
 STATUTORY INSTRUMENTS

1983 No. 291 (L. 3)

COUNTY COURTS

The County Court Funds (Amendment) Rules 1983

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| <i>Made - - - -</i> | 1st March 1983 |
| <i>Laid before Parliament</i> | 11th March 1983 |
| <i>Coming into operation</i> | 1st April 1983 |

The Lord Chancellor, in exercise of the powers conferred on him by section 168 of the County Courts Act 1959 (a), and with the concurrence of the Treasury, hereby makes the following Rules:—

1.—(1) These Rules may be cited as the County Court Funds (Amendment) Rules 1983 and shall come into operation on 1st April 1983.

(2) The County Court Funds Rules 1965 (b) shall be amended in accordance with the following provisions of these Rules, and a rule referred to by number means the rule so numbered in those Rules.

2. In rule 2(1)—

(a) the definition of “chief clerk” shall be omitted and every reference in the County Court Funds Rules to the chief clerk shall be construed as though it were a reference to the proper officer;

(b) in the definition of “deposit account”, the words “of funds” shall be omitted.

3. Rule 7 shall be omitted and the following substituted:—

“7. Where money has been paid into court in an action or matter proceeding in the High Court, and the action or matter is transferred to a county court, the proper officer of the county court shall notify the Accountant General accordingly and, on receipt of such a notice, the Accountant General shall transfer the money to a county court ledger.”

4. After rule 8 the following new Part shall be inserted:—

“ IVA. — Transfer of Money to Accountant General

9.—(1) Where money is paid into court—

(a) in satisfaction of a claim, or

(b) in such circumstances (whether it is paid into court as a condition of obtaining relief or otherwise) that it is to abide the event as between two or more parties,

it shall be dealt with in accordance with the following paragraphs.

(2) In a case falling within paragraph (1)(a), if the plaintiff has not given notice of acceptance of the payment within the time limited by

(a) 1959 c.22; the relevant amending enactments are the Administration of Justice Act 1965 (c.2), section 9; the Administration of Justice Act 1977 (c.38), section 19(2) and Schedule 5; and the Supreme Court Act 1981 (c.54), paragraph 23 of Schedule 3.

(b) S.I. 1965/1500, as amended by S.I. 1971/260, 1972/334, 1976/2234, 1978/750 and 1982/786.

County Court Rules, the proper officer shall send a remittance for the amount to the Accountant General 20 days after the date of the receipt of the money in court.

(3) In a case falling within paragraph (1)(b), the proper officer shall send a remittance for the amount to the Accountant General as soon as the money is received in court.

(4) In either case mentioned above, the remittance shall be accompanied by a notice stating the date and the basis on which the money was paid into court.

(5) On receipt of such a remittance and notice, the Accountant General shall place the money to a deposit account.

(6) Interest on money so placed shall start to accrue—

(i) in the case of money dealt with under paragraph (1)(a) above, 14 days after the date of payment into the county court, and

(ii) in the case of money dealt with under paragraph (1)(b), from the date of payment into the county court.

(7) Subject to the provisions of this rule, rule 23 shall govern the accrual of deposit interest which arises by virtue of this rule.

10.—(1) Where the defendant wishes to appropriate money which has been placed to a deposit account under rule 9 he shall notify the proper officer and the Accountant General accordingly.

(2) On receipt of such a notice the Accountant General shall withdraw the sum appropriated from deposit:

Provided that if the plaintiff does not give notice of acceptance within the time limited by the County Court Rules, the Accountant General shall place the money on deposit again 14 days after receipt of the notice of appropriation by him.

(3) Where, before appropriation, interest has accrued on the money in court the interest may be included in the appropriation, and this rule shall apply to the interest in the same way as it applies to the money in court.

11.—(1) Where money has been placed to a deposit account under rule 9 but it appears that the plaintiff, having accepted the money within the time limited by County Court Rules, has become entitled to have it paid out to him, no interest shall be payable on that money.

(2) Where the court determines a claim or, as the case may be, approves a settlement on behalf of a person under disability, any interest which has accrued under rule 9 shall be disposed of as the court may order.

11A.—(1) Subject to paragraph (2) below, where any money placed to a deposit account by the Accountant General under rule 9 is to be paid out of court, whether by order or otherwise, the proper officer shall send a notice under seal to the Accountant General and, on receipt of such a notice, the Accountant General shall make payment in accordance with the terms of the notice.

