1968. No. 50 **[NC]**

EXCHEQUER BORROWING

6% Ulster Development Bonds

ORDER, DATED 26TH MARCH 1968, MADE BY THE MINISTRY OF FINANCE UNDER SECTION 11 OF THE EXCHEQUER AND FINANCIAL PROVISIONS ACT (NORTHERN IRELAND) 1950.

Whereas it is provided by Section 11(1) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950(a) that the Ministry of Finance (hereinafter referred to as "the Ministry") may for the purposes therein referred to exercise powers to borrow money by (inter alia) the creation and issue of securities bearing such rate of interest and subject to such conditions as to issue, redemption, repayment, exchange, or otherwise, as the Ministry may by order determine.

Now, therefore, the Ministry in exercise of the powers conferred on it by the said Section 11(1) and of every other power enabling it in that behalf hereby makes the following order:—

1. This Order may be cited as the 6% Ulster Development Bonds Order (Northern Ireland) 1968.

2. There shall be created a Northern Ireland Exchequer security to be known as 6% Ulster Development Bonds (hereinafter referred to as "bonds").

3. Bonds shall be in registered form and shall be issued in units of £5, and in multiples thereof not exceeding £10,000, on and after the first day of April, 1968, by or on behalf of the Ministry.

4. A register of holders of bonds shall be maintained by the Ministry and each holder shall be issued with a bond book in which shall be recorded the amounts of any bonds purchased and of any subsequent encashments.

5.—(1) Bonds may be purchased by or for:—

(*a*) an individual or any two or more individuals jointly;

(*b*) a trustee or two or more trustees jointly;

(*c*) limited companies;

(*d*) charitable, friendly and provident societies;

(*e*) clubs, funds, and corporate bodies;

(*f*) a County Court Judge and a Clerk of the Crown and Peace in their joint names, or the Accountant-General of the Supreme Court in his sole name, in trust for a beneficiary;

(*g*) the Committee of a person of unsound mind;

and any bonds so purchased shall be registered in the name of the person or body by whom they are purchased.

(a) 1950. c. 3.

(2) Where bonds are purchased by a trustee or trustees he or they may be described in the register as trustee or trustees of a specified trust or as a trustee or trustees without specifying the trust, but such description shall not affect the Ministry with notice of the terms of any trust and save as aforesaid no notice of any trust express, implied or constructive shall be receivable by the Ministry in respect of any bond.

6.—(1) No interest will be payable on bonds encashed within six months from the date of purchase.

(2) Subject to paragraph (1) interest will accrue from the date of purchase at a rate of six per cent. per annum and will be payable half-yearly on the first day of February and the first day of August, until the maturity date specified in Article 8 or until the date of earlier encashment. No deduction will be made by the Ministry for income tax when payment of interest is made.

(3) The first interest payment will be in respect of the period from the date of purchase of the bonds to the next half-yearly date except where the purchase is made within the six weeks preceding a half-yearly date in which case the first interest payment will be in respect of the period from the date of purchase to the second half-yearly date after purchase.

(4) No interest will accrue on bonds after the maturity date specified in Article 8.

7.—(1) The maximum holding of bonds for one person, held solely or jointly, shall be ten thousand pounds, provided that in calculating a maximum holding—

(*a*) any bonds held as a trustee shall be regarded separately from those held in a personal capacity;

(*b*) any bonds held by a trustee shall be regarded separately in respect of each separate trust fund, and so much of the property in the hands of a trustee shall be treated as a separate trust fund as is held on trusts which (as respects the beneficiaries or their respective interests or the purposes of the trust or as respects the powers of the trustee) are not identical with those on which other property in his hands is held;

(*c*) any bonds to which a person becomes entitled either solely or jointly by reason of the death of another person shall be regarded separately from those he has acquired or may subsequently acquire by purchase.

(2) Notwithstanding anything in paragraph (1) the Ministry may allow the temporary holding of bonds in excess of ten thousand pounds for such period and subject to such conditions as it may direct where owing to special circumstances it considers it just and reasonable so to do.

8.—(1) Subject to application by the holder, made in such manner as the Ministry may require, bonds will be repayable at the rate of one hundred pounds for each one hundred pounds of bonds, together with a capital bonus at the rate of two pounds for each one hundred pounds, on or after the maturity date, which in respect of any bond shall be the interest date next following five years after the date of purchase or, in the case of bonds purchased on an interest date, the fifth anniversary of purchase.

(2) The procedure for application for repayment will be published in the *Belfast Gazette* and such other papers as the Ministry may consider necessary.

(3) The Ministry may, in any notice published under paragraph (2), specify conditions upon which bonds which have matured, and for which applications for repayment have not been received within a specified period, may continue to be held.

9. Bonds may be encashed before the maturity date at the purchase price, together with any interest earned but unpaid, upon application received by the Ministry at least one month before the date on which encashment is required.

10.—(1) If any person holds bonds in contravention of Article 7 the amount of the excess shall be forfeited, provided that in any case in which bonds shall have become forfeited under this Article the Ministry may in its absolute discretion pay to the person who shall have purchased, held or had, any interest in the bonds affected by any forfeiture, the whole or such portion of the amount as it may think fit in the circumstances in such manner and by such means as it may think fit.

(2) Notice of any forfeiture under this Article shall be sent to the person concerned as soon as may be and the Ministry may require any bond books which are or might be affected to be delivered up to it for the purpose of being altered or otherwise dealt with as may be necessary to give effect to the provisions of this Article.

11. Any person not under a legal disability who has a beneficial interest in bonds under the will of a deceased holder or by virtue of the death of such holder intestate may apply to the Ministry for the transfer of such bonds into his own name provided always that the bonds shall not be transferred into the name of a legal personal representative as such. The Ministry may at its absolute discretion refuse to accept any application made under this Article.

Interpretation

12. In this Order the following expressions shall have the meanings hereby respectively assigned to them, that is to say:—

"a holder" in relation to a bond means a person in whose name the bond is registered;

"friendly society" means a society registered under the Friendly Societies Acts (Northern Ireland) 1896 to 1958, or a registered branch in Northern Ireland of a society registered under the Friendly Societies Acts 1896 to 1958, or a similar society or branch registered in Great Britain;

"provident society" means a society registered under the Industrial and Provident Societies Acts (Northern Ireland) 1893 to 1955, or a similar society registered in Great Britain.

Revocation

13. The 5½% Ulster Development Bonds Order (Northern Ireland) 1966(**b**) shall cease to have effect except as respects bonds issued by virtue thereof before the 1st day of April, 1968.

Sealed with the Official Seal of the Ministry of Finance for Northern Ireland this 26th day of March 1968 in the presence of

(L.S.) *C. J. Bateman,*
Secretary.

(**b**) S.R. & O. (N.I.) 1966, No. 140.

EXPLANATORY NOTE

(This Note is not part of this Order but is intended to indicate its general purport.)

This Order governs the issue, purchase, registration, transfer, interest, encashment and repayment of 6% Ulster Development Bonds which will be issued on and after 1st April, 1968.