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## STATUTORY INSTRUMENTS

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# 2015 No. 624

## The National Savings (No. 2) Regulations 2015

### PART 4

#### Savings certificates

#### CHAPTER 1

#### Issue and purchase of certificates

#### Issue, purchase and recording of certificates

**38.**—(1) Certificates may be issued in the form, at the places determined, and by the persons authorised, by the Director of Savings.

(2) An application to purchase a certificate must be made in the approved form, and the applicant must provide any documents or other information required by the Director of Savings.

(3) The Director of Savings must record the names of persons who are holders of certificates.

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#### Commencement Information

**II** Reg. 38 in force at 6.4.2015, see [reg. 1\(1\)](#)

#### Persons entitled to purchase and hold certificates

**39.**—(1) Subject to paragraphs (4) to (6), a certificate purchased before 20th September 2012 may be held by—

- (a) a person who has attained the age of seven years;
- (b) a friendly society;
- (c) any other body of persons approved for this purpose by the Director of Savings, either generally or in relation to that particular purchase;
- (d) a trustee; or
- (e) a person who purchased the certificate acting as a trustee on behalf of another person.

(2) A certificate purchased by a person on behalf of and in the name of a person entitled under paragraph (1)(a), (b) or (c) to hold a certificate is deemed to be held by the person on whose behalf it was purchased.

(3) A certificate purchased by a person acting as a trustee on behalf of another person may be held jointly by that trustee and the person on whose behalf the certificate was purchased.

(4) Paragraph (5) applies to a certificate purchased before 20th September 2012 by or on behalf of a minor who was, at the date of purchase, under the age of sixteen years, or by or on behalf of two or more minors jointly.

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(5) At the end of the term which was current on 19th September 2012 the Director of Savings must pay the amount repayable in relation to the certificate to a person entitled to receive it by any means, unless—

- (a) in the case of a sole holder, the holder is at that time entitled under paragraph (7) to purchase and hold a certificate; or
- (b) in the case of joint holders, each of them is at that time entitled under paragraph (7) to purchase and hold a certificate.

(6) Where a certificate purchased before 20th September 2012 is held by a friendly society or other body of persons (whether solely or jointly with any person), the Director of Savings must pay the amount repayable in relation to the certificate to a person entitled to receive it, by any means, at the end of the term which was current on 19th September 2012.

(7) A certificate may be purchased and held by a person who has attained the age of sixteen years, or by two of them jointly.

(8) A certificate may be purchased on behalf of and in the name of a person who lacks capacity by that person's deputy, which shall be deemed to be held by the person on whose behalf it was purchased.

(9) A certificate may be purchased and held—

- (a) by a trustee; or
- (b) by a person acting as a trustee on behalf of a person who has attained the age of sixteen years.

(10) No certificate may be purchased under paragraph (9)(a) without the approval of the Director of Savings (which approval may be either general or limited to a particular purchase), if any beneficiary of the trust is a body of persons, whether incorporated or not.

(11) A certificate purchased under paragraph (9)(b) may be held jointly by the person acting as a trustee and the person on whose behalf the certificate is purchased.

(12) Where a certificate is held under this regulation by a trustee, the trustee may be described in the records kept by the Director of Savings as a trustee of a specified trust or as a trustee without specifying a trust.

(13) Where a certificate has been purchased on behalf of a person who was, at the date of purchase, under the age of seven years, the Director of Savings may, at any time after that person has attained the age of seven years, require a specimen signature.

#### **Commencement Information**

**I2** Reg. 39 in force at 6.4.2015, see [reg. 1\(1\)](#)

#### **Persons entitled to hold index-linked certificates purchased before 7th September 1981**

**40.**—(1) Subject to paragraph (2), an index-linked certificate issued before 7th September 1981 may be held by a person who—

- (a) is not under a legal disability; and
- (b) had at the date of purchase attained the minimum eligible age, that being—
  - (i) in relation to an index-linked certificate issued not later than 16th November 1980, the age of 65 years in the case of a man, or 60 years in the case of a woman;
  - (ii) in relation to an index-linked certificate issued after 16th November 1980 but not later than 5th April 1981, the age of 60 years; or

(iii) in relation to an index-linked certificate issued after 5th April 1981, the age of 50 years,

or by two or more of them jointly.

