—

“ (e) make provision for the custody and, where appropriate, eventual destruction of documents relating to any such stocks or bonds.”

1975 c. 30.

(2) After paragraph 5(1)(d) of Schedule 3 to the Local Government (Scotland) Act 1975 (the equivalent power as regards Scotland) there shall be inserted—

“ (dd) make provision for the custody and, where appropriate, eventual destruction of documents relating to any such stocks or bonds ”.

Short title,
commence-
ment and
extent.

6.—(1) This Act may be cited as the Stock Transfer Act 1982.

(2) Sections 4 to 6 of this Act shall come into force at the expiry of the period of three months beginning on the day on which this Act is passed and the remaining provisions of this Act shall come into force on such later day as may be specified by the Treasury by order made by statutory instrument.

1947 c. 14.

(3) This Act extends to Northern Ireland and, in so far as it amends the Exchange Control Act 1947, to the Channel Islands.

SCHEDULES

SCHEDULE 1

Section 2.

SPECIFIED SECURITIES

1.—(1) Securities issued by Her Majesty's Government in the United Kingdom or the Government of Northern Ireland, not being excluded securities.

(2) In sub-paragraph (1) above "excluded securities" means—

- (a) securities in respect of which a stock certificate issued under Part V of the National Debt Act 1870 is for the time being outstanding; 1870 c. 71.
- (b) any other bearer securities; and
- (c) any securities for the time being registered on the National Savings Stock Register.

2. Securities the payment of interest on which is guaranteed by Her Majesty's Government in the United Kingdom or the Government of Northern Ireland.

3. Securities issued in the United Kingdom by any public authority or nationalised industry or undertaking in the United Kingdom.

4.—(1) Securities issued in the United Kingdom by the government of any overseas territory, being securities registered in the United Kingdom.

(2) The reference in sub-paragraph (1) above to the government of an overseas territory shall be construed as if it occurred in Part III of the Overseas Development and Co-operation Act 1980. 1980 c. 63.

5. Securities issued in the United Kingdom by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the European Investment Bank or the European Coal and Steel Community being, in each case, securities registered in the United Kingdom.

6.—(1) Debentures issued by the Agricultural Mortgage Corporation PLC, the Commonwealth Development Finance Company Limited, Finance for Industry Public Limited Company or the Scottish Agricultural Securities Corporation Limited.

(2) In sub-paragraph (1) above "debentures" includes debenture stock and bonds, whether constituting a charge on assets or not, and loan stock or notes.

7.—(1) Securities issued by—

- (a) any local authority in the United Kingdom;
- (b) any authority all or the majority of the members of which are appointed or elected by one or more local authorities in the United Kingdom; or

(c) the Receiver for the Metropolitan Police District.

(2) In sub-paragraph (1) above "local authority" means—

(a) any of the following authorities in England and Wales, namely, a county council, the Greater London Council, a district council, a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly ;

(b) any of the following authorities in Scotland, namely, a regional council, an islands council or a district council ; or

(c) a council, within the meaning of the Local Government Act (Northern Ireland) 1972 ;

1972 c. 9
(N.I.).

and any reference to a security issued by a local authority includes a reference to a security the liability for which is for the time being vested in a local authority (being a security issued by an authority which has ceased to exist).

Section 3.

SCHEDULE 2

CONSEQUENTIAL AMENDMENTS

1891 c. 43.

Forged Transfers Act 1891

1.—(1) In subsection (1) of section 1 of the Forged Transfers Act 1891 (power for companies and local authorities to make compensation for losses arising from forged transfers)—

(a) after the words "transferable by an instrument in writing" there shall be inserted the words "or by an exempt transfer, within the meaning of the Stock Transfer Act 1982" ; and

(b) for the words "forged transfer" there shall be substituted the words "forged instrument" ; and

(c) for the words "transfer or power" there shall be substituted the words "instrument or power".

