
STATUTORY INSTRUMENTS

1998 No. 1446

NATIONAL DEBT

**The National Savings Stock Register
(Closure of Register to Gilts) Order 1998**

<i>Made</i> - - - -	<i>11th June 1998</i>
<i>Laid before the House of Commons</i> - - - -	<i>11th June 1998</i>
<i>Coming into force</i>	
<i>Articles 1 to 29</i>	<i>3rd July 1998</i>
<i>Article 30</i>	<i>20th July 1998</i>

The Treasury, in exercise of the powers conferred on them by section 33 of the Bank of England Act 1998(1), and of all other powers enabling them in that behalf, hereby make the following Order:—

PRELIMINARY

Title and commencement

1.—(1) This Order may be cited as the National Savings Stock Register (Closure of Register to Gilts) Order 1998.

(2) Articles 1 to 29 of this Order shall come into force on 3rd July 1998 and article 30 thereof shall come into force on the specified day.

Interpretation

2.—(1) In this Order, except where the context otherwise requires—

“the Bank” means the Bank of England;

“Bank legislation” means any enactment or subordinate legislation, within the meaning of the Interpretation Act 1978(2), relating to the books of the Bank or to gilts registered therein, including any applicable provisions of this Order;

“the Commissioners” means the National Debt Commissioners;

(1) 1998 c. 11.
(2) 1978 c. 30.

“gilts” means stock or bonds of any of the descriptions included in Part I of Schedule 11 to the Finance Act 1942(3);

“the National Savings Regulations” means the National Savings Stock Register Regulations 1976(4);

“nomination” means a nomination made and recorded in accordance with the National Savings Regulations(5), and “nominator” means the person who made such a nomination;

“qualifying application” means any application properly made to the Director of Savings in accordance with any provision of the National Savings Regulations;

“the Register” means the National Savings Stock Register;

“the specified day” means 20th July 1998;

“stock” means stock or securities registered in the Register;

“transitional gilts” means any gilts which are transferred to the books of the Bank by article 4 below; and

“the transitional weekend” means the period beginning at 5 pm on 17th July 1998 and ending at the beginning of the specified day.

(2) Where any provision of this Order is expressed to apply, on or after the specified day, where any thing is done before that day, that provision shall be construed as applying also where that thing has been done before the commencement of this Order.

CLOSURE AND TRANSFER

Exclusion of gilts from registration in the Register

3. Gilts shall be excluded from registration in the Register on and after the specified day.

Transfer of existing gilts registrations to the books of the Bank

4.—(1) At the beginning of the specified day, all entries in the Register which relate to gilts shall be transferred, by virtue of this paragraph, to the books of the Bank.

(2) The Director of Savings shall amend the Register, and the Bank shall amend its books, to reflect the transfer effected by paragraph (1) above, and any such amendment shall have effect from the beginning of the specified day regardless of when the Register and the books are actually amended.

(3) Where, at the beginning of the specified day, any gilts were not registered in the Register but should have been, those gilts shall be transferred, by virtue of this paragraph, to the books of the Bank and the Bank shall, when the circumstances come to its attention, rectify its books accordingly.

Transfer to the Bank of rights and liabilities of the Director of Savings

5.—(1) Subject to article 15 below, on the specified day the rights and liabilities described in paragraph (2) below shall, by virtue of this paragraph, be transferred from the Director of Savings to the Bank.

(3) 1942 c. 21; Part I of Schedule 11 was amended by the Finance Act 1963 (c. 25), Schedule IV, Part VII, by the National Loans Act 1968 (c. 13), section 16(3) and 14(A) (which was inserted by the Finance Act 1996 (c. 8), section 202(4)) and Schedule 6, Part II, by the Statute Law (Repeals) Act 1986 (c. 12), Schedule 1, Part III, and by the Finance Act 1989 (c. 26), Schedule 17, Part XI, and extended for this purpose by the Bank of England Act 1946 (c. 27), section 1(5) and Schedule 1, paragraph 6, and by the Coal Industry Nationalisation Act 1946 (c. 59), section 33(6).

(4) S.I. 1976/2012; relevant amending instruments are 1979/1677, 1981/485, 1983/1103, 1984/600, 1987/1635, 1989/652, 1989/2046, 1993/783, 1996/156.

(5) Nominations made and recorded under corresponding earlier provisions have effect as if made and recorded under the National Savings Regulations by virtue of regulation 63(2) of those Regulations.

(2) The rights and liabilities are all the rights and liabilities of the Director of Savings arising before the specified day in relation to the registration of gilts or any transaction associated therewith.

APPLICATIONS AND PROCEEDINGS

Applications to exchange gilts in the Register for gilts in the books of the Bank

6.—(1) The Director of Savings may, in the circumstances described in paragraph (2) below, decline to process, in accordance with the National Savings Regulations, any qualifying application for the exchange of any gilts in the Register for gilts of a corresponding amount and description in the books of the Bank which is received before the specified day.

(2) The circumstances are that it appears to the Director of Savings that, if the application is processed in the normal manner, the exchange would not be likely to be carried into effect before the gilts are to be transferred to the Bank's register by virtue of article 4 above.

Applications to exchange gilts in the books of the Bank for gilts in the Register

7.—(1) Subject to paragraph (2) below, where any application to the Bank, in accordance with regulation 17 of the National Savings Regulations, for the exchange of any gilts in the books of the Bank for gilts of a corresponding amount and description in the Register, is received before the specified day, the Bank shall not be required to process that application, save to inform the applicant that it is not processing the application in view of the pending closure and transfer to be effected by articles 3 and 4 above.

(2) If an applicant requests that the application should be proceeded with notwithstanding such impending closure and transfer, the Bank may, if it thinks fit having regard to any representations made by the applicant, proceed with the application insofar as it may be given effect before the specified day.

