

1975 No. 825 (S. 138)**LOCAL GOVERNMENT, SCOTLAND****The Local Authority Stocks and Bonds (Scotland)
Regulations 1975**

<i>Made</i> - - - -	13th May 1975
<i>Laid before Parliament</i>	15th May 1975
<i>Coming into Operation</i>	16th May 1975

In exercise of the powers conferred on me by section 16 as read with paragraph 5(1) of Schedule 3 to the Local Government (Scotland) Act 1975^(a) and of all other powers enabling me in that behalf, with the consent of the Treasury, I hereby make the following regulations:—

Citation and commencement

1. These regulations may be cited as the Local Authority Stocks and Bonds (Scotland) Regulations 1975 and shall come into operation on 16th May 1975.

Interpretation

2.—(1) The Interpretation Act 1889^(b) shall apply for the interpretation of these regulations as it applies for the interpretation of an Act of Parliament.

(2) In these regulations, unless the context otherwise requires—

“bonds” shall not include bonds transferable by delivery;

“local authority” means a regional, islands or district council;

“negotiable bonds” means any bonds in respect of which application has been or is to be made to the Council of the Stock Exchange for admission to the Official List, or any bonds which are to be issued in whole or in part to a bank, discount house, issuing house, or broker in the City of London;

“registrar”, in relation to any description of stock or bonds, means the person appointed by the local authority, on such terms and subject to such conditions and instructions not inconsistent with these regulations as they think expedient, to act as registrar for the purposes of these regulations and different registrars may be appointed for different classes of stock or different bonds; and

“stock” shall not include stock transferable by delivery.

(a) 1975 c. 30.

(b) 1889 c. 63.

(3) These regulations shall apply to a joint board having power to borrow money, a water development board or a river purification board, as they apply to a local authority.

Issue of stock and bonds

3. A local authority who propose to raise money by the issue of stock shall, in their resolution to raise money by that method, specify, or indicate the procedure by which may be determined—

- (a) the amount of stock to be issued;
- (b) the price at which the stock is to be issued;
- (c) the rate of interest;
- (d) the dates on which interest is payable;
- (e) the date after which the stock may be redeemed at par at the option of the local authority; and
- (f) the date by which the stock must be redeemed.

4.—(1) Bonds issued by a local authority shall, subject to the next following paragraph—

- (a) bear interest at such rate as the local authority shall determine at the time of issue of the bonds; and
- (b) if they are negotiable bonds, be issued for periods of not less than one year.

(2) The date for repayment of any sum borrowed by way of bond, other than a negotiable bond, may be extended to such later date or dates as may be agreed between the local authority and the lender and the rate of interest may thereupon be altered to such other rate or rates as may be so agreed.

Conversion of other securities

5.—(1) Where a local authority have raised money by means of any security and have the power, with the consent of the holder, or otherwise, to redeem, they may redeem that security with money raised by the issue of stock or, with the consent of the holder, substitute stock for that security.

(2) A local authority may, in money or stock or both, make a reasonable payment to the holder referred to in paragraph (1) above for his consent or for otherwise compensating him for the redemption or substitution of his security.

Register of stock and bonds

6.—(1) The registrar shall keep a register relating to each description of stock or bonds and in that register he shall enter—

- (a) the name and address of each stock or bond holder;
- (b) the amount of such stock or bonds and the serial numbers of the relative certificates held by each such holder;
- (c) the rate and dates of payment of interest; and
- (d) the date of any entries made in pursuance of regulations 7(5), 11(1) and 14(3) of these regulations.

(2) The registrar may keep any register by recording the matters in question otherwise than in legible form so long as they are capable of being reproduced in that form.

(3) Any such register or a reproduction thereof in legible form shall be prima facie evidence of any matters directed or authorised by these regulations to be entered in the register and of the title of the persons whose names are entered therein as holders of stock or bonds.

(4) Where two or more persons are registered as holders of any stock or bonds they shall be deemed to be joint holders with right of survivorship between them.

(5) The provisions of the Bankers' Books Evidence Act 1879^(a) shall apply for the purpose of proving an entry in a register as if the registrar were a bank and a banker within the meaning of the Act, and as if such entry in a register were an entry in a banker's book.

Certificates

7.—(1) The registrar shall issue to every person whose name is entered in a register as a holder of stock or bonds a certificate representing such stock or bonds which shall include the following particulars—

- (a) the name of the local authority;
- (b) the name and address of the registrar;
- (c) the name of the holder;
- (d) the statutory authority under which the stock or bonds are issued;
- (e) the amount of stock or bonds represented by the certificate;
- (f) the date and place of redemption and, in the case of stock, the earliest redemption date after which the local authority may exercise its option (if any) to redeem;
- (g) the rate of interest;
- (h) the dates on which interest is payable; and
- (i) the serial number of the certificate.

