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STATUTORY INSTRUMENTS

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**2012 No. 265**

**The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012**

**Bonds**

5.—(1) In regulation 7 (repayment of loan etc to a local authority)—

- (a) in paragraph (2), for “paragraph (3)” substitute “paragraphs (3) and (4)”; and
- (b) after paragraph (3), insert—

“(4) A sum paid to a local authority to redeem a bond on its maturity or for the purchase of a bond does not constitute repayment of a loan or other financial assistance.”.

(2) For regulation 7A (loan capital)(1), substitute—

**“Bonds**

7A.—(1) Subject to paragraph (2), for the purposes of Chapter 1 of Part 1, a sum received by a local authority in respect of—

- (a) the redemption on maturity of a bond, or
- (b) the disposal of a bond,

must be treated as a capital receipt.

(2) Paragraph (1) applies only if—

- (a) the acquisition of the bond was prior to 1st April 2012, and
- (b) expenditure on the acquisition was treated as capital expenditure.”.