

SCHEDULE 2

Regulation 15

APPLICATION AND MODIFICATION OF CERTAIN ENACTMENTS

Eligible Treasury bills

1. Section 5 of the National Debt Act 1889(1) applies in relation to eligible Treasury bills with the following modifications—

- (a) for “Treasury bills”, substitute, “The record (whether or not in the form of a document) containing the terms of an eligible Treasury bill”;
- (b) for “be impressed or affixed by machinery or otherwise”, substitute “appear in the record”.

2. A reference to Treasury bills in—

- (a) section 4 of the Enemy Property Act 1953(2);
- (b) Schedule 1 to the Trustee Investments Act 1961(3);
- (c) the National Loans Act 1968(4);
- (d) section 4(5) of the Government Trading Funds Act 1973(5);
- (e) Part I of Schedule 9 to the Companies Act 1985(6);
- (f) the Local Authorities (Capital Finance)(Approved Investments) Regulations 1990(7);
- (g) Schedule 1 to the Pilotage Act 1987 (Pilotage Commission: Transfer of Property, Rights and Liabilities) Order 1990(8);
- (h) regulations 9 and 23A of the Insolvency Regulations 1994(9);
- (i) Schedule 2 to the Companies (Summary Financial Statement) Regulations 1995(10); or
- (j) Schedule 2 to the Building Societies (Accounts and Related Provisions) Regulations 1998(11),

includes a reference to uncertificated units of eligible Treasury bills.

Eligible Northern Ireland Treasury Bills

3. A reference to Northern Ireland Treasury Bills in—

- (a) paragraph 4 of Part IV of Schedule 1 to the Trustee Investments Act 1961(12); or
- (b) paragraph 3(7) of Part III of Schedule 2 to the Building Societies (Accounts and Related Provisions) Regulations 1998(13),

includes a reference to uncertificated units of eligible Northern Ireland Treasury Bills.

(1) 1889 c. 6. There are amendments to section 5 not relevant to these Regulations.
(2) 1953 c. 52, to which there are amendments not relevant to these Regulations.
(3) 1961 c. 62. Schedule 1 was substituted by S.I.2001/3649, article 269.
(4) 1968 c. 13.
(5) 1973 c. 63, to which there are modifications not relevant to these Regulations.
(6) 1985 c. 6, to which there are amendments not relevant to these Regulations.
(7) S.I. 1990/426, to which there are amendments not relevant to these Regulations.
(8) S.I. 1990/1338.
(9) S.I. 1994/2507.
(10) S.I. 1995/2092, to which there are amendments not relevant to these Regulations.
(11) S.I. 1998/504.
(12) 1961 c. 62. There are amendments to paragraph 4 which are not relevant to these Regulations.
(13) S.I. 1998/504.

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Dematerialised loan instruments

4. A reference to a loan instrument in—
- (a) regulation 2 of the Local Authorities (Capital Finance) Regulations 1997⁽¹⁴⁾;
 - (b) the Local Authorities (Capital Finance)(Approved Investments) Regulations 1990⁽¹⁵⁾,
- includes a reference to uncertificated units of a dematerialised loan instrument.

Cash ratio deposits

5. In the Cash Ratio Deposits (Eligible Liabilities) Order 1998⁽¹⁶⁾—
- (a) the reference to “acceptances” in paragraph (d) of the definition of “items in suspense” in article 2(1) includes a reference to obligations of an eligible institution (within the meaning of the Order) in respect of uncertificated units of an eligible debt security where the obligations correspond, in accordance with the current terms of issue of the security, to obligations under acceptances;
 - (b) the reference in article 2(5) to “any certificates of deposit” includes a reference to uncertificated units of an eligible debt security where the issue of the units corresponds, in accordance with the current terms of issue of the security, to the issue of a certificate of deposit;
 - (c) the reference in paragraph 2 of the Schedule to “certificates of deposit, commercial paper, bonds, notes and other similar instruments” includes a reference to uncertificated units of an eligible debt security where the issue of the units corresponds, in accordance with the current terms of issue of the security, to the issue of a certificate of deposit, commercial paper, bond, note or other similar instrument;
 - (d) the reference in paragraphs 9(a) and 11 of the Schedule to “certificates of deposit and commercial paper” includes a reference to uncertificated units of an eligible debt security where the issue of the units corresponds, in accordance with the current terms of issue of the security, to the issue of a certificate of deposit or commercial paper;
 - (e) the reference in paragraph 9(a) to “any instrument which falls within paragraph 11” includes a reference to any uncertificated units of an eligible debt security that fall within that paragraph as modified by this Schedule;
 - (f) the reference in paragraph 11 to “notes and other similar debt instruments” includes a reference to uncertificated units of an eligible debt security where the issue of the units corresponds, in accordance with the current terms of issue of the security, to the issue of such notes or instruments.

