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STATUTORY INSTRUMENTS

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1985 No. 565

## BORROWING CONTROL

## The Control of Borrowing (Amendment) Order 1985

<i>Made</i>	- - - - -	<i>2nd April 1985</i>
<i>Laid before Parliament</i>		<i>3rd April 1985</i>
<i>Coming into Operation</i>		<i>24th April 1985</i>

The Treasury, in exercise of the powers conferred upon them by sections 1 and 3(4) of the Borrowing (Control and Guarantees) Act 1946<sup>(a)</sup> and of all other powers enabling them in that behalf, hereby make the following Order:—

1. This Order may be cited as the Control of Borrowing (Amendment) Order 1985 and shall come into operation on 24th April 1985.

2. Article 8A of the Control of Borrowing Order 1958<sup>(b)</sup> shall be amended by—

- (a) the addition, in sub-paragraph (b) of paragraph (2) thereof, between the words “any sterling securities” and the word “where” of the words “(other than securities of the kind described in sub-paragraph (c) of this paragraph)”;
- (b) the addition, after sub-paragraph (b) of paragraph (2) thereof, of the following sub-paragraph:
  - “(c) the issue of any sterling securities which are redeemable after not less than one year and not later than five years from the date of issue unless—
  - either
  - (i) the time at which the securities are to be issued has,
  - or
  - (ii) the period during which the securities are to be issued and the aggregate amount of the money to be raised by the issue during that period have,
  - before the making of the issue been approved by the Bank of England on behalf of the Treasury.”;
- (c) the substitution, in paragraph (3) thereof, for the words “on which capital moneys, dividends and interest are payable solely in sterling”, of the following words:

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<sup>(a)</sup> 1946 c. 58.

<sup>(b)</sup> S.I. 1958/1208; relevant amending instruments are S.I. 1970/708, 1972/1218, 1977/1602 and 1979/794.

“in relation to which the principal, dividends, interest or subscription moneys (or any of them) are payable in sterling, or in relation to which there is an option (by whichever party exercisable) for any such payments to be made in sterling.”.

*Ian B. Lang,  
A. G. Hamilton.*

Two of the Lords Commissioners  
of Her Majesty's Treasury.

2nd April 1985.

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#### EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This Order further amends the Control of Borrowing Order 1958 (“the 1958 Order”). Article 8A of the 1958 Order, as amended, confers a general exemption from the controls contained in Part I of that Order. Article 8A(2)(b) provides that the exemption does not apply to the issue of sterling securities where the amount of money to be raised is £3 million or more, unless either the issue is by or on behalf of an open-ended investment trust company which is resident in the scheduled territories but outside the United Kingdom or the timing of the issue has been approved by the Bank of England. The amending Order provides that, in addition, the exemption does not apply to the issue of sterling securities which have a maturity date of between one and five years, unless the timing of the issue, or the period during which such securities are to be issued and the aggregate amount of money to be raised during that period, have been approved by the Bank of England. The Order excludes such securities from the existing provision in Article 8A(2)(b) of the 1958 Order. There is also a revised definition of “sterling securities”, which now means securities in relation to which the principal, dividends, interest or subscription moneys (or any of them) are payable in sterling or in relation to which there is an option to make any such payments in sterling.

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