Applications for the sale of gilts pending on the specified day

8.—(1) Any qualifying application under regulation 11 of the National Savings Regulations for the sale of any transitional gilts which is received before the specified day but not executed before that day shall, on and after that day, be treated as an application for the sale of those gilts through the Bank in accordance with regulations made under section 47(1ZA) of the Finance Act 1942⁽⁶⁾.

(2) Any qualifying application under regulation 11A of the National Savings Regulations⁽⁷⁾ (which, where the Bank of England has given notice that it is prepared to purchase gilts of any description, makes provision for the Director of Savings, at the request of the holder, to offer such gilts for sale, through the Commissioners, to the Bank) requesting the Director of Savings to offer any gilts for sale through the Commissioners to the Bank which is received before the specified day but which has not resulted in the making or determination of such an offer before that day shall, on and after that day, be treated as an offer to sell those gilts to the Bank in accordance with the notice by which the Bank indicated its willingness to purchase gilts of that description.

Applications to purchase gilts pending on the specified day

9. Any qualifying application for the purchase of any gilts in the Register which is received before the specified day but not executed before that day shall, on and after that day, be treated as an application for the purchase, through the Bank, of like gilts in the books of the Bank in accordance with regulations made under section 47(1ZA) of the Finance Act 1942.

(6) 1942 c. 21; subsection (1ZA) was inserted by the Bank of England Act 1998 (c. 11), section 34.

(7) Regulation 11A was inserted by S.I. 1989/652.

Applications to subscribe for gilts pending on the specified day

10.—(1) Any qualifying application to subscribe for any gilts which is received before the specified day but not determined before that day shall, on and after that day, be treated as if it had been made to the Bank in accordance with any applicable Bank legislation and the terms of the prospectus for those gilts.

(2) Any qualifying application to register in the Register gilts which had been subscribed for which is received before the specified day but not executed before that day shall, on and after that day, be treated as an application to the Bank to register those gilts in its books.

(3) Any application made to the Bank under regulation 5(3) of the National Savings Regulations (which enables applications to subscribe for gilts to be registered in the Register to be made to the Bank in accordance with the terms of the prospectus for those gilts) which is received before the specified day but not determined before that day shall, on and after that day, be treated as if it were an application, made in accordance with the terms of the prospectus, to subscribe for gilts to be registered in the books of the Bank.

Applications to transfer gilts pending on the specified day

11.—(1) Any qualifying application to make a transfer in the Register of any gilts which is received before the specified day but not carried into effect before that day shall, on and after that day, be carried into effect by the Bank in its books in accordance with applicable Bank legislation as if—

- (a) the application were an instrument falling within regulation 4(1) of the Government Stock Regulations 1965⁽⁸⁾, and
- (b) the conditions required to be fulfilled by regulation 8 of those Regulations were fulfilled.

(2) For the purposes of paragraph (1), regulation 10 of the Government Stock Regulations 1965 (which provides that the Bank shall not be required to give effect to a transfer until the expiration of ten clear days after the day on which the Bank receives the instrument of transfer) shall, subject to paragraph (3) below, apply as if the Bank had received the application on the specified day.

(3) Where the Director of Savings receives the application during the transitional weekend and forwards it to the Bank in accordance with article 28(4) to (6) below, the Bank shall not be treated (whether by virtue of article 25(2)(a) below or otherwise) as receiving it earlier than the day on which the Bank did in fact receive it.

Applications to exchange gilts in the Register for gilts in the books of the Bank of Ireland pending on the specified day

12. Any qualifying application for the exchange of any gilts in the Register for gilts of a corresponding amount and description in the books of the Bank of Ireland which is received before the specified day but not carried into effect, on the part of the Director of Savings, before that day shall, on and after that day, be carried into effect by the Bank of England as if—

- (a) it were an application for the removal of the gilts from the books of the Bank of England to the books of the Bank of Ireland under regulation 17 of the Government Stock Regulations 1965, and
- (b) the conditions required to be fulfilled by regulation 8 of those Regulations (which is applied by regulation 17(3) of those Regulations) were fulfilled.

(8) S.I. 1965/1420; relevant amending instruments are S.I. 1981/1004, 1985/1146, 1990/2253, 1997/1709.

Application to exchange gilts in the books of the Bank of Ireland for gilts in the Register pending on the specified day

13.—(1) Any application made to the Bank of Ireland in accordance with regulation 17 of the National Savings Regulations for the exchange of any gilts in the books of the Bank of Ireland for gilts of a corresponding amount and description in the Register which is received before the specified day but not carried into effect on the part of the Bank of Ireland before that day shall, on and after that day, be carried into effect by the Bank of Ireland as if—

- (a) it were an application for the removal of the gilts from the books of the Bank of Ireland to the books of the Bank of England under regulation 17 of the Government Stock Regulations 1965, and
- (b) the conditions required to be fulfilled by regulation 8 of those Regulations (which is applied by regulation 17(3) of those Regulations) were fulfilled.

(2) Where any such application is carried into effect on the part of the Bank of Ireland but not on the part of the Director of Savings before the specified day, the Bank of England shall, on or after that day, cause the gilts to be registered in its books.

Old style applications made after the specified day

14.—(1) Articles 8 to 13 above shall apply to any transitional application as they apply to a qualifying application or, as the case may be, to an application to the Bank of England or the Bank of Ireland, pending on the specified day.

(2) In this article, “transitional application” means an application which—

- (a) would have been a qualifying application or, as the case may be, an application made to the Bank of England or the Bank of Ireland in accordance with the National Savings Regulations, if received immediately before the specified day, but
- (b) is received by the Director of Savings or, as the case may be, the Bank of England or the Bank of Ireland—
 - (i) on or after the specified day, and
 - (ii) except in the case of an application for the transfer of gilts in the Register, before 20th July 1999.

