
STATUTORY INSTRUMENTS

2015 No. 624

The National Savings (No. 2) Regulations 2015

PART 3

The National Savings Stock Register

CHAPTER 3

Dividends and payments

Payment of dividends

26.—(1) The balance for a dividend on stock may be struck on a date the Director of Savings may direct, not being more than 37 days before the date on which the dividend is payable.

(2) A person who, on the day on which the balance is struck, is registered as the holder of stock is entitled, as between the holder and any transferee, to the then current dividend on the stock.

(3) The Director of Savings may arrange for the payment of a dividend to a person authorised to receive payment, but, except where other arrangements have been made, payment must be sent by post to the holder at the holder's address on the register.

(4) The Director of Savings may defer payment of a dividend until authorised by the holder.

(5) A holder of stock may apply in the approved form to the Director of Savings for a dividend (as it becomes payable) to be paid to—

- (a) another person;
- (b) a banker or other agent; or
- (c) the credit of an account at a savings bank,

but where an application is received after the balance for the dividend has been struck, it shall take effect only in relation to the next dividend that becomes payable.

(6) On receiving proof of the death of a holder of stock the Director of Savings may pay dividends (as they become payable) to the executor or administrator whose name appears first in the probate or letters of administration.

(7) Paragraph (1) does not apply to stock where regulation 28 or 29 applies.

(8) Paragraph (5) does not apply to new stock.

Payment of interest in relation to Fixed Rate Savings Bonds

27.—(1) A relevant election in force in relation to a Fixed Rate Savings Bond at the end of the term that was current on 19th September 2012, shall, in relation to any subsequent terms, be irrevocable.

(2) Where a relevant election to receive dividends in relation to a Fixed Rate Savings Bond is irrevocable, the dividends must be paid monthly, in accordance with the procedure for payment of monthly dividends set out in the terms and conditions applying to the Fixed Rate Savings Bond.

(3) Where a relevant election to have interest added to the capital value of a Fixed Rate Savings Bond is irrevocable, the interest must be added to the capital value annually, in accordance with the procedure for annual additions of interest set out in the terms and conditions applying to the Fixed Rate Savings Bond.

(4) In this regulation—

“Fixed Rate Savings Bond” means stock issued under the name of a Fixed Rate Savings Bond; and

“relevant election” means an election, made in accordance with the terms and conditions of a Fixed Rate Savings Bond, either—

- (a) to receive dividends; or
- (b) to have interest accruing on that Fixed Rate Savings Bond added to its capital value.

Accrual of interest

28.—(1) This regulation applies to—

- (a) fixed interest stock issued after 19th September 2012; and
- (b) other fixed interest stock from and including the anniversary of its date of issue that falls after 19th September 2012 and before 20th September 2013.

(2) The amount of interest accruing on a particular day in relation to stock to which this regulation applies must be calculated using the following formula—

$$A = (V \times I\%)/365$$

where—

A is the amount of interest accruing in relation to the stock on the particular day;

V is the capital value of the stock on that day; and

I% is the annual rate of interest fixed for the current term of the stock.

Accrual of interest on variable interest stock

29.—(1) This regulation applies to variable interest stock.

(2) The amount of any interest accruing on a particular day in relation to stock to which this regulation applies must be calculated using the following formula—

$$A = (V \times I\%)/365$$

where—

A is the amount of interest accruing in relation to the stock on the particular day;

V is the capital value of the stock on that day; and

I% is the annual rate of interest applying to the stock on that day.

Making payments

30.—(1) Each payment in relation to stock must be made by warrant except to the extent that—

- (a) payment is made by other means in accordance with the terms and conditions under which the stock is held;
- (b) the Director of Savings otherwise directs; or
- (c) the applicant for the payment requests that all or part of the amount be used to—
 - (i) subscribe for stock or purchase another description of security issued by the Treasury for the purpose of raising money under the auspices of the Director of Savings; or

(ii) make a deposit in the National Savings Bank,
and the Director of Savings consents.

(2) In the absence of a direction or request otherwise under paragraph (1), each application for payment in relation to stock must be treated as authority for the Director of Savings—

- (a) to issue a warrant for the amount and pay it in accordance with the terms of the warrant; or
- (b) to make payment by other means as provided for in those terms and conditions.

(3) Where the Director of Savings has initiated a payment, the authority to make that payment is not terminated by—

- (a) the death of the person who made the application for payment; or
- (b) any notice purporting to terminate that authority.

Payments in the case of bankrupts

31. Where it appears to the Director of Savings that—

- (a) a bankruptcy order has been made against a sole holder of stock;
- (b) a trustee has been appointed in the bankruptcy of a sole holder;
- (c) an order for the administration in bankruptcy of the estate of a deceased sole holder has been made; or
- (d) in the case of a company which is the sole holder of stock, an order has been made that the company be wound up,

the Director of Savings may pay to the Official Receiver or trustee or liquidator (on their application) the amount repayable, or any other amount payable, in relation to the stock.

Authority for payment to third party

32.—(1) This regulation applies to payments in relation to stock by warrants (under regulation 30).

(2) The authority for a person other than the person named in a warrant to receive payment must be either—

- (a) a power of attorney duly executed in the presence of a witness; or
- (b) an authority in the approved form, or a letter, signed in the presence of a person authorised for that purpose by the Director of Savings (but the Director of Savings may dispense with the requirement for a signature).

(3) An authority or letter may be signed by a minor having attained the age of sixteen years, which shall be as valid and binding as if the minor had reached the age of majority.

(4) In relation to new stock—

- (a) paragraph (2) does not apply; and
- (b) a holder may, subject to the approval of the Director of Savings, make an application in the approved form authorising any person to apply for, or receive, a payment.

(5) If the conditions in paragraph (6) are satisfied in relation to a holder of a National Savings Income Bond, paragraph (3) has effect as if the reference to “sixteen years” were a reference to “seven years”.

(6) The conditions are that—

- (a) an application to subscribe for National Savings Income Bonds was received by the Director of Savings in the approved form before 6th April 2013; and

(b) the holder attained the age of seven years before 6th April 2013.