
STATUTORY INSTRUMENTS

1995 No. 3220

**The Sale and Repurchase of Securities
(Modification of Enactments) Regulations 1995**

Substituted securities— modification of enactments

5.—(1) In the cases specified in paragraph (2) below, the provisions specified in paragraph (3) below shall have effect with the modifications applicable to that provision which are specified in paragraphs (4) to (7) below.

(2) The cases specified are cases involving any arrangement for the sale and repurchase of securities where the arrangement—

- (a) falls within subsection (1) (b) of section 737E, and
- (b) involves securities (“substituted securities”) being substituted for other securities.

(3) The provisions specified are—

- (a) sections 727A, 730A, 737A and 737C, and
- (b) section 263A of the 1992 Act.

(4) Sections 727A and 737A shall each have effect as if any reference to securities included a reference to substituted securities.

(5) Section 730A shall have effect—

- (a) as if any reference to securities included, subject to sub-paragraph (b) below, a reference to substituted securities; and
- (b) in cases where section 737A applies in relation to the repurchase price of the securities, or would apply if it were in force in relation to the securities, as if—
 - (i) subsection (9) of that section did not apply, but references to the repurchase price of the securities were references to the repurchase price of the securities that were bought back by the original owner under an agreement falling within subsection (1) of section 730A, increased by the aggregate amount specified in paragraph (6) (c) below; and
 - (ii) the securities transferred by the original owner under the agreement were the securities bought back by him.

(6) Section 737C shall have effect as if—

- (a) any reference to securities included, subject to sub-paragraph (b) below, a reference to substituted securities;
- (b) references to the repurchase price of the securities were references to the repurchase price of the securities that were bought back by the transferor; and
- (c) the section provided that that repurchase price should be treated as increased, in accordance with subsection (3) (b), (9) or (11) (c) (as the case may be) of section 737C, by the aggregate of the gross amounts of manufactured payments treated by section 737A (5) as having been made in respect of securities transferred in pursuance of the original sale and substituted securities.

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(7) Section 263A of the 1992 Act shall have effect as if it provided that, in the circumstances specified in paragraph (8) below, any reference to securities included a reference to substituted securities.

(8) The circumstances specified are where, as part of the process of substitution, the securities substituted by the substituted securities are returned to the original owner.