(2) Where money paid into court or appropriated by the defendant in satisfaction of the whole of the plaintiff's claim has been accepted and that sum is to be paid out of court under paragraph (1) above, the

defendant shall be entitled forthwith, and without any request or order, to have any balance remaining in court, whether principal or interest or both, paid to him by the Accountant General.”

5.—(1) Rule 17(3) and the words “and of paragraph (3) of this rule” in rule 17(1) shall be omitted.

(2) Rule 19(2) shall be omitted and the following substituted—

“(2) Any balance of a deposit account, including accumulated interest or dividends, to which a person under disability is entitled may be invested when it reaches £10.”

6. Rule 23 shall be omitted and the following substituted:—

“23.—(1) The rate of deposit interest shall be 9½ per cent. per annum or such other rate as may be applicable to money placed on deposit in the Supreme Court by virtue of any instrument made from time to time under section 7(1) of the Administration of Justice Act 1965 (a).

(2) Subject to paragraph (3), deposit interest at the rate prescribed in paragraph (1) above shall accrue from day to day on every complete pound standing to the credit of a deposit account from the effective date on which the money is placed to deposit to the day before it is paid out of court, or placed to a long-term investment account, or carried over to an account for unclaimed balances:

(3) Where money placed on deposit is transferred to a short-term investment account it shall earn deposit interest up to the last day of the month in which the transfer takes place.

(4) Where money is transferred from a short-term investment account to a deposit account, it shall earn interest from the beginning of the month in which it is transferred.

(5) Interest shall not accrue on any amount of £10 or less.

(6) In the case of a deposit account held in a county court, accrued interest shall be credited to the account on the last day of February in each year, after which it shall become part of the capital.

(7) The ledger entry crediting the interest accrued to the preceding last day of February shall be so dated and shall be made by the proper officer on or before 14th March in each year.

(8) In the case of a deposit account opened by the Accountant General under rule 9 above, interest which has accrued during the half-years ending on 31st March and 30th September in each year shall be credited to the account on or before 15th April or 15th October next following, after which it shall become part of the capital.

(9) Accrued interest shall be credited to a deposit account on any occasion when money is withdrawn from the account.”

Transitional

7.—(1) This instrument shall not apply to money—

- (a) in respect of which an order was made or a direction given, or
- (b) on which interest started to accrue,

(a) 1965 c.2.

on or before 31st March 1983 and the County Court Funds Rules 1965 in force on that date shall continue to apply to such money.

(2) When money has been lodged in court but interest has not started to accrue on it before 1st April 1983, any party may apply for such money to be placed to a deposit account and where the court makes such an order the money shall be treated thereafter in accordance with Part IVA of the Rules.

(3) Subject to paragraphs (1) and (2) above, these Rules shall apply to all money in court or to be brought into court before or after 1st April 1983.

Dated 28th February 1983.

Hailsham of St. Marylebone, C.

We concur

*J. A. Cope,
Alastair Goodlad,
Two of the Lords Commissioners
of Her Majesty's Treasury.*

Dated 1st March 1983.

EXPLANATORY NOTE

(This Note is not part of the Rules.)

These Rules amend the County Court Funds Rules 1965 in a number of respects. In particular they—

(a) make new provision in respect of payments into court in satisfaction of claims so that such payments (which could formerly be placed to a short term investment account on the application of a party) will now be placed on deposit automatically after the time for acceptance has elapsed (rule 4);

(b) provide that money to be placed on deposit in accordance with (a) above shall be transferred from the county court to the Accountant General, and held and accounted for by him during the currency of the county court proceedings (rule 4);

(c) dispense with the requirement applicable to funds accounts that the court must keep a minimum of £10 in a deposit account to meet possible payments out of court (rule 5);

(d) increase the rate of interest on deposit accounts from 5 per cent. to 9½ per cent. (rule 6);

(e) provide for interest on deposit accounts to be calculated on a day-to-day basis instead of in respect of whole months only (rule 6);

(f) provide that no interest shall accrue on sums of £10 or less in a deposit account (rule 6);

(g) make transitional provision so that money entitled to interest before 1st April 1983 will continue to earn it in accordance with the rules in force before that date (rule 7).

The rate of interest on short-term investment accounts in the county court is reduced from 13 per cent. to 12½ per cent. as a result of the corresponding reduction in respect of accounts held in the Supreme Court made by S.I. 1983/290.

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