

1985 No. 1148

LOCAL GOVERNMENT, ENGLAND AND WALES

**The Local Authority (Stocks and Bonds) (Amendment) Regulations
1985**

<i>Made - - - -</i>	<i>25th July 1985</i>
<i>Laid before Parliament</i>	<i>26th July 1985</i>
<i>Coming into Operation</i>	<i>2nd January 1986</i>

The Secretary of State for the Environment, in exercise of the powers conferred upon him by paragraph 4(1) of Schedule 13 to the Local Government Act 1972(a) as extended by section 1 of the Stock Transfer Act 1982(b) and of all other powers enabling him in that behalf, with the agreement of the local authorities specified in the Schedule to these regulations, and with the consent of the Treasury, hereby makes the following regulations:—

1. These regulations may be cited as the Local Authority (Stocks and Bonds) (Amendment) Regulations 1985 and shall come into operation on 2nd January 1986.
2. The Local Authority (Stocks and Bonds) Regulations 1974(c) are amended in accordance with regulations 3 to 11 below.
3. In regulation 1(3) after the definition of “bonds” there are inserted the following definitions:—
 - “the CGO” means the Central Gilts Office of the Bank of England;
 - “the CGO Service” means the computer-based system established by the Bank of England and the Stock Exchange to facilitate the transfer of gilt-edged securities;
 - “CGO Service member” means a person who is entitled under a contract with the Bank of England to use the CGO Service;
 - “the CGO Service Regulations” means the Stock Transfer (Gilt-edged Securities) (CGO Service) Regulations 1985(d);
 - “exempt transfer” means a transfer of stock or bonds from a CGO Service member through the medium of the CGO Service.”

(a) 1972 c. 70; paragraph 4 of Schedule 13 was amended by section 5 of the Stock Transfer Act 1982.

(b) 1982 c. 41.

(c) S.I. 1974/519, as amended by S.I. 1983/529.

(d) S.I. 1985/1144.

4. In regulation 6 there is inserted—

- (a) at the beginning of paragraph (1), the words “Subject to regulation 6A below”, and
- (b) in paragraph (5), after the word “bonds”, the words “represented by a certificate”.

5. After regulation 6 there is inserted—

“6A.(1) Where stock or bonds are transferred to a CGO Service member (whether or not by means of an exempt transfer) the registrar shall not be required to issue a certificate in accordance with regulation 6 above if, following that transfer (in paragraph (2) below referred to as “the first transfer”) the transferee could himself transfer the stock or bonds by means of an exempt transfer.

(2) If at any time after the first transfer the transferee ceases to be able himself to transfer the stock or bonds by means of an exempt transfer, but remains the registered holder of the stocks or bonds, he shall on notifying the registrar of his entitlement be entitled to be issued with a certificate in accordance with regulation 6 above.”.

6. For regulation 7 there is substituted—

“7.(1) Stocks or bonds shall be transferable—

- (a) by instrument in writing in accordance with the Stock Transfer Act 1963^(a) delivered to the registrar, or
- (b) in the case of stock registered at the Bank of England and which has been issued by or may from time to time be issued by any local authority specified in Schedule 2 to these regulations, or for which liability has or may become vested in any such authority, by exempt transfer in accordance with the Stock Transfer Act 1982.

(2) Subject to paragraph (3) below, any instrument delivered to the registrar in accordance with this regulation shall be retained by him.

(3) Any such instrument as is mentioned in paragraph (2) above, and any record of a transfer effected through the medium of the CGO Service, may be destroyed at any time following the expiration of thirty years after the date of entry in the register of such particulars as are necessary to show the effect of the instrument or, as the case may be, the exempt transfer.”.

7. In Regulation 8—

- (a) after the words “a transfer of any stock or bonds”, there are inserted the words “by instrument in writing”; and
- (b) there is added as paragraph (2):—

(a) 1963 c. 18.

“(2) The registrar may decline to give effect to an exempt transfer of any stock or bonds unless there is furnished to him such evidence as he may require of the right of the transferor to make the exempt transfer.”.

8. In regulation 10(1)(i) the words “by instrument in writing” are omitted.

9. For regulation 13(2) there is substituted—

“(2) The registrar shall not be required to give effect to a transfer until the expiration of fifteen clear days after the day on which he receives the written instrument of transfer or, in the case of an exempt transfer, the notification in accordance with regulation 4(1) of the CGO Service Regulations and such other evidence as he may require under these regulations.”.

10. In regulation 17—

- (a) for the words “in the certificate issued in respect of them” there are substituted the words “in the conditions subject to which they were issued”, and
- (b) in paragraph (b), for the words “the certificate issued in respect thereof” there are substituted the words “the conditions subject to which the stock was issued”.

11. There shall be added as Schedule 2, the Schedule to these regulations.

SCHEDULE

Corporation of London
Greater London Council
City of Kingston upon Hull
City of Liverpool
City of Nottingham
City of Swansea

Patrick Jenkin,
Secretary of State
for the Environment.

25th July 1985.

We consent,

T. Garel-Jones,
John Major,
Two of the Lords Commissioners
of Her Majesty's Treasury.

25th July 1985.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

The Bank of England and The Stock Exchange have, through the Central Gilts Office of the Bank (CGO), established a computer-based system, known as "the CGO Service", to facilitate the transfer of gilt-edged securities.

By the Stock Transfer Act 1982, transfers of securities issued by a local authority may, where provision is made to that effect by regulations under paragraph 4 of Schedule 13 to the Local Government Act 1972 with the agreement of the authority, be effected through the medium of the CGO Service without an instrument in writing. These regulations amend the Local Authority (Stocks and Bonds) Regulations 1974 to make such provision in the case of the authorities mentioned in the Schedule.

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