

2004 No. 2744

NATIONAL DEBT

**The Government Stock (Consequential and Transitional
Provision) (No.3) Order 2004**

<i>Made</i> - - - -	<i>21st October 2004</i>
<i>Laid before the House of Commons</i>	<i>25th October 2004</i>
<i>Coming into force</i> - -	<i>15th November 2004</i>

The Treasury, in exercise of the powers conferred upon them by section 140(2) of the Finance Act 2002(a), hereby make the following Order:

Citation and commencement

1. This Order may be cited as the Government Stock (Consequential and Transitional Provision) (No.3) Order 2004 and shall come into force on 15th November 2004.

Consequential amendments

2. The Schedule (which makes provision in consequence of the amendments made by section 140(1) of the Finance Act 2002) has effect.

Transitional provision

3.—(1) Anything done, or treated as done, by or in relation to the Bank of England, or any officer of the Bank of England, under any transferred function before the commencement day shall continue to have effect on and after that day, but as if it had been done by or in relation to the Registrar of Government Stock.

(2) Paragraph (1) is without prejudice to the application of the Interpretation Act 1978(b) and is subject to paragraph (3).

(3) Nothing in this article shall have the effect of transferring any liability from the Bank of England, or an officer of the Bank of England, to the Registrar of Government Stock.

(4) In this article—

“commencement day” means the day on which this Order comes into force;

(a) 2002 c. 23.

(b) 1978 c. 30; there are amendments to this Act not relevant to this Order.

“Registrar of Government Stock” means the person or persons appointed in accordance with regulations under section 47(1)(b) of the Finance Act 1942^(a) (see regulation 3 of the Government Stock Regulations 2004^(b));

“transferred function” means any function which—

- (a) before the commencement day was a function of the Bank of England or of an officer of the Bank of England, but
- (b) on that day becomes a function of the Registrar of Government Stock by virtue of any amendment made by the Schedule.

(5) Where the effect of any amendment made by the Schedule is to replace, with modifications, a function of the Bank of England, or of an officer of the Bank of England, with a function of the Registrar of Government Stock, the functions shall be regarded for the purposes of this article as one and the same function and that function shall accordingly be regarded for these purposes as a transferred function.

21st October 2004

Jim Murphy
Joan Ryan
Two of the Lords Commissioners
of Her Majesty’s Treasury

^(a) 1942 c. 21; section 47 was amended by the Finance Act 1964 (c. 49), sections 24 and 26(7) and Schedule 8, paragraph 2; the Stock Transfer Act 1982 (c. 41), section 3 and Schedule 2, paragraph 2; the Finance Act 1989 (c. 26), section 183; the Finance Act 1996 (c. 8), section 202; the Bank of England Act 1998 (c. 11), section 34; the Finance Act 2002 (c. 23), section 140; S.I. 1998/1446, article 30(2) and Schedule 2, Part 1; S.I. 2002/2521, article 10(2) and Schedule 2, Part 1; and S.I. 2004/1486, article 2.

^(b) S.I. 2004/1611.

CONSEQUENTIAL AMENDMENTS OF PRIMARY LEGISLATION

National Debt Act 1870

- 1.—(1) The National Debt Act 1870(a) is amended as follows.
- (2) In section 3(b) (interpretation of terms) after the definition of “person” there is inserted—
- ““the Registrar of Government Stock” means the person or persons appointed in accordance with regulations under section 47(1)(b) of the Finance Act 1942 (see regulation 3 of the Government Stock Regulations 2004):””.
- (3) For section 14(c) (issue by Treasury) there is substituted—
- “14. Issue by Treasury**
- (1) The money from time to time and at any time—
- (a) issuable out of the National Loans Fund, and
- (b) by this Act made applicable to the payment of the dividends on stock,
- shall, by order of the Treasury, without other warrant, from time to time be issued and made available for the payment of those dividends.
- (2) The Registrar of Government Stock shall from time to time notify the Treasury of the amount of the money to be so issued which he requires to be made available to him for the making of payments in respect of those dividends.
- (3) The Treasury shall make that amount available to the Registrar of Government Stock for the making of such payments.”.
- (4) For section 15(d) (application of issues by Registrar of Government Stock) there is substituted—

“15. Application of money by Registrar of Government Stock

The Registrar of Government Stock shall without delay apply in payment of the dividends on stock the money from time to time so made available to him.”.

- (5) In section 16(e) (accounting by Registrar of Government Stock) for “issued” there is substituted “made available”.

Income and Corporation Taxes Act 1988

- 2.—(1) The Income and Corporation Taxes Act 1988(f) is amended as follows.
- (2) In section 49(g) (stock and dividends in the name of the Treasury etc)—
- (a) for subsection (1) there is substituted—
- “(1) No tax shall be chargeable in respect of the stock or dividends—

(a) 1870 c. 71.
 (b) There are amendments to section 3 not relevant to this Order.
 (c) Section 14 was amended by the National Loans Act 1968 (c. 13), section 13(6) and Schedule 5; S.I. 2002/2521, article 10(1) and Schedule 1, paragraph 1(b); and S.I. 2004/1662, paragraph 3(4) of the Schedule.
 (d) Section 15 was substituted by S.I. 2004/1662, paragraph 3(5) of the Schedule.
 (e) Section 16 was substituted by S.I. 2004/1662, paragraph 3(6) of the Schedule.
 (f) 1988 c. 1.
 (g) Section 49(3) was inserted by the Finance Act 1996 (c. 8), Schedule 7, paragraph 32.