(3) This article is without prejudice to the construction of any application, except for the transfer of gilts in the Register, received on or after 20th July 1999.

Adjudications etc pending on the specified day

15.—(1) This article applies to any relevant proceedings which, at the beginning of the specified day, are pending in respect of any gilts.

(2) Notwithstanding article 5 above, the Director of Savings, and not the Bank, shall continue to be a party to such proceedings and, subject to paragraph (3) below, any relief, including costs, awarded in such proceedings shall be satisfied, or as the case may be enjoyed, by the Director of Savings and not the Bank.

(3) The Director of Savings shall give notice to the Bank of any relief which appears to require, or which may require, an amendment to be made in the books of the Bank, and the Bank shall amend its books to such extent as may be necessary to give effect to the relief.

(4) Where the Director of Savings reasonably so requires for the purpose of enabling him to conduct any relevant proceedings, he may—

- (a) retain such records, documents or other papers that he would otherwise have been required by article 28 below to transfer to the Bank, or

(b) have reasonable access to any such records, documents or papers which he has transferred to the Bank.

(5) Where the Director of Savings has retained any records, documents or papers in accordance with paragraph (4) above, the Bank may have such access to them as it may reasonably require for the purpose of carrying out its own functions in relation to the registration of gilts.

(6) At the conclusion of any relevant proceedings, the Director of Savings shall transfer to the Bank any records, documents or papers which he had retained under paragraph (4) above, or which had been created since the specified day in relation to the proceedings, and which remain in the possession of the Director of Savings, except to such extent and for such time (if any) as the Director considers it appropriate to retain them for any purpose connected with or arising out of those proceedings.

(7) In this article, “relevant proceedings” means any proceedings on a reference under section 5(1) of the National Debt Act 1972⁽⁹⁾ (which makes provision for the settlement of disputes as to holdings in the Register), and any further proceedings (whether by way of appeal or otherwise) arising out of such proceedings.

(8) This article shall apply to any further proceedings (whether by way of appeal or otherwise) arising out of any relevant proceedings as if they were all part of the same relevant proceedings that were pending on the specified day and, accordingly, any such further proceedings shall be taken by or against the Director of Savings and not the Bank.

EXISTING RULES AND ARRANGEMENTS PRESERVED IN CERTAIN CASES

Transitional gilts held by minors

16.—(1) This article applies to any transitional gilts held by a person who, immediately before the specified day, is a minor.

(2) In the case of transitional gilts to which this article applies, on and after the specified day—

(a) the provisions of—

(i) section 73 of the Finance (No. 2) Act 1975⁽¹⁰⁾ (which makes provision in relation to gilts held in the books of the Bank by persons under the age of eighteen who are not domiciled in Scotland), and

(ii) regulation 14 of the Government Stock Regulations 1965⁽¹¹⁾ (which makes provision in relation to gilts so held by persons under the age of sixteen who are domiciled in Scotland),

shall not apply; and

(b) the provisions of the National Savings Regulations specified in paragraph (3) below shall continue to apply to those gilts, subject to paragraph (4) below.

(3) Those provisions are—

(a) regulation 30 (which makes provision relating to the purchase, holding, sale and repayment of stock in the name of minors), and

(b) regulation 31(1) (which confers certain powers on the Director of Savings in the case of minors under the age of 7 years), except insofar as it relates to mentally disordered persons.

(4) Those provisions shall apply as if—

(a) each reference in them to the Director of Savings were instead a reference to the Bank, and

⁽⁹⁾ 1972 c. 65; section 5 was substituted by the Friendly Societies Act 1992 (c. 40), Schedule 21, paragraph 4.

⁽¹⁰⁾ 1975 c. 45; section 73(5) was amended by the Age of Legal Capacity (Scotland) Act 1991 (c. 50), Schedule 2.

⁽¹¹⁾ S.I. 1965/1420; regulation 14 was substituted by S.I. 1997/1709.

(b) the words “subscribed for, purchased” were omitted from regulation 30(1).

(5) For the purposes of this article, those provisions shall not be affected by the amendment made by paragraph 2 of Schedule 1 below or by any other amendment that may be made to them after the making of this Order.

Nominations not carried fully into effect by the specified day where the nominator dies before that day

17.—(1) This article applies where a nominator dies before the specified day and the nomination is not carried fully into effect before the specified day in relation to any transitional gilts to which the nomination extended.

(2) In such a case, those transitional gilts shall, on and after the specified day, continue to be held subject to that nomination in accordance with the relevant provisions specified in paragraph (3) below, but subject to paragraph (4) below, and the Bank shall do anything that remains to be done in accordance with those provisions to carry the nomination fully into effect in relation to those gilts.

(3) The relevant provisions are—

- (a) any provision of the National Savings Regulations which, immediately before the specified day, applied in relation to the nomination, and
- (b) any provision of the Post Office Savings Bank Regulations 1910(12) which was applied to it at that time by regulation 39 of the National Savings Regulations.

(4) Those provisions shall apply as if all references in them to the Director of Savings were references to the Bank.

Effect of nominations where the nominator does not die before the specified day

18.—(1) This article applies where a relevant nomination subsists immediately before the specified day and the nominator remains alive at that time.

(2) For the purposes of this article, a nomination is relevant if the nominator holds any transitional gilts to which the nomination would have extended if he had died immediately before the specified day.

(3) Any relevant nomination shall, on and after the specified day,—

- (a) continue to be governed, subject to paragraphs (8) and (9) below, by the relevant provisions, and
- (b) if not revoked in accordance with those provisions, have effect in accordance with paragraphs (4), (5) and (6) below.