(2) At the end of that subsection there shall be added the following subsection:—

"(1A) In subsection (1) above "instrument" has the same meaning as in Part I of the Forgery and Counterfeiting Act 1981."

1942 c. 21.

Finance Act 1942

2. In subsection (1) of section 47 of the Finance Act 1942 (Treasury regulations governing the transfer and registration of Government stock)—

(a) in paragraph (a), after the words "by instrument in writing" there shall be inserted the words "or otherwise" ; and

(b) in paragraph (c), after the word "issue" there shall be inserted the words "except in such cases as appear to the Treasury to be appropriate".

Exchange Control Act 1947

1947 c. 14.

3. In section 20(2) of the Exchange Control Act 1947 (time and place of transfers) for the words following "if" there shall be substituted the following:—

"(a) he executes any instrument of transfer thereof, whether effective or not, or

(b) he does any act which, by virtue of regulations under section 3 of the Stock Transfer Act 1982, falls to be treated for the purposes of this Part of this Act as the equivalent, in relation to an exempt transfer (within the meaning of that Act), of the execution of an instrument of transfer,

and shall be deemed to transfer the security at the place where he executes that instrument or, as the case may be, does that act".

Companies Act 1948

1948 c. 38.

4. In section 75 of the Companies Act 1948 (companies not to register transfers unless instrument of transfer is delivered) after the words "delivered to the company" there shall be inserted the words "or the transfer is an exempt transfer within the meaning of the Stock Transfer Act 1982".

5.—(1) In subsection (1) of section 80 of that Act (issue of share certificates etc.) in the definition of "transfer" after the words "otherwise valid" there shall be inserted the words "or an exempt transfer within the meaning of the Stock Transfer Act 1982".

(2) After that subsection there shall be inserted the following subsection:—

"(1A) Subsection (1) above does not apply in the case of a transfer to any person where, by virtue of regulations under section 3 of the Stock Transfer Act 1982, he is not entitled to a certificate or other document of or evidencing title in respect of the securities transferred; but if in such a case the transferee—

(a) subsequently becomes entitled to such a certificate or other document by virtue of any provision of those regulations, and

(b) gives notice in writing of that fact to the company,

this section shall have effect as if the reference in subsection (1) above to the date of the lodging of the transfer were a reference to the date of that notice."

Colonial Stock Act 1948

1948 c. 1.
(12, 13 & 14
Geo. 6).

6.—(1) In subsection (1) of section 1 of the Colonial Stock Act 1948 (stock may be made transferable in writing) for the words "and in no other manner" there shall be substituted the words "or by an exempt transfer, within the meaning of the Stock Transfer Act 1982, but in no other manner".

(2) In subsection (2) of that section, after the words "passing of this Act", in each place where they occur, there shall be inserted the words "or the Stock Transfer Act 1982".

*Companies Act (Northern Ireland) 1960*1960 c. 22
(N.I.).

7. In section 75(1) of the Companies Act (Northern Ireland) 1960 (companies not to register transfers unless instrument of transfer is delivered) after the words "delivered to the company" there shall be inserted the words "or the transfer is an exempt transfer within the meaning of the Stock Transfer Act 1982".

8.—(1) In subsection (1) of section 80 of that Act (issue of share certificates etc.) in the definition of "transfer" after the words "otherwise valid" there shall be inserted the words "or an exempt transfer within the meaning of the Stock Transfer Act 1982".

(2) After that subsection there shall be inserted the following subsection:—

"(1A) Subsection (1) above does not apply in the case of a transfer to any person where, by virtue of regulations under section 3 of the Stock Transfer Act 1982, he is not entitled to a certificate or other document of or evidencing title in respect of the securities transferred; but if in such a case the transferee—

(a) subsequently becomes entitled to such a certificate or other document by virtue of any provision of those regulations, and

(b) gives notice in writing of that fact to the company, this section shall have effect as if the reference in subsection (1) above to the date of the lodging of the transfer were a reference to the date of that notice."

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