# 1967 No. 69

## BORROWING AND SECURITIES

## The Control of Borrowing (Amendment) Order 1967

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| *Made* - - - - | 20*th January* 1967 |
| *Laid before Parliament* | 26*th January* 1967 |
| *Coming into Operation* | 27*th January* 1967 |

The Treasury, in exercise of the powers conferred upon them by section 1 and 3(4) of the Borrowing (Control & Guarantees) Act 1946(**a**) and of all other powers enabling them in that behalf, hereby make the following Order :—

**1.** The Control of Borrowing Order 1958(**b**), as amended by the Control of Borrowing (Amendment) Order 1959(**c**), shall be further amended :—

(*a*) by deleting articles 6, 7(2) and 8(2A) thereof ;

(*b*) by inserting after article 8 thereof the following article :—

" 8A.—(1) Subject to the provisions of this article, nothing in Part I of this Order applies to any transaction unless—

(*a*) the transaction is effected by or on behalf of a person resident outside the United Kingdom, and is not a transaction consisting of or including the issue of non-sterling securities, or

(*b*) the transaction is effected by a local authority.

(2) The exemption contained in the foregoing paragraph shall not apply to—

(*a*) the issue of any of the securities mentioned in paragraphs 1 to 5 of Part II of Schedule 1 to the Trustee Investments Act 1961(**d**), unless the terms on which the securities are to be issued have, before the making of the issue, been approved by the Bank of England on behalf of the Treasury ;

(*b*) the issue of any sterling securities where the amount of the money to be raised by the issue is not less than £1 million, unless the time at which the securities are to be issued has, before the making of the issue, been approved by the Bank of England on behalf of the Treasury.

(3) For the purposes of this article—

(*a*) the expression " non-sterling securities " means securities on which capital moneys, dividends and interest are payable solely in a currency other than sterling, and the expression " sterling securities " means any securities other than non-sterling securities ;

(*b*) a person being a body corporate shall be deemed to be resident where the central management and control of its trade or business is exercised."

(**a**) 1946 c. 58. (**b**) S.I. 1958/1208 (1958 I, p. 203). (**c**) S.I. 1959/445 (1959 I, p. 288).
(**d**) 1961 c. 62.

**2.** The Interpretation Act 1889(a) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

**3.** The Control of Borrowing (Amendment) Order 1959 is hereby revoked.

**4.** This Order may be cited as the Control of Borrowing (Amendment) Order 1967, and shall come into operation on 27th January 1967.

*James Callaghan,*
*E. Alan Fitch,*
Two of the Lords Commissioners of Her Majesty's Treasury.

20th January 1967.

## EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order further amends the Control of Borrowing Order 1958.

First, this Order removes the prohibition contained in the principal Order on the circulation in Great Britain without Treasury consent of certain offers for subscription or sale of securities of bodies corporate not incorporated under the law of England or Scotland, of securities of overseas Governments, and of units under unit trust schemes not governed by the law of England or Scotland.

Second, this Order removes the amendment made in the principal Order by the Control of Borrowing (Amendment) Order 1959, which made unlawful, without the consent of the Treasury, certain issues of redeemable shares or other redeemable securities of which the purpose or effect is to capitalise profits or reserves.

Third, this Order confers a general exemption from Part I of the principal Order. The consent of the Treasury under the principal Order is no longer required for the exempted transactions, which include those involving the issue of non-sterling securities by or on behalf of persons resident outside the United Kingdom. The exemption does not extend to other transactions by or on behalf of persons resident outside the United Kingdom, or to transactions effected by local authorities.

The general exemption is subject to conditions whereby the approval of the Bank of England is required of terms of issue of any securities mentioned in paragraphs 1 to 5 of Part II of Schedule 1 to the Trustee Investments Act 1961, and of the timing of issues of sterling securities of £1 million or more.

(a) 1889 c. 63.