(4) Where the nomination is expressed, or deemed by regulation 70(2) of the Post Office Savings Bank Regulations 1910, to extend to all stock, it shall extend, so far as relates to gilts—

- (a) to any transitional gilts which, at the date of the nominator’s death, continue to be registered in his name in the books of the Bank, and
- (b) not in relation to any other gilts registered in his name in the books of the Bank.

(5) Where a nomination is expressed to extend to a fraction of all stock, or to a portion of all stock expressed by reference to a fraction of a particular description of stock, it shall extend, so far as relates to gilts, to—

(12) S.R. & O. 1910/569 (1910, p.640); the Regulations were amended in respects not relevant to this Order before being revoked by S.R. & O. 1921/1532 (1921, p.1152) subject to a saving that is continued by regulation 39 of the National Savings Regulations.

- (a) that fraction of all transitional gilts or, as the case may be, all transitional gilts fulfilling the description, which continue to be registered in the nominator's name in the books of the Bank at the date of his death, and
 - (b) no other gilts which may be registered in his name in the books of the Bank.
- (6) Subject to paragraph (5) above, where a nomination is expressed to extend to a portion of all stock, it shall extend, so far as relates to gilts, to—
- (a) all transitional gilts which—
 - (i) continue to be registered in the nominator's name in the books of the Bank at the date of his death, and
 - (ii) meet the description by reference to which the portion was expressed in the nomination, disregarding for this purpose any respect in which they fail to fall within that description by reason only that they are no longer registered in the Register, and
 - (b) no other gilts which may be registered in his name in the books of the Bank.
- (7) In this article, "relevant provisions" means—
- (a) any provision of the National Savings Regulations which, immediately before the specified day, applied in relation to the nomination, and
 - (b) any provision of the Post Office Savings Bank Regulations 1910 which was applied to it at that time by regulation 39 of the National Savings Regulations.
- (8) Those provisions shall apply for the purposes of this article subject to the amendments made by paragraphs 5, 6 and 7 of Schedule 1 below.
- (9) Except in those amendments, any reference in those provisions to the Director of Savings shall have effect for the purposes of this article as if it were a reference to the Bank.
- (10) Where the terms of a relevant nomination are such that it will, or may depending on the circumstances obtaining at the date of the nominator's death, have effect in relation to any non-gilts, the Director of Savings shall continue to record the nomination but shall provide the Bank with a copy of it, and of any associated records, in accordance with article 28(2) and (3) below.
- (11) Where the Director of Savings retains any original nomination or associated record, he shall afford the Bank such reasonable access to the original as the Bank may require.
- (12) In this article—
- "all stock" means all stock registered in the Register in the name of the nominator at the date of his death; and
 - "non-gilts" means—
 - (a) any stock, except for gilts, held by the nominator at the time of his death,
 - (b) any deposits standing to the credit of the nominator in the National Savings Bank at that time, and
 - (c) any sums to which the nominator is entitled at that time in respect of a savings bank annuity or insurance.

Existing arrangements for the payment of dividends

19.—(1) This article applies where, immediately before the specified day, any arrangements of a standing or continuing nature exist, in accordance with any provision of the National Savings Regulations, for the payment of dividends in respect of any transitional gilts.

(2) In such a case, the Bank shall be entitled to pay any dividend due on or after the specified day in accordance with those arrangements, notwithstanding that those arrangements may have been made pursuant to a mandate given in accordance with the National Savings Regulations by such

persons, or in such manner, that it would not (apart from this article) be a sufficient mandate to the Bank to make such payments under the relevant provisions of Bank legislation in force at the time when the dividend falls to be made.

(3) Any fresh mandate falling to be given on or after the specified day, whether to replace any such arrangements in whole or to amend them in any particular, shall be given in accordance with the Bank legislation then in force.

Existing arrangements for joint holders to act by majority

20.—(1) This article applies where, immediately before the specified day, regulation 27 of the National Savings Regulations (which, in the case of gilts or other stock registered in the names of three or more holders, enables a majority of them to deal in, or provide authority for the payment of dividends on, those gilts, but only if an application in that behalf has been made to the Director of Savings in accordance with the provisions of that regulation) applies to any transitional gilts by virtue of such an application received before that day.

(2) In such a case, on and after the specified day, that regulation shall continue to apply to the gilts, but subject to paragraphs (3) and (4) below.

(3) Paragraph (3) of that regulation (which provides for the revocation of an application under that regulation) shall apply as if—

- (a) the reference to the Director of Savings were instead a reference to the Bank, and
- (b) the word “approved” meant approved by the Bank.

(4) A notice of revocation given to the Bank under that paragraph as modified by paragraph (3) above shall not revoke the application insofar as that application may extend to stock in the Register.

Existing arrangements for payments into the National Savings Bank

21.—(1) This article applies where, immediately before the specified day, any arrangement of a standing or continuing nature exists for the payment of moneys falling due in respect of any transitional gilts to an account in the National Savings Bank under regulation 45 of the National Savings Regulations.

(2) In such a case, the Bank may, if it thinks fit, continue those arrangements and make payments in accordance with them on and after the specified day.

UNCLAIMED GILTS AND MONEYS

Unclaimed dividends and redemption moneys paid to the Commissioners before the specified day

22.—(1) This paragraph applies where, in respect of any gilts registered in the Register, sums equal to any unclaimed moneys are, before the specified day—

- (a) paid to the Commissioners under regulation 43 of the National Savings Regulations, or under the Regulations revoked by those Regulations or under any earlier enactment or regulation relating to unclaimed dividends or redemption moneys on stock, and
- (b) not subsequently repaid by the Commissioners in accordance with any such regulation or enactment.

