

Draft Regulations laid before Parliament under section 207(9) of the Companies Act 1989 on 12th May 2000, for approval by resolution of each House of Parliament

DRAFT STATUTORY INSTRUMENTS

2000 No.

COMPANIES

LOCAL GOVERNMENT, ENGLAND AND WALES

The Local Authority (Stocks and
Bonds) (Amendment) Regulations 2000

Made - - - - 2000
Coming into force - - 1st July 2000

Whereas a draft of these Regulations has been approved by resolution of each House of Parliament
The Treasury in exercise of the powers conferred by section 207 of the Companies Act 1989⁽¹⁾
and now vested in them⁽²⁾ and of all other powers enabling them in that behalf, hereby make the
following Regulations

Title, commencement and interpretation

1.—(1) These Regulations may be cited as the Local Authority (Stocks and Bonds) (Amendment) Regulations 2000 and shall come into force on 1st July 2000

(2) In these Regulations “the Principal Regulations” means the Local Authority (Stocks and Bonds) Regulations 1974⁽³⁾.

Amendment of Principal Regulations

2.—(1) The Principal Regulations are amended by paragraphs (2) to (12) of this Regulation

(2) In Regulation 1, insert—

(a) before the definition of “bonds” as a further definition—

(1) 1989 c. 40 section 207 was amended by the Bank of England Act 1998, section 35.

(2) By S.I.1992/1315.

(3) S.I. 1974/519. amended by S.I. 1983/529, 1985/1148, 1986/345, 1990/4191991/2000 and 1999/1409. The Regulations were made under the Local Government Act 1972 (c. 70) Schedule 13 paragraph 4(1) which was repealed by the Local Government and Housing Act 1989, section 194(2) and Schedule 12, Part 1 that repeal was brought into force on 1st April 1990 by S.I. 1990/431 article 4, subject to a saving in Schedule 1 paragraph 1(a) in relation to bodies which are not relevant to these Regulations in relation to bodies which are relevant to these Regulations in relation to which the repeal was so commenced, paragraph 3 of the said Schedule 1, as amended by S.I. 1990/762 article 4(c), saves the 1974 Regulations with respect to stock issued before 1st April 1990.

“the 1995 Regulations” means “the Uncertificated Securities Regulations 1995 as amended from time to time.”⁽⁴⁾

- (b) after paragraph (3) as paragraph (3A)—
- “(3A) In these regulations “Operator”, “Operator-instruction”, “participating security”, “relevant system” and “uncertificated unit of a security” have the meanings given in the 1995 Regulations”
- (3) In Regulation 3(2), for “the holder agree” substitute “the holders agree in respect of all of the bonds of a particular description”
- (4) In Regulation 5(3), after “evidence” insert “and in Scotland sufficient evidence unless the contrary is shown.”
- (5) In Regulation 6, insert as paragraph (6)—
- “(6) This regulation is subject (in the case of stock or a bond which is a participating security) to any provision made by or under the 1995 Regulations”
- (6) In Regulation 7, insert—
- (a) in paragraph (1)(a) at the beginning “subject to paragraph (5) of this regulation.”.
- (b) in paragraph (1)(b)—
- (i) at the beginning “subject to paragraph (4) of this regulation.”. and
- (ii) after “such authority.”. “in accordance with the 1995 Regulations by means of a relevant system operated by an Operator or”, and
- (c) as paragraphs (4) and (5)—
- “(4) No transfer of stock or a bond may be effected by exempt transfer if such stock or bond is a participating security
- (5) No transfer may be effected by instrument in writing of stock or a bond which is an uncertificated unit of a security”
- (7) In Regulation 8 insert as paragraph (3)—
- “(3) Thus regulation is subject (in the case of stock or a bond which is a participating security) to any provision made by or under the 1995 Regulations”
- (8) In regulation 9 insert as paragraph (4)—
- “(4) Nothing in this regulation shall permit or require the registrar to register a transfer of stock or a bond which is an uncertificated unit of a security and which is entered in a register in the name of a deceased person, unless the registrar is required to do so by an Operator-instruction, an order of a court in the United Kingdom or by or under any enactment or instrument”
- (9) In Regulation 10 insert as paragraph (3)—
- “(3) This regulation shall not apply to stock or a bond which is a participating security”
- (10) In Regulation 13(2), at the beginning for “The” substitute “Subject (in the case of stock or a bond which is a participating security) to any provision made by or under the 1995 Regulations the”
- (11) In Regulation 14 insert as paragraph (4)—
- “(4) Nothing in this regulation shall permit or require notice of any trust to be entered on any register or be receivable by the registrar in relation to stock or a bond which is an uncertificated unit of a security”
- (12) In Regulations 16 and 21, after the last paragraph insert as a paragraph respectively numbered (4) and (3)—

(4) S.I. 1995/3272, amended by S.I. 1996/2827, 1997/251 and 1999/506.

“This regulation is subject (in the case of stock or a bond which is a participating security) to any provision made by or under the 1995 Regulations”

2000

Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Authority (Stocks and Bonds) Regulations 1974 to enable stock and bonds which have been transferable through the medium of the CGO Service (referred to below) by means of an exempt transfer (referred to below) to be transferred instead in accordance with the Uncertificated Securities Regulations 1995 by means of a relevant system (within the meaning of the 1995 Regulations) operated by a person currently only CRESTCo Limited, who has been approved under the 1995 Regulations. Under the 1995 Regulations title to stock may be evidenced otherwise than by a certificate and transferred without a written instrument.

The stock concerned is any stock (other than stock transferable by deliver) issued before 1st April 1990 which is registered at the Bank of England and was issued by, or for which liability is vested in, any of the local authorities specified in Schedule 2 to the Principal Regulations.

Regulation 2(6)(c) inserts new paragraph (4) into Regulation 7 of the Principal Regulations. This provides that no stock or bond may be transferred through the CGO Service if it is permitted to be transferred in accordance with the 1995 Regulations.

Regulations 2(8) and 2(11) insert new paragraphs into respectively Regulation 9 and Regulation 14 of the Principal Regulations. This is to make the Principal Regulations consistent with the 1995 Regulations in relation to stock and bonds held in uncertificated form.

The CGO Service referred to above is a computer-based system established by the Bank of England and the London Stock Exchange under the [Stock Transfer Act 1982 \(c41\)](#) to facilitate the transfer of specified securities within the meaning of that Act. An exempt transfer referred to in that Act is a transfer made through the medium of the CGO Service.