

1999 No. 551 (L. 1)

**ADMINISTRATION OF JUSTICE
COMMON INVESTMENT FUNDS**

The Common Investment (Amendment) Scheme 1999

Made - - - - - 3rd March 1999

Laid before Parliament 5th March 1999

Coming into force in accordance with paragraph 1

The Lord Chancellor, in exercise of the powers conferred on him by section 42(1) and (16) of the Administration of Justice Act 1982(a), makes the following Scheme:

Citation and commencement

1. This Scheme may be cited as the Common Investment (Amendment) Scheme 1999 and shall come into force:

- (a) as to paragraph 8, on 5th April 1999;
- (b) as to paragraph 9, on 6th April 1999;
- (c) as to the remainder, on 4th April 1999.

Interpretation

2.—(1) In this Scheme:

“the additional HYF units” means a number of units in the High Yield Fund calculated in accordance with paragraph 3(2);

“the effective date” means 5th April 1999;

“the existing GIF units” means the units in the Gross Income Fund in existence on the effective date;

“the existing HYF units” means the units in the High Yield Fund in existence on the effective date;

“the final GIF dividend” means the dividend to be paid on units of the Gross Income Fund in accordance with paragraph 5;

“the GIF asset value” means the value of the assets of the Gross Income Fund on the effective date, ascertained in accordance with paragraph 3(1), less the value of the assets retained in accordance with paragraph 4(2);

“the HYF asset value” means the value of the assets of the High Yield Fund on the effective date, ascertained in accordance with paragraph 3(1);

(a) 1982 c. 53. Subsection (16) is cited because of the power contained in that subsection to amend schemes made under subsection (1).

“the multiplier” means a number calculated in accordance with paragraph 3(3);

“the Principal Scheme” means the Common Investment Scheme 1991(a);

“relevant liabilities” means all liabilities, costs and expenses, including liabilities, costs and expenses incurred in relation to paragraphs 3 to 7 which may lawfully be satisfied or paid out of the Gross Income Fund and “liabilities” includes, without limitation, a liability to tax;

“the retained assets” means the assets retained in accordance with paragraph 4(2), together with any income accruing to those assets while they are retained.

(2) Unless the context requires otherwise:

- (a) words and expressions shall have the same meanings in this Scheme as they have in the Principal Scheme; and
- (b) a reference to a paragraph by number alone means the paragraph so numbered in this Scheme.

Ending of Gross Income Fund

3.—(1) On the effective date the investment manager shall (notwithstanding that that date is not a valuation day) value the Gross Income Fund and the High Yield Fund in accordance with Schedule 1 to the Principal Scheme.

(2) The number of the additional HYF units shall be ascertained by dividing the GIF asset value by the HYF asset value and multiplying the resulting figure by the number of the existing HYF units.

(3) The multiplier shall be ascertained by dividing the number of the additional HYF units by the number of the existing GIF units.

4.—(1) On or before the effective date the investment manager shall estimate:

- (a) the relevant liabilities; and
- (b) the final GIF dividend

and shall give notice in writing of that estimate to the Accountant General.

(2) There shall be retained out of the assets of the Gross Income Fund cash, and such other assets as the investment manager may nominate in writing, equivalent in value to the total amount of the relevant liabilities and the final GIF dividend estimated in accordance with sub-paragraph (1).

(3) If the investment manager makes a nomination under sub-paragraph (2) he shall give a copy of it to the Accountant General.

(4) The final GIF dividend and the relevant liabilities shall be satisfied out of the retained assets, unless the retained assets are insufficient to satisfy the final GIF dividend and all the relevant liabilities, in which case sub-paragraph (5) shall apply.

(5) Any of the final GIF dividend and any of the relevant liabilities remaining to be satisfied after the retained assets have been exhausted shall be satisfied out of the assets of the High Yield Fund.

(6) When the final amount of the relevant liabilities is ascertained, unless the retained assets have been exhausted, the remaining retained assets shall be added to the High Yield Fund and shall from then be treated as assets of the High Yield Fund.

5.—(1) The effective date shall be an additional accounting date in relation to the Capital Fund, the High Yield Fund and the Gross Income Fund, and dividends shall be paid on units of those funds in accordance with the Principal Scheme.