(2) In such a case, on and after the specified day, section 5 of the Miscellaneous Financial Provisions Act 1955(13) (which makes provision corresponding to regulation 43 in relation to the

(13) 1955 c. 6 (3 & 4 Eliz. 2); section 5 was amended by the National Debt Act 1958 (7 Eliz. 2 c.6), section 17 and the Schedule, by the Finance Act 1962 (c. 44), Schedule 11, Part VII, by the Finance Act 1964 (c. 49), Schedule 8, paragraph 8 and Schedule

Bank) shall apply as if the payment to the Commissioners had been made by the Bank under subsection (2) of that section.

Unclaimed stock transferred to the Commissioners before the specified day

23.—(1) This paragraph applies where any transitional gilts were transferred to the account kept in the Register in the name of the Commissioners called the Unclaimed Stock Account under any regulation relating to unclaimed stock in force before the National Savings Regulations.

(2) In such a case, Part VII of the National Debt Act 1870⁽¹⁴⁾ (which makes provision in connection with gilts transferred to the Commissioners under that Part) shall, on and after the specified day, apply as if those transitional gilts had been transferred to the Commissioners under that Part.

Moneys entrusted to the Director of Savings before the specified day but not treated as unclaimed before that day

24. Where any moneys are, before the specified day—

- (a) entrusted to the Director of Savings for payment in respect of any gilts registered in the Register, and
- (b) not so paid, but not treated as unclaimed in accordance with regulation 43 of the National Savings Regulations,

section 5 of the Miscellaneous Financial Provisions Act 1955 shall, on and after the specified day, apply as if those moneys had been entrusted to the Bank for payment.

MISCELLANEOUS

Existing certificates and other things to be imputed to the Bank

25.—(1) Any certificate issued by the Director of Savings before the specified day in relation to any transitional gilts and which is current at the beginning of the specified day shall, on and after that day, be treated as having been issued by the Bank under regulation 2 of the Government Stock Regulations 1965 in relation to the registration of those gilts in the books of the Bank.

(2) For the purpose of giving effect to the transfer of rights and liabilities under article 5 above or any other provision of this Order—

- (a) any—
 - (i) reference in any document to the Director of Savings, or
 - (ii) thing done by or in relation to the Director of Savings,

shall, so far as necessary for any such purpose and subject to any other provision of this Order, be deemed, on and after the specified day, to refer to or, as the case may be, to have been done by or in relation to, the Bank, and

- (b) any reference in any document to the Register shall, so far as necessary for any such purpose and subject to any other provision of this Order, be deemed, on and after the specified day, to refer to the books of the Bank.

9, by the National Loans Act 1968 (c. 13), Schedule 5, by the Statute Law (Repeals) Act 1974 (c. 22), the Schedule, Part IX, and by the Statute Law (Repeals) Act 1986 (c. 12), Schedule 1, Part III.

(14) 1870 c. 70; Part VII was amended by the Bank Act 1892 (c. 48), section 8(3) and the Schedule, Part I, by the Finance Act 1937 (c. 54), section 28(3) and Schedule 6, Part II, by the Finance Act 1949 (c. 47), section 47(2) and Schedule 11, Part VII, by the Miscellaneous Financial Provisions Act 1955 (3 & 4 Eliz. 2 c.6), section 5(15) and Schedule 2, Part III, and by the Statute Law Revision Act 1966 (c. 5), the Schedule.

Warrants issued before the specified day

26.—(1) Subject to paragraph (3) below, where, in accordance with any provision of the National Savings Regulations, the Director of Savings issues, before the specified day, a warrant for the payment of any sum for the purpose of discharging any liability of the Treasury or the Director of Savings in relation to the registration of gilts in the Register or any transaction associated therewith, that warrant shall, on and after the specified day, be dealt with, treated and paid in accordance with those Regulations to any extent that it was not so dealt with or paid before that day.

(2) Where, on or after the specified day, such a warrant is paid, posted or otherwise dealt with so that, in accordance with those Regulations, any liability of the Director of Savings would, if it had not been transferred to the Bank under article 5 above, have been discharged, the Bank's liability under that article shall be discharged to the like extent.

(3) The Director of Savings and the Bank may make arrangements under which the Bank undertakes the actual payment of any warrant of a kind mentioned in paragraph (1) above and in such a case, the Bank shall not fail to obtain a good discharge under paragraph (2) above by reason only that the warrant is paid by the Bank and not the Director of Savings.

Payment without a grant of representation where the holder dies before the specified day

27. Where the holder of any transitional gilts dies before the specified day and those gilts continue to be registered in his name at the beginning of the specified day—

(a) regulation 6(4) of the Government Stock Regulations 1965⁽¹⁵⁾ (which permits the Bank to transfer gilts entered in its books in the name of a deceased person without requiring production of a grant of probate, letters of administration or confirmation as executor, but only where the total value of that person's holdings in the books does not exceed £5,000) shall, on and after the specified day, apply as if the aggregate of the value of—

- (i) the transitional gilts registered in the name of that holder in the Register and
- (ii) his holdings (if any) registered in the books of the Bank,

at the time of his death were, at that time, registered in the books of the Bank, and

(b) regulation 41 of the National Savings Regulations (which makes similar provision in relation to the Register) shall, on and after the specified day, apply as if those transitional gilts had not been registered in the name of that holder in the Register at the time of this death.

Director of Savings to provide relevant records etc to the Bank

28.—(1) Subject to the provisions of this Order, the Director of Savings shall provide the Bank with all relevant records or (or in addition), with the agreement of the Bank, copies of such records in such form as may be agreed between them.

(2) If not provided in accordance with paragraph (3) below, such records or copies shall, subject to the provisions of this Order, be provided during the transitional weekend.

(3) For the purpose of facilitating the efficient implementation of this Order by the Bank on the specified day, the Director of Savings may, insofar as compatible with his responsibilities in relation to the Register until the specified day, provide any such records or copies to the Bank before the transitional weekend.