Certificates of deposit

- 6.—(1) In an enactment to which this paragraph applies—
- (a) a reference to a certificate of deposit includes a reference to uncertificated units of an eligible debt security where the issue of those units corresponds, in accordance with the current terms of issue of the security, to the issue of a certificate of deposit which is a certificate of deposit for the purposes of that enactment; and
 - (b) a reference to an amount stated in a certificate of deposit includes a reference to a principal amount stated in, or determined in accordance with, the current terms of issue of an eligible debt security of the kind referred to in subparagraph (a).

⁽¹⁴⁾ S.I. 1997/319, to which there are amendments not relevant to these Regulations.

⁽¹⁵⁾ S.I. 1990/426.

⁽¹⁶⁾ S.I. 1998/1130.

- (2) This paragraph applies to—
- (a) sections 56(1), (3) and (5), 56A(1) and (2), 349(3A) and (4), 477A(1A) and (10), 481(5) and (5A), 482(6) and 710(3) of, paragraph 8 of Schedule 20 to, the Income and Corporation Taxes Act 1988**(17)**;
 - (b) paragraph 12(e) of Schedule 2 to the Financial Services and Markets Act 2000**(18)**;
 - (c) Parts I and II of Schedule 2 to the Building Societies (Accounts and Related Provisions) Regulations 1998**(19)**.

Commercial paper

7. A reference to commercial paper in Schedule A1 or Schedule 2A to the Insolvency Act 1986**(20)** includes a reference to uncertificated units of an eligible debt security where the issue of the units corresponds, in accordance with the current terms of issue of the security, to the issue of commercial paper within the meaning of article 9(3) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001**(21)**.

Securities etc creating or acknowledging indebtedness

8.—(1) In a provision to which this paragraph applies, a reference to securities, instruments or investments creating or acknowledging indebtedness (or creating or acknowledging a present or future indebtedness) includes a reference to uncertificated units of eligible debt securities.

- (2) This paragraph applies to—
- (a) Schedule 1 to the Trustee Investments Act 1961**(22)**;
 - (b) section 98(1) of the Local Government Act 1972**(23)**;
 - (c) section 92(3) of the Local Government (Scotland) Act 1973**(24)**;
 - (d) section 3(6) of the Licensing (Alcohol Education and Research) Act 1981**(25)**;
 - (e) 228(6)(b) of the Companies Act 1985**(26)**;
 - (f) paragraph 2 of Schedule 2 to the Criminal Justice Act 1993**(27)**;
 - (g) section 17(7A) of the Bank of England Act 1998**(28)**;
 - (h) paragraph 12(f) of Schedule 2, and paragraph 23 of Schedule 11, to the Financial Services and Markets Act 2000**(29)**;
 - (i) section 74(8) of the Postal Services Act 2000**(30)**;
 - (j) regulation 3 of the Consumer Protection (Cancellation of Contracts Concluded away from Business Premises) Regulations 1987**(31)**;

(17) 1988 c. 1. There are amendments to the provisions referred to which are not relevant to these Regulations.

(18) 2000 c. 8.

(19) S.I. 1998/504.

(20) 1986 c. 45. Schedule A1 was inserted by the Insolvency Act 2000 (c. 39), section 1 and Schedule 1; Schedule 2A was inserted by the Enterprise Act 2002 (c. 40), section 250 and Schedule 18.

(21) S.I. 2001/544, to which there are amendments not relevant to these Regulations.

(22) 1961 c. 62 Schedule 1 was substituted by S.I. 2001/3649, article 269.