(2) The dividend date, in relation to the dividends payable under sub-paragraph (1), shall be:

- (a) for the Capital Fund, 15th May 1999;
- (b) for the High Yield Fund, 1st October 1999; and
- (c) for the Gross Income Fund, 15th May 1999.

(a) S.I. 1991/1209.

(3) The right to the final GIF dividend, in relation to the units in the Gross Income Fund, shall have effect notwithstanding the cancellation of those units in accordance with paragraph 7(2).

6. On the effective date the events set out in paragraph 7 shall take place.

7.—(1) Subject to paragraph 4(2), all the assets of the Gross Income Fund shall be added to the High Yield Fund and shall from then be treated as assets of the High Yield Fund.

(2) Subject to paragraph 5(3), all the units in the Gross Income Fund shall be cancelled.

(3) The number of units into which the High Yield Fund is divided shall be increased by the number of the additional HYF units.

(4) For each unit in the Gross Income Fund which was in existence immediately before the effective date, there shall instead be allotted to the Accountant General a number of units in the High Yield Fund equal to the multiplier.

Amendments to the Principal Scheme

8. The Principal Scheme shall be amended as follows:

- (a) in paragraph 3, for “three” there shall be substituted “two”, and for “the “Capital Fund”, the “High Yield Fund” and the “Gross Income Fund”” there shall be substituted “the “Capital Fund” and the “High Yield Fund””;
- (b) in paragraph 5(1)(b), for “the High Yield and Gross Income Funds” there shall be substituted “the High Yield Fund”;
- (c) paragraph 6 shall be deleted;
- (d) in Schedule 2, the words “Gross Income Fund” in the column headed “Title of Fund”, and the entries in the other columns opposite them, shall be deleted;
- (e) in paragraph 2(k) of Schedule 3, the words “half yearly income” shall be deleted;
- (f) in paragraph 4(a) of Schedule 3, for “progres” there shall be substituted “progress”.

9. The Principal Scheme shall be further amended as follows:

(a) in paragraph 2:

- (i) before the definitions of “accounting date” and “dividend date”, there shall be inserted the following definition:

“ “Accountant General for Northern Ireland” means the Accountant General of the Supreme Court of Judicature of Northern Ireland;”;

- (ii) after the definition of “the Act”, there shall be inserted the following definition:

“ “authorised unitholder” means a person, other than the Accountant General or the Accountant General for Northern Ireland, authorised under section 42(5)(b) of the Act as a person to whom shares in a common investment fund may be allotted;”;

(b) in Schedule 1, the following paragraph shall be inserted after paragraph 8:

“**8A.**—(1) Paragraphs 3 to 8 of this Schedule shall apply to the Accountant General for Northern Ireland or any authorised unitholder, in relation to an allotment of units to the Accountant General for Northern Ireland or that authorised unitholder under section 42(5) (b) of the Act, as those paragraphs apply to the Accountant General; and references to the Accountant General in those paragraphs and in paragraph 2(b) to (d) of Schedule 3 shall be construed accordingly.

(2) In its application to Northern Ireland, the reference in paragraph 3(3) of this Schedule to Funds Rules shall be construed as a reference to rules made under section 82(1) of the Judicature (Northern Ireland) Act 1978(a).”.

Dated 24th February 1999

Irvine of Lairg, C.

We consent

Dated 3rd March 1999

Bob Ainsworth
Jim Dowd
Two of the Lords Commissioners
of Her Majesty’s Treasury

(a) 1978 c. 23.

EXPLANATORY NOTE

(This note is not part of the Scheme)

This Scheme provides for the merger of one of the three common investment funds under section 42 of the Administration of Justice Act 1982 (the Gross Income Fund) into one of the remaining funds (the High Yield Fund) and makes consequential amendments to the Common Investment Scheme 1991.

This Scheme also makes amendments to the Common Investment Scheme 1991 to enable units in the common investment funds to be allotted to the Accountant General for Northern Ireland and to such other person as the Lord Chancellor may authorise under section 42(5)(b) of the Administration of Justice Act 1982.

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