(4) Where any application to which any of articles 8 to 14 above apply, or any other relevant record, is received by the Director of Savings during the transitional weekend or on or after the specified day, he shall forward that record to the Bank.

(15) Regulation 6(4) was inserted by [S.I. 1990/2253](#).

(5) The Director of Savings shall be entitled to forward such records by post, or by any other means which appear to him likely to be no less quick and no less secure.

(6) Without prejudice to article 29 below, neither the Director of Savings nor the Bank shall be liable for any delay arising from the forwarding of a record in accordance with paragraph (5) above nor for any loss of such a record in the post or otherwise in transit.

(7) In this article, “relevant records” means, subject to paragraph (8) below, any records, documents or other papers in the possession of the Director of Savings which relate to the registration of gilts in the Register or any transaction associated therewith, except any which are, or are of a description which is, excluded by agreement between the Director of Savings and the Bank.

(8) Nothing done pursuant to this article, or article 15 above, and no oral communication made, or other thing done, for the purpose of giving effect to any provision of this Order, shall be taken to infringe regulation 57 of the National Savings Regulations (which imposes an obligation of secrecy on persons employed in connection with business arising under those Regulations).

Indemnity

29.—(1) The Treasury, the Commissioners, the Director of Savings and the Banks of England and Ireland shall not be liable in respect of any payment duly made or act duly done or omitted in accordance with this Order, and any such payment shall, subject to paragraph (2) below, be deemed to have been a valid payment and the receipt of the person to whom the money was paid shall be a full discharge to the Treasury and, as the case may be, the Director of Savings or the Bank for the amount of the payment.

(2) Nothing in paragraph (1) above shall operate to prevent the recovery by any person or his representatives of any gilts, stock or money lawfully due to him from the person to whom those gilts were, or that stock was, transferred or that money was paid, or his representatives, or affect the right which any person or his representatives may have in respect of any gilts or stock against a third party.

Amendments, repeals and revocations

30.—(1) Schedule 1 (amendments of primary and subordinate legislation) shall have effect.

(2) The enactments and instrument specified in Schedule 2 are hereby repealed or revoked to the extent specified in the final column of that Schedule.

11th June 1998

Graham Allen
Bob Ainsworth
Two of the Lords Commissioners of Her
Majesty’s Treasury

SCHEDULE 1

Article 30(1)

AMENDMENTS CONSEQUENTIAL ON ARTICLES 3 AND 4

National Debt Act 1972(16)

1. Section 2 of the National Debt Act 1972 (which continues the Register and defines what may be registered therein) shall be amended by substituting for subsections (3) and (4) the following—

“(3) Any description of government stock which is not for the time being included in Part I of Schedule 11 to the Finance Act 1942 may be registered in the register.”.

National Savings Stock Register Regulations 1976

2. In regulation 30(1) of the National Savings Regulations, for the words “subscribed for, purchased, held and sold” there shall be substituted the words “subscribed for and held”.

AMENDMENTS ARISING FROM ARTICLE 18

National Savings Bank Regulations 1972(17)

3. In regulation 38 of the National Savings Bank Regulations 1972—

(a) after “1st October 1921 shall”, there shall be inserted the words “, subject to regulation 38A(3) of these Regulations,”; and

(b) for “and 37(2)” there shall be substituted “, 37(2) and 38A”.

4. After regulation 38 of those Regulations, there shall be inserted the following new regulation—

“Nominations which also apply to stock held in the books of the Bank of England

38A.—(1) This regulation applies to any nomination made before 1st October 1921 which, by virtue of article 18 of the National Savings Stock Register (Closure of Register to Gilts) Order 1998, continues to extend to any stock transferred from that register to the books of the Bank of England by article 4 of that Order, and any such nomination is referred to in this regulation as “a relevant nomination”.

(2) In relation to a relevant nomination, regulation 69(2) of the Post Office Savings Bank Regulations 1910(18) shall have effect in relation to it as if there were substituted the following—

“(2) Any such revocation shall be sent by post or otherwise to the Director of Savings or the Bank of England during the lifetime of the depositor”.

(3) Where the Director of Savings or the Bank of England receive a notice of revocation of a relevant nomination, that person shall notify the other and provide a copy of the notice of revocation.

(4) On receipt of a notice of revocation of a relevant nomination or a copy supplied under paragraph (3) above, the Director of Savings or, as the case may be, the Bank shall record the revocation in their records.

(16) 1972 c. 65; section 2(4) was inserted by S.I. 1997/2646, article 6.

(17) S.I. 1972/764, to which there are amendments not relevant to these Regulations.

(18) S.R. & O. 1910/569 (1910, p.640); the Regulations were amended in respects not relevant to this Order before being revoked by S.R. & O. 1921/1532 (1921, p.1152) subject to a saving that is continued by regulation 39 of the National Savings Regulations.

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(5) Where notification of the death of the nominator of a relevant nomination is received by the Director of Savings or the Bank (otherwise than from the other), the recipient shall notify the other.

(6) Where the Director of Savings or the Bank have retained any original notice of revocation of a relevant nomination, that person shall afford the other such reasonable access to the original as that other may require.”.

The National Savings Stock Register Regulations 1976

5. In regulation 36(2) of the National Savings Regulations, after the words “nominator and”, there shall be inserted the words “, subject to regulation 39A(2) of these Regulations.”.

6. In regulation 39 of those Regulations—

(a) after “1st October 1921 shall”, there shall be inserted the words “, subject to regulation 39A(3) of these Regulations.”; and

(b) for “and 38(2)” there shall be substituted “, 38(2) and 39A”.

7. After regulation 39 of those Regulations there shall be inserted the following new regulation—

“Nominations which also apply to stock held in the books of the Bank of England

39A.—(1) This regulation applies to any nomination which, by virtue of article 18 of the National Savings Stock Register (Closure of Register to Gilts) Order 1998, continues to extend to any stock transferred from the register to the books of the Bank of England by article 4 of that Order, and any such nomination is referred to in this regulation as “a relevant nomination”.