(2) Where the names of two or more persons are entered in a register as joint holders of any stock or bonds it shall be sufficient for the registrar to issue one certificate in respect thereof to one of the joint holders.

(3) A certificate issued under this regulation shall be prima facie evidence of the title of the person named therein as holder of the stock or bonds specified therein.

(4) If a certificate is defaced, lost or destroyed the registrar may, on receipt of such evidence and indemnity as he may require, and on the surrender of the certificate in a case where it is defaced, issue a replacement.

(5) An entry of a substituted certificate shall be made in the register.

(6) Where the holder of any stock or bonds transfers part of his holding he shall be entitled to a certificate representing the part he retains.

Transfer and transmission

8. Stock or bonds shall be transferable by a duly executed instrument of transfer made under the provisions of the Stock Transfer Act 1963(a) delivered to the registrar who may retain any such instrument.

9. The registrar may decline to give effect to a transfer of any stock or bonds unless—

- (a) there is furnished to him such evidence as he may require of the right of the transferor to make the transfer; and
- (b) the transfer is accompanied by a certificate showing that the transferor is the holder of that stock or those bonds; or
- (c) there is furnished to him such evidence as he may require that a certificate showing that the transferor is the holder of that stock or those bonds has been lost or destroyed and such indemnity in respect thereof as he may require; or
- (d) the transfer is accompanied by a certificate showing that the transferor is the holder of part of that stock or those bonds and as to the residue thereof there is furnished to him such evidence and indemnity as he may require under paragraph (c) above.

10.—(1) Any stock or bonds entered in a register in the name of a deceased person shall be transferable by his executor or other personal representative.

(2) The registrar may decline to give effect to a transfer of any stock or bonds entered in a register in the name of a deceased person who has two or more executors or other personal representatives unless the transfer is executed by all of them.

(3) The production to the registrar of confirmation in favour of the executors of the deceased or of any document which is by law sufficient evidence of probate of the will or letters of administration of the estate of a deceased person having been granted to some person shall be accepted by the registrar as sufficient evidence of the grant.

11.—(1) A person becoming entitled to any stock or bonds by any lawful means other than—

- (a) by instrument of transfer in accordance with regulation 8 above; or
- (b) upon the death of the stock or bond holder;

shall, on production of such evidence as the registrar may require, either be registered as holder of that stock or those bonds or, instead of being himself registered, make such transfer of that stock or those bonds as the previous holder could have made.

(2) Until such evidence is furnished the registrar may decline to give effect to the transmission of that stock or those bonds.

12. The certification by the registrar of a transfer of any stock or bonds shall be taken as a representation by him to any person acting on the faith of the certification that there has been furnished to the registrar evidence to show a prima facie title to that stock or those bonds in the transferor named in the transfer, but not as a representation that the transferor has any title thereto.

(a) 1963 c. 18.

13. Where a person executes an instrument relating to stock or bonds otherwise than by signature, the registrar may decline to recognise that instrument unless there is furnished to him such evidence as he may require that the effect of the instrument was understood by that person.

14.—(1) The transferor of any stock or bonds shall remain the holder thereof until the registrar has given effect to the transfer.

(2) Subject to the provisions of Regulation 17 the registrar shall not be required to give effect to a transfer until the expiration of fifteen clear days after the first day on which he has in his possession the transfer and such other evidence as he may require under these regulations.

(3) The registrar shall give effect to a transfer or transmission by entering in the register such particulars as are necessary to show the effect thereof.

Stock or bonds held by persons under the age of 18 years domiciled in Scotland

15.—(1) Where an amount of stock or a bond of any description is transferred by or to a person under eighteen years of age domiciled in Scotland, the requirements of regulation 8 of these regulations so far as relating to the execution of an instrument of transfer shall, so far as that person is concerned, be deemed to have been complied with if the said instrument of transfer is executed, in the case of a pupil, on behalf of the pupil by his tutor, or, in the case of a minor, by the minor and his curator.

(2) The registrar may give effect to written directions with respect to—

(a) the payment of interest on an amount of stock or a bond of any description entered in the register relating to the stock or bonds of that description in the sole name of a person under eighteen years of age domiciled in Scotland; or

(b) the payment or reinvestment of money attributable to an amount of stock or a bond, or any part thereof, of any description entered in the register relating to the stock or bonds of that description in the name of a person under eighteen years of age domiciled in Scotland (whether it is so entered in the sole name of such person or jointly with another) which becomes payable by reason of the redemption or repayment (whether wholly or in part) of stock or the bonds of that description, if the instrument containing the directions is executed as aforesaid.

