

## SCHEDULE 1

### PART 3

#### DEMATERIALIZED LOAN INSTRUMENTS

*Modification of the Local Authorities (Borrowing) Regulations 1990*

**27.** In regulation 5–

- (a) in paragraph (1), for “The”, substitute “Subject to paragraph (3), the”;
- (b) after paragraph (2), add–

“(3) Uncertificated units of a loan instrument shall only be transferable by means of a relevant system in accordance with the 2001 Regulations.”.