(23) 1972 c. 70. Subsection (1) was substituted by S.I. 2002/1555, article 5.

(24) 1973 c. 65. Subsection (3) was inserted by S.I. 2001/3649, article 220.

(25) 1981 c. 28. Subsection (6) was substituted by S.I. 2002/1555, article 9.

(26) 1985 c. 6.

(27) 1993 c. 36.

(28) 1998 c. 11. Subsection (7A) was substituted by S.I. 2001/3649, article 161.

(29) 2000 c. 8.

(30) 2000 c. 26.

(31) S.I. 1987/2117. Regulation 3 was amended by S.I. 2001/3649, article 386.

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- (k) paragraph 2 of the Schedule to the Traded Securities (Disclosure) Regulations 1994**(32)**;
- (l) paragraph 8 of Schedule 1 to the Railway Pensions (Transfer and Miscellaneous Provisions) Order 1994**(33)**;
- (m) the Schedule to the British Coal Staff Superannuation Scheme (Modification) Regulations 1994**(34)**;
- (n) the Schedule to the Mineworkers' Pension Scheme (Modification) Regulations 1994**(35)**;
- (o) the Schedule to the Industry-Wide Coal Staff Superannuation Scheme Regulations 1994**(36)**;
- (p) regulations 2(1), 3(2) and 7(2) of, and Schedule 1 to, the Public Offers of Securities Regulations 1995**(37)**;
- (q) regulation 2(1) of the Occupational Pension Schemes (Minimum Funding Requirements and Actuarial Valuations) Regulations 1996**(38)**;
- (r) regulations 5(3)(b) and 8 of the Occupational Pension Schemes (Investment) Regulations 1996**(39)**;
- (s) regulation 1(3) of the Stakeholder Pension Schemes Regulations 2000**(40)**;
- (t) Schedule 1 to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001;
- (u) Part IV of Schedule 3 to the Social Security (Contributions) Regulations 2001;
- (v) the Government Resources and Accounts Act 2000 (Investment by Devolved Administrations)(Public-Private Partnership Business) Order 2001;
- (w) articles 17(1), 31(1), 77(1) and 78 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

Acceptance of certain instruments

9. The reference to a person becoming party to an instrument in each of article 17(2) and article 31(2) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 includes a reference to a person assuming rights and obligations in respect of uncertificated units of an eligible debt security in accordance with its current terms of issue.

Public offers of securities

10. In regulation 3(4) of the Public Offers of Securities Regulations 1995–

- (a) in subparagraph (a), the reference to debentures having a maturity of less than one year from their date of issue includes a reference to uncertificated units of an eligible debt security where the issue of the units corresponds, in accordance with the current terms of issue of the security, to the issue of a debenture having a maturity of less than one year from its date of issue;

(32) S.I. 1994/188.

(33) S.I. 1994/2005.

(34) S.I. 1994/2576. The Schedule was amended by S.I. 2001/3649, article 472.

(35) S.I. 1994/2577. The Schedule was amended by S.I. 2001/3649, article 473.

(36) S.I. 1994/2973. The Schedule was amended by S.I. 2001/3649, article 478.

(37) S.I. 1995/1537. Regulations 2(1), 3(2) and 7(2), and Schedule 1, were amended by S.I. 2001/3649, articles 501, 502, 504 and 510 respectively.

(38) S.I. 1996/1536. Regulation 2(1) was amended by S.I. 2001/3469, article 525.

(39) S.I. 1996/3127, amended by S.I. 2001/3469, article 545.

(40) S.I. 2000/1403. A relevant substitution was made by S.I. 2001/3469, article 595(1)(b).

- (b) in subparagraph (b), the reference to bills of exchange accepted by a banker includes a reference to uncertificated units of an eligible debt security where the issue of the units corresponds, in accordance with the current terms of issue of the security, to the issue of a bill of exchange accepted by a banker.