- (a) transferred, in pursuance of any Act of Parliament, to accounts in the books of the Bank of England in the name of the Treasury or the National Debt Commissioners, or
 - (b) transferred, in pursuance of any Act of Parliament, to the Treasury or the National Debt Commissioners and in respect of which the Treasury or those Commissioners are entered as holder in the registers kept by the Registrar of Government Stock,
- but the Bank of England and the Registrar of Government Stock shall each transmit to the Board an account of the total amount thereof in those books or registers as the case may be.”;
- (b) in subsection (2) after “Bank of England” there is inserted “or in the registers kept by the Registrar of Government Stock”;
 - (c) after subsection (3) there is inserted –
 - “(4) In this section “Registrar of Government Stock” means the person or persons appointed in accordance with regulations under section 47(1)(b) of the Finance Act 1942 (see regulation 3 of the Government Stock Regulations 2004).”.
- (3) In section 50(a) —
- (a) for “Bank”, wherever occurring, other than in subsection (7), there is substituted “Registrar”;
 - (b) in subsection (5) for “received at” there is substituted “received by”;
 - (c) in subsection (7) —
 - (i) omit the definition of “the Bank”;
 - (ii) omit the word “and” at the end of the definition of “gilt-edged securities”;
 - (iii) in the definition of “registered”, for “Bank.” there is substituted “Registrar.”;
 - (iv) the following definition is inserted at the appropriate place –
 - ““the Registrar” means the Registrar of Government Stock, as defined in section 49(4).”.
- (4) In section 51(1)(b) for ““the Bank”” there is substituted ““the Registrar””.

Taxation of Chargeable Gains Act 1992

3.—(1) The Taxation of Chargeable Gains Act 1992(b) is amended as follows.

- (2) In section 271(1)(a)(c)—
- (a) for sub-paragraph (i) there is substituted –
 - “(i) transferred, in pursuance of any Act of Parliament, to accounts in the books of the Bank of England in the name of the Treasury or the National Debt Commissioners;
 - (ia) transferred, in pursuance of any Act of Parliament, to the Treasury or the National Debt Commissioners and in respect of which the Treasury or those Commissioners are entered as holder in the registers kept by the Registrar of Government Stock; or”;
 - (b) in sub-paragraph (ii) after “Bank of England” there is inserted “or in the registers kept by the Registrar of Government Stock”.
- (3) In section 288(1)(d) the following definition is inserted at the appropriate place —

(a) Section 50 was amended by the Finance Act 1996 (c. 8), sections 79 and 205, Schedule 7, paragraphs 11 and 32, and Schedule 41, Part V(2); the Finance (No. 2) Act 1997 (c. 58), sections 37(2), (3), (4), (8) and (9) and 52, and Schedule 8, Part II(13); the Finance Act 2000 (c. 17), section 112(1); and S.I. 2002/2521, article 10(2) and Schedule 2, Part 1.

(b) 1992 c. 12.

(c) There are amendments to section 271 not relevant to this Order.

(d) There are amendments to section 288 not relevant to this Order.

““Registrar of Government Stock” means the person or persons appointed in accordance with regulations under section 47(1)(b) of the Finance Act 1942 (see regulation 3 of the Government Stock Regulations 2004);”.

EXPLANATORY NOTE

(This note is not part of the Order)

Section 140(2) of the Finance Act 2002 (c. 23) provides that the Treasury may by order make such consequential, incidental, supplementary and transitional provision as appears to them to be necessary or expedient in consequence of the amendments made by section 140(1) of that Act, including provision amending, repealing or revoking any enactment.

The amendments made by section 140(1) of the Finance Act 2002 amend section 47 of the Finance Act 1942 (c. 21) so as to enable the Treasury to make regulations which make provision for them to appoint a person to administer Government stock and bonds (including the registration of holders). The Government Stock Regulations 2004 (S.I. 2004/1611) make provision for the appointment of such a person and provide that this person is to be known as “the Registrar of Government Stock”. In addition the Government Stock Regulations 2004 revoke and re-enact the Government Stock Regulations 1965 (S.I. 1965/1420).

In consequence of this, it is necessary to make a number of consequential amendments to primary and secondary legislation in order to replace various references to the Bank of England (which currently administers Government stock and bonds (including the registration of holders)) with references to the Registrar of Government Stock. Certain changes were made by the Government Stock (Consequential and Transitional Provision) (No. 2 Order) (S.I. 2004/1662). Article 2 of this Order introduces the Schedule, which makes consequential amendments to this effect and other amendments consequential on the provision for the appointment of a person as the Registrar of Government Stock.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business.

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The Government Stock (Consequential and Transitional
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