(2) Nothing in paragraph (1)(b) prevents an index-linked certificate, whenever issued, from being transferred to a person who is at the date of transfer eligible to hold an index-linked certificate.

(3) An index-linked certificate issued before 7th September 1981 that was purchased in accordance with Regulations revoked by these Regulations by a deputy on behalf of and in the name of a person who lacks capacity, who at the date of purchase had attained the minimum eligible age, shall be deemed to be held by the person on whose behalf it was purchased.

#### Commencement Information

**I3** Reg. 40 in force at 6.4.2015, see [reg. 1\(1\)](#)

### Limit on total holding of certificates

**41.**—(1) A person may not purchase a certificate of a unit series (or hold a certificate purchased on that person's behalf under regulation 39(8) or 40(3)), if the total number of units which would be held by that person in that event would exceed—

- (a) in the case of index-linked certificates issued after 30th June 1985, the number of units specified by or in accordance with the prospectus relating to those certificates (which may provide that different maximum numbers apply in different circumstances) as the maximum number of units of that description of certificate which may be held;
- (b) in the case of certificates which are not index-linked certificates issued after 25th September 1985, the number of units specified by or in accordance with the prospectus relating to those certificates (which may provide that different maximum numbers apply in different circumstances) as the maximum number of units of that description of certificate which may be held; or
- (c) in the case of any other certificates, the number of units specified in Schedule 1 in relation to those certificates.

(2) A person may not purchase a money value certificate (or hold a certificate purchased on that person's behalf under regulation 39(8)) if in that event the person would hold certificates the aggregate purchase price of which would exceed the amount specified by or in accordance with the prospectus relating to those certificates (which may provide that different maximum values apply in different circumstances) as the maximum value of certificates of that description (in terms of purchase price) which may be held.

(3) Where a certificate required to be aggregated for the purposes of paragraph (2) is a replacement certificate issued under regulation 45(4), its purchase price shall be taken to be the amount shown on the replacement certificate.

(4) A person who is a trustee, or who holds a certificate as a beneficiary jointly with a trustee, must be treated separately in the capacity as a trustee or in the capacity as a beneficiary, and in those capacities separately in relation to each separate trust.

(5) For the purposes of paragraph (4), trusts are to be treated as separate to the extent that they differ as respects—

- (a) the purposes of the trust;
- (b) the powers of the trustee;
- (c) the identity of the beneficiaries; or

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(d) the respective interests of the beneficiaries.

(6) Paragraph (1) shall not apply to the transfer of a certificate to a person under regulation 89(6), but in relation to any subsequent purchase by that person (or on that person's behalf) a transferred certificate must be included for the purpose of calculating the number of units held.

(7) For the purposes of this regulation, each holding of certificates in the name of the Accountant General of the Supreme Court must be treated separately.

(8) In calculating the total number of unit certificates which a person holds, a multiple certificate must be counted as the number of units represented by the multiple certificate, but no account may be taken of a certificate which—

- (a) was purchased by that person (or on that person's behalf) out of money payable to that person on account of a gratuity in relation to service in the First World War of 1914 to 1918 and formed part of a special issue made in connection with war service gratuities; or
- (b) was acquired by that person—
  - (i) as a member of a savings group working under the rules of the Provident Scheme of the National Savings Committee for England and Wales or of the National Savings Committee for Scotland; or
  - (ii) under the Pensioners' Savings Scheme of the Department of Social Security.