(3) In a case where a pupil or a minor has three or more tutors or curators, the preceding provisions of this regulation shall have effect as if for any reference therein to a tutor or a curator, they were substituted a reference to a quorum of his tutors or curators, being a quorum entitled to act by virtue of an Act of Parliament, a deed or an order of the court.

(4) The registrar may decline to give effect to an instrument purporting to be executed in accordance with this regulation unless there is furnished to him a statutory declaration of one or more competent persons that the person by or to whom the amount of stock or the bond in question is transferred, or in whose name it is entered, as the case may be, is a pupil or a minor and is domiciled in Scotland, and that any person executing the instrument for that person as his tutor or curator is his tutor or curator and, in the case where there are three or more tutors or curators, that the persons executing the instrument in that capacity form a quorum of such tutors or curators.

(5) In this regulation, the following expressions have the meanings hereby respectively assigned to them, that is to say—

“curator” in relation to a minor includes an administrator in law, a curator nominate, a curator chosen by the minor with the sanction of the Court or appointed by the Court, and a person assumed to act as curator by virtue of an Act of Parliament;

“minor” means a female who has attained the age of twelve years, or a male who has attained the age of fourteen years, but in neither case has attained the age of eighteen years;

“pupil” means a female who has not attained the age of twelve years, or a male who has not attained the age of fourteen years; and

“tutor” includes an administrator in law, a tutor by virtue of, or appointed under, an Act of Parliament, a tutor nominate, a tutor dative, a person assumed to act as tutor by virtue of an act of Parliament and the factor loco tutoris.

Stock or bonds held on trust subject to the law of Scotland

16.—(1) Where an amount of stock or a bond of any description is transferred by or to three or more persons who are trustees of a trust the execution of which is governed by the law of Scotland the requirements of regulation 8 of these regulations so far as relating to the execution of an instrument of transfer shall, so far as those persons are concerned, be deemed to have been complied with if the instrument of transfer is executed by a quorum of those persons being a quorum entitled to act by virtue of an act of Parliament, a deed or an order of the Court; but the registrar may decline to recognise the instrument unless:—

(a) in the case of a transfer by the said persons, the amount of stock or the bond forms the balance, or part thereof, of an account in the register relating to the stock or bonds of that description, in respect of which a statutory declaration that the amount of stock or the bonds from time to time entered in that account form part of such a trust as aforesaid;

(b) in the case of a transfer to the said persons:—

(i) the amount of stock or the bonds shall be entered in the account as aforesaid; or

(ii) if the amount of stock or bond is not to be entered in that account, there is furnished to the registrar a statutory declaration that the balance on the new account forms part of such a trust as aforesaid.

(2) Where there has been furnished to the registrar a statutory declaration that the amount of stock or the bonds of a specified description from time to time forming the balance of a particular account in the register relating to the stock or the bonds of that description forms part of a trust the execution of which is governed by the law of Scotland, the following provisions shall have effect—

(a) the registrar may give effect to written directions with respect to the payment of interest, or the payment of money attributable to that amount of stock or that bond or any part thereof which becomes payable by reason of the redemption or repayment (whether wholly or in part) of stock or bonds of that description, if the instrument containing the directions is executed by a quorum of the persons who are for the time being trustees of the said trust:

- (b) in the event of the appointment of a new trustee by deed of assumption or by the Court, the registrar shall accept as sufficient evidence of transmission to the new trustee (whether in conjunction or not with any trustee remaining in office)—
- (i) a deed of assumption executed in pursuance of section 21 of the Trusts (Scotland) Act 1921(a) with a minute of acceptance by the assumed trustee, or an official or duly authenticated extract of such deed and minute; or
 - (ii) a certified copy of the interlocutor of the Court, as the case may be;
- (c) in the event of the resignation of a trustee the registrar shall accept as sufficient evidence of the divestiture of the resigning trustee a minute of resignation executed in pursuance of section 19 of the Trusts (Scotland) Act 1921 with an acceptance of intimation of resignation by the continuing trustee or trustees, or an official or duly authenticated extract of such minute and acceptance; and
- (d) in the event of the removal of a trustee by the Court, the registrar shall accept as sufficient evidence of the removal and divestiture a certified copy of the interlocutor of the Court.

(3) In this regulation the expressions “trust” “trustees” and “the Court” have the same meanings as in section 2 of the Trusts (Scotland) Act 1921.

