
STATUTORY INSTRUMENTS

1990 No. 2253

NATIONAL DEBT

The Government Stock (Amendment) Regulations 1990

Made - - - - *12th November 1990*

Coming into force - - *13th November 1990*

Whereas a draft of these Regulations has been laid before Parliament in accordance with section 6(1) of the Statutory Instruments Act 1946⁽¹⁾(which by virtue of section 6(2) of that Act replaces section 47(3) of the Finance Act 1942⁽²⁾) and a period of forty days beginning with the day of laying has expired and neither House has resolved that the Regulations be not made:

Now, therefore, the Treasury, in exercise of the powers conferred on them by section 47(1) of the Finance Act 1942, and of all other powers enabling them in that behalf, hereby make the following Regulations:—

1. These Regulations may be cited as the Government Stock (Amendment) Regulations 1990 and shall come into force on the day after the day on which they are made.

2. The Government Stock Regulations 1965⁽³⁾ shall be amended as follows:

(1) By the insertion after regulation 3A of the following new regulation—

“Redemption of stock by the Bank of England

3B.—(1) The provisions of this regulation shall have effect for the purpose of prescribing the procedure to be followed by the Bank of England when carrying out the redemption of any stock.

(2) Not less than eight weeks before the redemption date of stock of a particular description the Bank shall, subject to paragraph (5) below, send to each person who is for the time being registered as a holder of stock of that description at his address for the time being recorded

(1) 1946 c. 36.

(2) 1942 c. 21; section 47 was amended by the National Debt Act 1958 (7 & 8 Eliz. 2 c. 6), the Schedule, by the Finance Act 1964 (c. 49), sections 24 and Schedule 8, paragraphs 1 and 2 and Schedule 9, by the Post Office Act 1969 (c. 48), section 108(1) (d), and by the Finance Act 1989 (c. 26), section 183(1), and extended by the Bank of England Act 1946 (c. 27), section 1(5) and Schedule 1, paragraph 6, by the Coal Industry Nationalisation Act 1946 (c. 59), section 33(6), by the Iron and Steel Act 1975 (c. 64), Schedule 6, paragraph 14(3), by the Stock Transfer Act 1982 (c. 41), section 3 and Schedule 2, paragraph 2, and by the Finance Act 1989 (c. 26), section 183(1).

(3) S.I. 1965/1420, amended by the Iron and Steel Act 1975 (c. 64), section 38(1) and Schedule 6, Part II, paragraph 14(3), by the Family Law Reform Act 1969 (c. 46), section 1(3) and Schedule 1, Part II, by the Age of Majority (Scotland) Act 1969 (c. 39), section 1(3) and Schedule 1, Part II, by the Decimal Currency Act 1969 (c. 19), section 10(1), and by S.I. 1981/1004, 1982/670, 1985/1146.

on the register (“his registered address”) a notice in writing containing the particulars set out in paragraph (3) below.

(3) Those particulars are—

- (a) the redemption date of the stock; and
- (b) notice that, unless a request to the contrary in writing signed by the holder is received by the Bank on or before a date specified in the notice, a warrant in respect of the redemption monies drawn in favour of the holder will be sent to him by post at his registered address.

(4) The date referred to in paragraph (3)(b) above shall in no case be more than four weeks before the redemption date.

(5) Where any stock falling to be redeemed is registered in the names of more than one person, being joint holders of the stock, the notice referred to in paragraph (2) above—

- (a) shall be sent to all such persons; and
- (b) shall state that the warrant referred to in paragraph (3)(b) above will be drawn in favour of the first named such person;

and any such request as is referred to in paragraph (3)(b) shall be signed by each person registered as a joint holder of the stock.

(6) Nothing in paragraphs (2) or (5) above shall affect the right of the Bank in any case to require the consent in writing of the holder or holders of any stock before making any payment in respect of the redemption of the stock.”.

(2) By the insertion after regulation 6(3) of the following new paragraph—

“(4) Where the total value of all holdings of stock entered in the English register in the name of a deceased person at the time of his death does not exceed £5,000, and probate of his will, or letters of administration to his estate, or confirmation as executor to the estate is not or are not produced to the Bank of England within such time as the Bank of England thinks reasonable in the circumstances of the case, the Bank may, if it thinks fit, transfer the stock or any part of it—

- (a) to a person appearing to the Bank to be entitled to take out such probate, letters of administration or confirmation; or
- (b) to any other person appearing to the Bank to be a fit and proper person to receive it.”.

(3) By the insertion after regulation 22 of the following new regulations—

“Indemnity for the Bank of England

22A.—(1) The Bank of England shall not be liable in respect of any payment duly made or act duly done in accordance with these Regulations, and any such payment shall, subject to the provisions of these Regulations for saving the rights of third parties, 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 Bank for the amount of the payment.

(2) Where a warrant for payment of any amount payable in respect of any stock is sent by post in accordance with regulation 3B above, the posting of the letter containing the warrant shall, as respects the liability of the Bank, be equivalent to the delivery of the warrant to the person entitled to receive it.

Saving for rights of third parties

22B Nothing in these Regulations for the protection of the Bank of England in respect of any act done or any money paid shall operate to prevent the recovery by any person or his representative of any stock or money lawfully due to him from the person to whom that stock was transferred or that money was paid by or under the direction of the Bank of England, or from the representatives of that person, or affect the rights which any person or his representatives may have in respect of any stock against a third party.”.

12th November 1990

IRVINE PATNICK
JOHN TAYLOR
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make three groups of amendments to the Government Stock Regulations 1965 (S.I.1965/1420—“the principal Regulations”). First, they insert a new regulation 3B, which deals with the procedure to be followed by the Bank of England when redeeming stock. A notice is to be sent to the registered holder of stock which is to be redeemed, not later than eight weeks before the redemption date (regulation 3B(2)). This notice must contain particulars of the redemption date and inform the holder that, unless a request to the contrary signed by the holder is received by the Bank by a date specified in the notice (which date cannot be more than four weeks before the redemption date) a warrant in respect of the redemption monies drawn in favour of the holder will be sent to him at the address recorded on the register (regulation 3B(3)). Where any stock which is to be redeemed is registered in the names of more than one person as joint holders, the notice is to be addressed to all joint holders, and is to state that, unless a request to the contrary signed by each registered joint holder is received by the Bank, the warrant in respect of the redemption monies will be drawn in favour of, and sent to, the first named holder. The right of the Bank of England to require the written consent of the stockholder in any case where it considers it appropriate is, however, preserved.

Secondly, these Regulations amend the principal Regulations by inserting a new regulation 6(4). This enables the Bank of England to transfer stock registered in the name of a deceased person without the production of a grant of probate, letters of administration or confirmation if the total value of all holdings of stock registered in the name of the deceased does not exceed £5,000. The Bank may transfer the stock to anyone appearing to be entitled to take out such a grant, letters, or confirmation or to anyone else whom the Bank consider a fit and proper person to receive it.

Finally, the principal Regulations are amended by the insertion of new regulations 22A and 22B. Regulation 22A provides an indemnity for the Bank of England in respect of any payment duly made or act duly done according to the Regulations, and further provides for warrants posted to the person entitled to receive payments to be deemed to have been delivered to that person. This regulation is subject to regulation 22B which contains a saving for the rights of third parties.