#### **Commencement Information**

**14** Reg. 41 in force at 6.4.2015, see [reg. 1\(1\)](#)

#### **Forfeiture of certificates purchased before 20th September 2012**

**42.**—(1) Subject to paragraph (2), where a person—

- (a) purchases or holds a certificate of a unit series in contravention of regulations 39 or 40 (on persons entitled to purchase and hold certificates); or
- (b) purchases or holds a certificate in contravention of regulation 41 (limit on total holding of certificates),

the certificate shall, if the Director of Savings directs, be forfeited.

(2) Having directed the forfeiture of a certificate, the Director of Savings may pay to that person, or credit an account in the name of that person in the National Savings Bank—

- (a) an amount equal to the aggregate amount of the purchase price of the certificates forfeited;
- (b) where a certificate was purchased or held in contravention of regulation 39, interest (not exceeding the interest which had accrued immediately before forfeiture) as the Director of Savings may determine;
- (c) where a certificate was purchased or held in contravention of regulation 40, the bonus or other amount (not exceeding the bonus or other amount which had accrued immediately before forfeiture) as the Director of Savings may determine;
- (d) where a certificate was purchased or held in contravention of regulation 41, interest at a rate determined by the Director of Savings on the amount of the purchase price of the certificate, being interest calculated in a manner the Director of Savings, with the approval of the Treasury, may direct.

(3) For the purposes of this regulation a multiple certificate must be taken to be the number of unit certificates represented by the multiple certificate.

(4) Subject to paragraph (5), where a money value certificate was purchased or held by a person in contravention of regulation 41, the amount (“the excess”) by which the purchase price of the certificate exceeded the amount for which that certificate could have been purchased without contravening that regulation shall, if the Director of Savings directs, be forfeited.

(5) Having directed the forfeiture of an excess, the Director of Savings may pay to that person, or credit an account in the name of that person in the National Savings Bank—

- (a) the excess;
  - (b) interest at a rate determined by the Director of Savings on the excess, being interest calculated in a manner the Director of Savings, with the approval of the Treasury, may direct.
- (6) For the purposes of—
- (a) regulation 23 (investment deposits) of the National Savings Regulations 2015<sup>(1)</sup> (to the extent it applies); or
  - (b) an Order under section 4 of the 1971 Act<sup>(2)</sup> (limiting the amount of deposits in the National Savings Bank),

an amount credited to an account under this regulation is not to be counted if directed by the Director of Savings.

(7) Notice of any forfeiture must be sent to the person concerned as soon possible, and the Director of Savings may require the certificates affected to be provided for the purpose of giving effect to this regulation.

(8) This regulation does not apply to a rolled-over certificate or a certificate purchased on or after 20th September 2012.

#### Commencement Information

**I5** Reg. 42 in force at 6.4.2015, see [reg. 1\(1\)](#)

### Forfeiture of rolled-over certificates and certificates purchased on or after 20th September 2012

**43.**—(1) The Director of Savings may direct that a rolled-over certificate or a certificate purchased on or after 20th September 2012 be forfeited.

(2) The circumstances in which the Director of Savings may make a direction under paragraph (1) include the following—

- (a) the certificate was purchased, or is held, otherwise than in accordance with these Regulations; or
- (b) the Director of Savings reasonably suspects that—
  - (i) the purchaser or the holder (or anyone acting on their behalf) has provided false information; or
  - (ii) the certificate is being held in connection with an illegal purpose.

(3) Where the Director of Savings makes a direction under paragraph (1)—

- (a) an amount equal to the purchase price must be paid to the holder; and
- (b) any other amount which was payable under the terms and conditions applying to the certificate may be paid to the holder as the Director of Savings considers appropriate.

(1) [S.I. 2015/623](#).

(2) Section 4 was amended by the Finance Act 1982 (c. 39), section 151, Schedule 20, paragraph 3 and section 152(1).

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(4) The Director of Savings may make a payment under paragraph (3) by any means, which may include crediting the amount to an account in the name of the holder in the National Savings Bank.

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**Commencement Information**

**I6** Reg. 43 in force at 6.4.2015, see [reg. 1\(1\)](#)

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