Execution of instruments in Scotland on behalf of blind persons or persons unable to write

17.—(1) As respects the transfer of an amount of stock or a bond of any description, the requirements of regulation 8 of these regulations so far as relating to the execution of an instrument of transfer or the execution of an instrument containing an authority to execute an instrument of transfer shall, insofar as any party to the transfer who is blind or unable to write is concerned, be deemed to have been complied with if the instrument of transfer or instrument containing such authority is executed in Scotland on his behalf in accordance with section 18 of the Conveyancing (Scotland) Act 1924(b).

(2) Written directions with the respect to the payment of interest on an amount of stock or a bond of any description or the payment or reinvestment of money attributable to an amount of stock or bond of any description which becomes payable by reason of the redemption or repayment (whether wholly or in part) of stock or bonds of that class may, if the instrument containing the directions is executed in Scotland in accordance with the said section 18 on behalf of a person who is blind or unable to write be given effect to by the registrar.

Stocks or bonds by persons described as trustees or as possessing an official character

18.—(1) The registrar may enter in the register such designation of the holder of any stock or bonds as that holder may specify and, in particular, the holder may be described as trustee of a specified trust or as trustee without specifying a trust or in any other manner indicating the capacity in which he holds the stock or bonds.

(a) 1921 c. 58.

(b) 1924 c. 27.

(2) Where the holder of any stock or bonds occupies an office or official position, his official description may be entered in the register instead of his name and thereupon any transfer shall be treated as properly executed if executed by the person for the time being occupying that office or official position and any payment of interest or redemption money to that person in accordance with regulation 22 below shall be a sufficient discharge to the local authority and the registrar for that interest or redemption money.

(3) Except as provided in the preceding provisions of this regulation no notice of any trust shall be entered in any register or certificate or be receivable by the registrar and, notwithstanding that the holder of any stock or bonds is described as mentioned in those provisions, the registrar shall not be affected with notice of any trust and it shall not be necessary for him to enquire concerning the propriety of anything done in relation to that stock or those bonds or any part thereof.

Payment of interest and redemption

19.—(1) Where the local authority issue stock or bonds at a discount, the difference between the issue price and nominal value shall form part of the loan.

(2) The expenses of the local authority incurred in the issue of stock or bonds may be charged to capital and may be deemed money raisable under a statutory borrowing power and may, if the issue was at a premium, be wholly or partly defrayed out of the monies received by way of premium.

20.—(1) The registrar, with the approval of the local authority, may close a register relating to stock or bonds of any description during the whole or any part of the period of one month preceding the day on which the interest or redemption money is payable.

(2) Instead of closing a register in the manner aforesaid the registrar may strike the balance for interest on stock or bonds of any description on any day not being more than 37 days before the day on which the interest on such stock or bonds is payable.

(3) Any person who, on the date on which a register is closed or the balance is struck as aforesaid, is entered in that register as the holder of any stock or bonds shall, as between himself and any transferee of such stock or bonds, be entitled to the then current interest thereon.

21. Subject to the provisions of regulation 4(2) above stock and bonds shall be redeemed by payment of any amount equal to the denomination thereof at the redemption date specified in the certificate issued in respect of them; but

(a) bonds, other than negotiable bonds, may be so redeemed at any time before the date so specified where the local authority and the holder so agree; and

(b) stock may be so redeemed at the option of the local authority at any time after the earliest redemption date specified in the certificate issued in respect thereof.

22.—(1) Unless the holder of any stock or bonds otherwise requests in writing the local authority by the registrar shall pay interest and any redemption money due on any stock or bonds by sending a cheque or warrant to the holder

by post to his registered address and the posting of that cheque or warrant in a pre-paid letter directed to his address shall be a sufficient discharge to the local authority and the registrar for that interest or redemption money.

(2) Before sending any cheque or warrant in payment of redemption money the registrar may, if he thinks fit, require the holder of any stock or bonds upon which redemption money is to be paid to specify in writing the person to whom the redemption money is to be paid and the address to which the cheque or warrant is to be sent and upon receipt of that specification the registrar shall make the payment of redemption money in accordance therewith.

(3) Before making any payment the registrar may, if he thinks fit, require evidence of the title of any person claiming a right to receive such payment and in particular may require the surrender of the certificate representing the stock or bonds upon which redemption money is to be paid or such indemnity as he may require if the certificate is lost or destroyed.

(4) If any cheque or warrant has not been encashed and has become defaced, lost or destroyed the registrar shall, on receipt of such evidence and indemnity as he may require, and on the surrender of the cheque or warrant where it is defaced, pay the money due.

