1968. No. 195 [C]

CONTROL OF BORROWING

ORDER, DATED 12TH AUGUST 1968, MADE BY THE MINISTRY OF FINANCE UNDER SECTION 2 OF THE LOANS GUARANTEE AND BORROWING REGULATION ACT (NORTHERN IRELAND) 1946.

The Ministry of Finance for Northern Ireland in the exercise of the powers conferred upon it by section 2 of the Loans Guarantee and Borrowing Regulation Act (Northern Ireland) 1946(a) and of all other powers enabling it in that behalf hereby makes the following Order:—

1. The Control of Borrowing Order (Northern Ireland) 1962(b) shall be amended:—

(*a*) by deleting articles 6, 7(2) and 8(3) 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 I to the Trustee Investments Act 1961(c), unless the terms on which the securities are to be issued have, before the making of the issue, been approved by the Ministry or by the Bank of England on behalf of the Ministry;

(*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 Ministry or by the Bank of England on behalf of the Ministry.

(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 are exercised."

(a) 1946. c. 18.
(b) S.R. & O. (N.I.) 1962, No. 187.
(c) 1961. c. 62.

2. This Order may be cited as the Control of Borrowing (Amendment) Order (Northern Ireland) 1968, and shall come into operation on 19th August 1968.

Sealed with the Official Seal of the Ministry of Finance for Northern Ireland this 12th day of August 1968.

(L.S.) *James Reid,*
Assistant Secretary.

EXPLANATORY NOTE

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

This Order removes the prohibitions contained in the Control of Borrowing Order (Northern Ireland) 1962 on—

(i) the circulation in Northern Ireland without Ministry of Finance consent of certain offers for subscription or sale of securities of bodies corporate not incorporated under the law of Northern Ireland or under the law of England or Scotland, of securities of governments other than Her Majesty's Government in the United Kingdom, or the Government of Northern Ireland, and of units under unit trust schemes not governed by the law of Northern Ireland;

(ii) the making of certain issues of redeemable shares or other redeemable securities of which the purpose or effect is to capitalise profits or reserves.

The Order also confers a general exemption from Part I of the principal Order. The consent of the Ministry 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 I to the Trustee Investments Act 1961, and of the timing of issues of sterling securities of £1 million or more.