

*These notes refer to the Trustee Act 2000 (c.29)
which received Royal Assent on 23 November 2000*

TRUSTEE ACT 2000

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part IV: Agents, Nominees and Custodians

Section 18: Investment in bearer securities

73. Although section 17 confers a power to appoint a custodian, there is one situation in which a custodian must be appointed. Under section 18(1) trustees (other than sole trustees who are trust corporations (section 25(2)) who retain or invest in securities payable to bearer must appoint a custodian of those securities unless the trust instrument provides to the contrary (section 18(2)). This provision replaces section 7(1) of the Trustee Act 1925 but does not replicate the requirement in that section that the custodian must be a “banker or banking company”. Paragraph 1(2) of Schedule 3 to the Act provides that any banker or banking company holding any bearer securities deposited with him under section 7(1) will be deemed to be a custodian appointed under section 18.