(2) Any notice of revocation of a relevant nomination under regulation 36(2) of these Regulations shall be of no effect unless despatched to the Director of Savings or the Bank of England during the lifetime of the nominator.

(3) Where a relevant nomination was made before 1st October 1921, regulation 69(2) of the Post Office Savings Bank Regulations 1910 shall have effect in relation to it as if there were substituted the following—

“(2) Any such revocation shall be sent by post or otherwise to the Director of Savings or the Bank of England during the lifetime of the depositor”.

(4) Where the Director of Savings or the Bank of England receive a notice of revocation of a relevant nomination, that person shall notify the other and provide a copy of the notice of revocation.

(5) On receipt of a notice of revocation of a relevant nomination or a copy supplied under paragraph (4) above, the Director of Savings or, as the case may be, the Bank shall record the revocation in their records.

(6) Where notification of the death of the nominator of a relevant nomination is received by the Director of Savings or the Bank (otherwise than from the other), the recipient shall notify the other.

(7) Where the Director of Savings or the Bank have retained any original notice of revocation of a relevant nomination, that person shall afford the other such reasonable access to the original as that other may require.”.

AMENDMENTS ARISING FROM ARTICLE 21

The Savings Banks (Ordinary Deposits) (Limits) Order 1969(19)

8. Article 3(2)(b) of the Savings Banks (Ordinary Deposits) (Limits) Order 1969 (which exempts the crediting to a depositor's account in the National Savings Bank of dividends on any stock or bonds held by the depositor in the Register from the provisions of that Order which prohibit the crediting of any amount to that Bank by way of ordinary deposit in excess of the limits applicable under the Order) shall be amended by inserting after paragraph (ii) the following new paragraph—

“(ia) dividends paid in accordance with article 21 of the National Savings Stock Register (Closure of Register to Gilts) Order 1998 on any Government stock or bonds held by him in the books of the Bank of England.”.

The National Savings Bank (Investment Deposits) (Limits) Order 1977(20)

9. For article 4(1)(c) of the National Savings Bank (Investment Deposits) (Limits) Order 1977 (which exempts the crediting of any amount by the Director of Savings under regulation 45 of the National Savings Regulations from the provisions of that Order which prohibit the crediting of any amount to the National Savings Bank by way of investment deposit in excess of the limits applicable under the Order) there shall be substituted the following—

- “(c) the crediting of any amount—
- (i) by the Director of Savings under regulation 45 of the National Savings Stock Register Regulations 1976, or
 - (ii) paid under article 21 of the National Savings Stock Register (Closure of Register to Gilts) Order 1998;”.

SCHEDULE 2

Article 30(2)

REPEALS AND REVOCATIONS

PART I

REPEALS

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
1921 c. 32.	The Finance Act 1921(21).	Sections 50 and 51. Schedule 3.
1942 c. 21.	The Finance Act 1942(22).	Section 47(4)(c).

(19) **S.I. 1969/939; the relevant amending instrument is S.I. 1969/1699.**

(20) **S.I. 1977/1210; the relevant amending instrument is S.I. 1981/108.**

(21) Sections 50 and 51 and Schedule 3 were repealed prospectively by the Finance Act 1989 (c. 26), section 187(1) and Schedule 17, Part XII so far as relating to stock registered in the Register with effect on the coming into force of the first regulations made by virtue of section 3(1)(bb) of the National Debt Act 1972 (which repeal has not had effect, no such regulations having been made), and so far as relating to other stock and bonds with effect on the coming into force of the first regulations made under section 47(1)(bb) of the Finance Act 1942 (which repeal took effect on 13th November 1990 when S.I. 1990/2253 came into force). For amendments to section 51 and Schedule 3 see other footnotes in this Part.

(22) Section 47(4)(c) was amended by the National Debt Act 1958 (7 Eliz. 2 c.6), section 17 and the Schedule, and by the Post Office Act 1969 (c. 48), section 108(1)(d); the amendments of the Finance Act 1942 (which relate to section 51 and Schedule 3) are themselves subject to the partial repeal described in footnote (a) above.

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<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
		In Schedule 11, in Part II, the amendments of the Finance Act 1921.
1946 c. 64.	The Finance Act 1946(23).	Section 66.
1969 c. 48.	The Post Office Act 1969(24).	Section 108(1)(c).
1972 c. 65.	The National Debt Act 1972(25).	In section 3(1)(b), the word “either” and the words “, or from the Register to the books of the Bank of England or the Bank of Ireland, and vice versa”.
		Section 3(2)(a) and (b).
		In section 3(2)(c), the words “or to bearer bonds issued under this section”.
		Section 6.
1982 c. 41.	The Stock Transfer Act 1982(26).	Section 4.
1989 c. 26.	The Finance Act 1989.	In Schedule 17, Part XII.

PART II REVOCATIONS

<i>Number</i>	<i>Title</i>	<i>Extent of revocation</i>
S.I. 1976/2012.	The National Savings Stock Register Regulations 1976(27).	Regulation 3.
		In regulation 4(2), the words “purchase, sale”.
		In regulation 5, in paragraph (2), the words “unless made in accordance with paragraph (3) of this regulation,” paragraphs (3), (4) and (5).

- (23) Section 66, which amended Schedule 3 to the Finance Act 1921, is itself subject to the partial repeal described in footnote (a) above.
- (24) Section 108(1)(c), which amended Schedule 3 to the Finance Act 1921, is itself subject to the partial repeal described in footnote (a) above.
- (25) 1972 c. 65; section 6(1) was amended by S.I. 1984/539, article 2(h).
- (26) Section 4, which amended Schedule 3 to the Finance Act 1921, is itself subject to the partial repeal described in footnote (a) above.
- (27) S.I. 1976/2012; relevant amending instruments are 1979/1677, 1981/485, 1983/1103, 1984/600, 1987/1635, 1989/652, 1989/2046, 1993/783, 1996/156.