Building societies

11. In the Building Societies Act 1986(41)–

- (a) the reference in section 7(2)(c) to bills of exchange, instruments or agreements creating or acknowledging indebtedness and accepted, made, issued or entered into by the society or any such undertaking includes a reference to uncertificated units of an eligible debt security in respect of which the obligations of the society or any such undertaking correspond, in accordance with the current terms of issue of the security, to those of the society or undertaking under such a bill of exchange, instrument or agreement;
- (b) the reference in section 7(3)(b)(ii) to indebtedness created or acknowledged by bills of exchange, instruments or agreements accepted, made, issued or entered into by the society or any such undertaking includes a reference to indebtedness of the society or any such undertaking in respect of uncertificated units of an eligible debt security where the indebtedness corresponds, in accordance with the current terms of issue of the security, to that created or acknowledged by such a bill of exchange, instrument or agreement;
- (c) in section 8–
 - (i) the reference in subsection (2)(b) to a transferable instrument includes a reference to uncertificated units of an eligible debt security the holding of which confers, in accordance with the current terms of issue of the security, a right to receive an amount referable to a deposit with the building society that issued the units;
 - (ii) neither the definition of “transferable instrument” in subsection (9) nor subsection (10) apply in relation to uncertificated units of an eligible debt security of the kind mentioned in subparagraph (i).

12. In Part III of Schedule 2 to the Building Societies (Accounts and Related Provisions) Regulations 1998(42)–

- (a) in paragraph 3(3), a reference to similar debt instruments includes a reference to uncertificated units of an eligible debt security which are similar to uncertificated units of an eligible Treasury bill, or to uncertificated units of an eligible Northern Ireland Treasury Bill;
- (b) in paragraph 3(4), a reference to bills includes a reference to uncertificated units of an eligible debt security where the issue of the units corresponds, in accordance with the current terms of issue of the security, to the issue of such a bill;
- (c) in paragraph 9(b), the definition of “floating rate note” includes uncertificated units of an eligible debt security the holding of which confers, in accordance with the current terms of issue of the security, a right to receive a principal sum and interest at a rate which is variable at times specified, or determined in accordance with, the current terms of issue of the security;
- (d) in paragraph 9(c), the definition of “fixed rate note” includes uncertificated units of an eligible debt security the holding of which confers, in accordance with the current terms of issue of the security, a right to receive a principal sum and interest at a rate which is fixed as specified, or determined in accordance with, the current terms of issue of the security.

(41) 1986 c. 53.

(42) S.I. 1998/504.

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Bearer securities etc

13. A reference to bearer securities in—

- (a) sections 1 and 7(3) of the Trustee (Northern Ireland) Act 1958**(43)**;
- (b) paragraph 14(2) of Schedule 6 to the Aircraft and Shipbuilding Industries Act 1977**(44)**;
and
- (c) paragraph 4 of Schedule 12 to the Finance Act 1989**(45)**,

includes a reference to uncertificated units of eligible debt securities.

14. A reference to securities payable to bearer in—

- (a) section 7(1) of the Trustee (Northern Ireland) Act 1958;
- (b) section 31(a) of the Industrial and Provident Societies Act 1965**(46)**;
- (c) regulation 8 of the Land Settlement (Annuities) Regulations 1919**(47)**,

includes a reference to uncertificated units of eligible debt securities.

15. A reference to bearer instruments in articles 41(1) and 42(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001**(48)** includes a reference to uncertificated units of an eligible debt security the holding of which confers, in accordance with the current terms of issue of the security, rights which correspond to those conferred by an investment of a kind falling within paragraph 15(1) of Schedule 1 to that Order.

Application and modification of other enactments

16. Section 7(1) of the Trustee (Northern Ireland) Act 1958 applies in relation to uncertificated units of eligible debt securities with the omission of the words after “bank”.

17. The reference in paragraph 6 of Schedule 1 to the Local Government Act 1972**(49)** to “other securities so transferable” includes a reference to uncertificated units of eligible debt securities.

18. In any enactment, a reference to an enactment modified by these Regulations or the principal regulations includes a reference to that enactment as so modified.

(43) 1958 c. 23.

(44) 1977 c. 3.

(45) 1989 c. 26.

(46) 1965 c. 12, to which there are amendments not relevant to these Regulations.

(47) S.I. 1919/1961.

(48) S.I. 2001/1335, to which there are amendments not relevant to these Regulations.

(49) 1972 c. 70.