(5) Every warrant so sent by post shall be deemed to be a cheque and the local authority and the registrar shall, in relation thereto, be deemed a banker within the Bills of Exchange Act 1882(a).

(6) For the purpose of this regulation the holder means the person whose name is recorded as the holder of the stock or bonds at the date on which the interest or redemption money is payable, or if the register was closed or a balance struck under regulation 20 above, at the date on which the register was closed or the balance struck, and in the case of joint holders the registrar may treat as holder that one of them who is first named on the register or such other of them as they all may in writing direct, but any request or specification in writing given under paragraphs (1) or (2) above must be given by all of the joint holders.

(7) Where the person who would otherwise be the holder of any stock or bonds is deceased his personal representative or personal representatives shall, for the purposes of this regulation, be deemed to be the holder or joint holders of that stock or those bonds.

(8) Where two or more joint holders of any stock or bonds have given a request as to the payment of interest thereon and one of them becomes of unsound mind, such request shall not thereby become void.

(9) Nothing in the preceding provisions of this regulation shall prevent the registrar and any banker from making special arrangements for the payment of any interest or redemption money payable to the holder of any stock or bonds which is receivable by that banker, either on his own behalf, or as nominee of the holder, or otherwise.

23. Any stock or bonds redeemed by the registrar shall thereupon be cancelled and together with all interest thereon which has not become payable shall be extinguished.

Unclaimed redemption money and interest

24.—(1) Subject to paragraph (2) below if—

- (a) at the end of a period of one year from the date of redemption of any stock or bonds (including redemption at the option of the local authority) the registrar for any reason is unable to make payment of any redemption money or any cheque or warrant issued for that payment has not been encashed; or
- (b) at the end of a period of three years from the date for payment of any interest due on any stock or bonds the registrar for any reason is unable to make that payment or any cheque or warrant issued for that payment has not been encashed;

the registrar, if one of the officers of the local authority may, and if some other person shall, carry, transfer, or pay, an amount equivalent to that payment to the credit of the loans fund standing in the name of the local authority as the local authority may think fit and in such manner as it may direct but without prejudice to the rights and entitlement of any person at any time to be paid and to recover the same.

(2) Where the registrar is not one of the officers of the local authority the periods of one year and three years in sub-paragraphs (a) and (b) above may be reduced to such shorter periods as the registrar and the local authority may agree.

(3) No interest shall be payable on any sum due in respect of interest on stock or bonds or the redemption of stock or bonds after the date on which the interest or redemption money became payable.

(4) Where an account has been credited in accordance with paragraph (1) above with an amount equivalent to payment of redemption money in respect of any stock or bonds that stock or those bonds shall, for the purpose of regulation 23 above, be deemed to have been redeemed by the registrar.

Rectification of the register

25.—(1) If the name of any person is without sufficient cause entered in or omitted from a register or default is made or unnecessary delay takes place in making any entry required to be made therein, the sheriff may, on application by the person aggrieved or by the local authority, make an order for the rectification of the register.

(2) On any proceedings under this regulation the sheriff may decide any question relating to the title of any party thereto to have his name entered in or omitted from a register and generally any question which it may be necessary or expedient to decide for the purpose of the rectification of a register.

(3) An appeal shall lie to the Court of Session against any decision of the sheriff on any question relating to the title of any party to any security the nominal value of which exceeds two hundred and fifty pounds, but save as aforesaid the decision of the sheriff shall be final.

Other statutory provisions

26. Any statutory provision contained in any local or private Act which is inconsistent with these regulations shall cease to have effect.

Revocation

27. The regulations specified in the Schedule hereto are hereby revoked.

SCHEDULE

The Local and Other Authorities (Scotland) Stock Regulations 1952**(a)**.

The Local and Other Authorities (Scotland) (Transfer of Stock) Regulations 1953**(b)**.

The Transfer of Stock (Exemption) (Scotland) Order 1953**(c)**.

The Local Authority Bonds (Scotland) Regulations 1965**(d)**.

William Ross,
One of Her Majesty's Principal
Secretaries of State.

13th May 1975.

We consent.

Donald R. Coleman,
M. Cocks,
Two of the Lords Commissioners
of Her Majesty's Treasury.

13th May 1975.

(a) S.I. 1952/1721 (1952 II, p. 1559).
(c) S.I. 1953/696 (1953 I, p. 980).

(b) S.I. 1953/42 (1953 I, p. 972).
(d) S.I. 1965/28 (1965 I, p. 18).

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations provide for the manner in which stock or bonds shall be issued by a local authority, including the terms on which they are to be issued. They regulate the manner of transferring, dealing with and redeeming any stock or bonds issued (other than stock or bonds transferable by delivery).

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