
DRAFT STATUTORY INSTRUMENTS

2003 No.

**The Uncertificated Securities (Amendment)
(Eligible Debt Securities) Regulations 2003**

Eligible debt securities—interpretation

3. In regulation 3(1)—

- (a) before the definition of “the 1985 Act”, insert—
 - ““the 1877 Act” means the Treasury Bills Act 1877(1);
 - “the 1950 Act” means the Exchequer and Financial Provisions Act (Northern Ireland) 1950(2);”;
- (b) after the definition of “the 1986 Act”, insert—
 - ““the 1989 Act” means the Local Government and Housing Act 1989(3);”;
- (c) after the definition of “the 1965 Regulations”, insert—
 - ““the 1968 Regulations” means the Treasury Bills Regulations 1968(4);”;
- (d) in the definition of “the 1974 Regulations”, omit the words from “and” (where second occurring) to the end;
- (e) after the definition of “the 1974 Regulations”, insert—
 - ““the 1990 Regulations” means the Local Authorities (Borrowing) Regulations 1990(5);”;
- (f) after the definition of “the 1995 Regulations”, insert—
 - ““the 2003 Regulations” means the Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003;”;
- (g) after the definition of “dematerialised instruction”, insert—
 - ““dematerialised loan instrument” means a security constituted by a loan instrument issued by a local authority in accordance with Part IV of the 1989 Act and the 1990 Regulations as modified by Part 3 of Schedule 1 to the 2003 Regulations;”;
- (h) after the definition of “designated agency”, insert—
 - ““eligible debt security” means—
 - (a) a security that satisfies the following conditions—
 - (i) the security is constituted by an order, promise, engagement or acknowledgement to pay on demand, or at a determinable future time, a sum in money to, or to the order of, the holder of one or more units of the security; and

(1) 1877 c. 2.

(2) 1950 c. 3 (N.I.).

(3) 1989 c. 42.

(4) S.I.1968/414, amended by S.I. 1988/1603, S.I. 1991/1667, S.I. 1998/1450 and S.I. 1999/2907.

(5) S.I. 1990/767, amended by the Audit Commission Act 1998 (c. 18), section 54 and by S.I. 1991/551, S.I. 1991/1091, S.I. 1991/2000 and S.I. 2001/3469; references to the Official List of the Stock Exchange in regulations 6 and 7 modified by S.I. 2000/968.

- (ii) the current terms of issue of the security provide that its units may only be held in uncertificated form and title to them may only be transferred by means of a relevant system;
 - (b) an eligible Northern Ireland Treasury Bill; or
 - (c) an eligible Treasury bill;
- “eligible Northern Ireland Treasury Bill” means a security–
- (a) constituted by a Northern Ireland Treasury Bill issued in accordance with the 1950 Act as modified by Part 2 of Schedule 1 to the 2003 Regulations; and
 - (b) whose current terms of issue provide that its units may only be held in uncertificated form and title to them may only be transferred by means of a relevant system;
- “eligible Treasury bill” means a security–
- (a) constituted by a Treasury bill issued in accordance with the 1877 Act and the 1968 Regulations as modified by Part 1 of Schedule 1 to the 2003 Regulations; and
 - (b) whose current terms of issue provide that its units may only be held in uncertificated form and title to them may only be transferred by means of a relevant system;”;
- (i) after the definition of “enactment”, insert–
- ““general local authority security” means a local authority security that is not an eligible debt security;
- “general public sector security” means a public sector security that is not an eligible debt security;
- “general UK Government security” means a UK Government security that is not an eligible debt security;”;
- (j) for paragraph (b) of the definition of “issuer register of securities”, substitute–
- “(b) in relation to units of securities other than–
- (i) shares,
 - (ii) securities in respect of which regulation 22(3) applies, or
 - (iii) wholly dematerialised securities,
- means a register of persons holding the units, maintained by or on behalf of the issuer or, in the case of general public sector securities, by or on behalf of the person specified in regulation 21(3);”;
- (k) after the definition of “issuer register of securities”, insert–
- ““local authority”–
- (a) in relation to a security referred to in paragraph (a)(i) of the definition of “local authority security”, has the same meaning as in the 1974 Regulations;
 - (b) in relation to a security referred to in paragraph (a)(ii) or (b) of the definition of “local authority security” or a dematerialised loan instrument, has the same meaning as in the 1989 Act;”;
- (l) for the definition of “local authority security”, substitute–
- ““local authority security” means a security which is either–
- (a) a security other than an eligible debt security which, when held in certificated form is–

- (i) transferable in accordance with regulation 7(1) of the 1974 Regulations and title to which must be registered in accordance with regulation 5 of those Regulations; or
 - (ii) a loan instrument within the meaning of section 43(4) of the 1989 Act, which is transferable in accordance with regulation 5(1) of the 1990 Regulations; or
- (b) an eligible debt security issued by a local authority;”;
- (m) after the definition of “Operator register of corporate securities”, insert–
 - ““Operator register of eligible debt securities” has the meaning given by regulation 22(3A)(a);
 - “Operator register of general public sector securities” has the meaning given by regulation 21(1)(a);”;
- (n) omit the definition of “Operator register of public sector securities”;
- (o) in paragraph (b) of the definition of “Operator register of securities”, for the words from “public” to the end, substitute “general public sector securities, an Operator register of eligible debt securities or, as the case may be, a register maintained by an Operator in accordance with regulation 22(3)(a);”;
- (p) for the definition of “record of uncertificated public sector securities”, substitute–
 - ““record of uncertificated general public sector securities” has the meaning given by regulation 21(2)(a);”;
- (q) in the definition of “record of securities”, for “public sector securities”, substitute “general public sector securities”.