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<i>Number</i>	<i>Title</i>	<i>Extent of revocation</i>
		Regulations 5A, 6, 7, 11 and 11A.
		In regulation 15(4), the words “which is not of a description corresponding to stock or securities transferable in the books of the Bank of England”.
		Regulations 16, 17 and 19.
		Schedule 1.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order closes the National Savings Stock Register (“the Register”) to the registration of gilts on and after 20th July 1998, and provides for all gilts registered in that Register at the beginning of that day to be transferred to the books of the Bank of England (“the Bank”) (articles 3 and 4). “Gilts” is defined for the purposes of the Order as stock or bonds of any of the descriptions included in Part I of Schedule 11 to the Finance Act 1942 (which describes the stock and bonds that are registrable in the books of the Bank of England). The Order also transfers to the Bank all the rights and liabilities of the Director of Savings arising before 20th July 1998 in relation to the registration of gilts or any transaction associated with it (article 5).

The remaining provisions of the Order are consequential, incidental, supplementary or transitional in connection with that closure and transfer, and include provision amending primary and secondary legislation. Between 3rd and 20th July 1998, the Director of Savings is given discretion not to process applications to exchange gilts in the Register for gilts in the books of the Bank where it appears to him that the exchange would not be likely to be carried into effect by the latter date (article 6). The Bank is given discretion not to process applications to exchange gilts in its books for gilts in the Register during the same period, having regard to any representations made by the applicant (article 7).

Any application for the sale or purchase of gilts in the Register, to subscribe for gilts in the Register, to transfer gilts in the Register, or to exchange gilts in the Register for gilts in the books of the Bank of Ireland or *vice versa*, which is pending on 20th July 1998 is to be dealt with by or in relation to the Bank of England and its books as if it were an application of a corresponding kind applicable to the Bank and its books, subject in some cases to certain minor modifications (articles 8–13). Applications of a similar kind received during the year following that date will also be treated in that way and, in the case of an application for transfer, after that time as well (article 14).

Where adjudication proceedings under section 5(1) of the National Debt Act 1972, or any further proceedings arising out of such proceedings, are pending on 20th July 1998, the Director of Savings is to continue to be a party to the proceedings and is to satisfy or enjoy any relief granted in the proceedings, except so far as it affects registration (in which case the Bank is required to amend its books to give effect to the relief) (article 15).

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Gilts held in the Register by minors on 20th July 1998 are to continue to be held in accordance with the substantive provisions which relate specifically to minors who hold in the Register, modified so that the Bank takes the place of the Director of Savings (article 16).

A nomination which, immediately before 20th July 1998, extends to any gilts in the Register will continue to extend to them in accordance with the provisions which governed it before that date, subject to some modifications, but will not extend to any other gilts held by the nominator in the books of the Bank. Where a nomination extends to gilts in the books of the Bank, a notice of revocation may be sent either to the Director of Savings or to the Bank. (Articles 18 and 19 and paragraphs 3–7 of Schedule 1 deal with nominations).

Standing arrangements for the payment of dividends in existence immediately before 20th July 1998 will continue to apply to gilts transferred to the books of the Bank (article 19). The same applies to standing authorities for joint holders to act by a majority (article 20, which also provides for notice of revocation of such authority to be sent to the Bank instead of the Director of Savings). The Bank is also given discretion to continue any standing arrangements for the payment into the National Savings Bank of moneys falling due in respect of any gilts transferred to its books under this Order, and the Orders limiting the aggregate value of deposits that may be received on account of a depositor by the latter Bank are modified to permit this (article 21 and paragraphs 8 and 9 of Schedule 1).

Consequential provision is made to enable the legislation relating, in respect of the books of the Bank, to unclaimed stock and dividends to apply comprehensively in relation to the registrations, rights and liabilities transferred under this Order (articles 22–24).

Certificates issued by the Director of Savings before 20th July 1998 in relation to the registration in the Register of any gilts that are transferred to the books of the Bank under this Order are to continue to have effect as if they had been issued by the Bank in relation to its books (article 25(1)). For the purpose of giving effect to the Order, things done by or in relation to the Director of Savings are to be deemed to have been done by or in relation to the Bank, and references in documents to the Director of Savings or the Register are to be deemed to refer to the books of the Bank (article 25(2)).

Warrants issued before 20th July 1998 in respect of gilts in the Register are to continue to be dealt with in accordance with the National Savings Stock Register Regulations 1976, but arrangements may be made for the Bank to pay them (article 26).

Where the holder of gilts transferred to the books of the Bank under this Order dies before the transfer, those gilts are to be regarded, after the transfer, as having been held by him in the books of the Bank, and not in the Register, at the date of his death for the purpose of ascertaining whether the value of his holdings in the Register and in the books respectively exceeded (at that date) the £5,000 limit below which payment without a grant of probate, letters of administration or confirmation as executor is authorised.

Provision is made for the provision of relevant records by the Director of Savings to the Bank (article 28, see also article 15(4)–(6), article 18(10)–(11) and paragraphs 4 and 7 of Schedule 1). Nothing done under, or to give effect to, the Order is to be taken to infringe the obligation of secrecy imposed by regulation 57 of the National Savings Stock Register Regulations 1976 (article 28(8)).

The Treasury, the National Debt Commissioners, the Director of Savings and the Banks of England and Ireland are indemnified when they act in accordance with the Order, with a saving for rights against third parties (article 29).

Schedule 2 repeals or revokes provisions which become spent or unnecessary in consequence of the substantive provisions of the Order.