EXPLANATORY NOTE

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

This Order provides that the restrictions on night work in the baking industry imposed by the Baking Industry (Hours of Work) Act, 1954, shall not apply in relation to bakery workers covered by the agreement referred to in Article 2 of this Order.

BORROWING AND SECURITIES

CONTROL OF BORROWING

1958 No. 1208

The Control of Borrowing Order, 1958

Made - - - -	23*rd July*, 1958
Laid before Parliament	24*th July*, 1958
Coming into Operation	25*th July*, 1958

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

PART I

GENERAL EXTENT OF CONTROL

Borrowing in Great Britain

1.—(1) Subject to the exemptions contained in Part II of this Order, a person shall not, without the consent of the Treasury, borrow money in Great Britain where the aggregate of the amount of money borrowed and of any other amounts borrowed in Great Britain by that person in the previous twelve months (including any period before the coming into force of this Order) exceeds ten thousand pounds.

(2) This article shall not apply to—

(*a*) borrowing by any person, other than a local authority, if the borrowing is in the ordinary course of his business and is from a person carrying on a banking undertaking;

(*b*) borrowing by any person, other than a local authority, where the money borrowed is repayable on demand or not more than six months after demand and the loan is wholly unsecured or is secured only by a bill of exchange payable on demand or at a fixed period not exceeding six months after the date of the borrowing or after sight or by a promissory note payable not more than six months after the date of the borrowing;

(*c*) borrowing by a local authority for the sole purpose of defraying expenditure (including the payment of sums due by them to meet the expenses of other authorities) pending the receipt of revenues receivable

(a) 9 & 10 Geo. 6. c. 58.

by them in respect of the period of account in which that expenditure is chargeable, so long as—

(i) the expenditure is not capital expenditure; and

(ii) the money is repayable not later than one month after the termination of that period of account; and

(iii) the amount outstanding at any one time does not exceed one half of the total revenues received or receivable in respect of that period of account;

(*d*) acceptance by a person carrying on a banking undertaking or a member of the London Discount Houses Committee of moneys to be placed to the credit of a current or deposit account, whether or not any security is given;

(*e*) borrowing by the personal representative of a deceased person in his capacity as such for the purpose of paying death duties payable by reason of the death of the deceased; and

(*f*) borrowing from a department of Her Majesty's Government in the United Kingdom.

(3) For the purposes of the last foregoing paragraph a loan in respect of which a guarantee is given is not an unsecured loan.

Making of certain arrangements to be treated as borrowing

2.—(1) In this Order references to the borrowing of money include:—

(*a*) references to the making of any arrangement to provide any guarantee or to mortgage or charge any property to secure the payment of any sum which is already due when the arrangement is made or is payable not later than six months after the arrangement is made; and

(*b*) references to the making of any arrangement by which the price of any property, except the price of goods sold by a person in the ordinary course of his business, is allowed to remain unpaid either for a fixed period or indefinitely but charged on any property;

but do not include references to the making of any other arrangement by which a sum which would otherwise be payable at any date is payable at a later date; and references to loans shall be construed accordingly.

(2) A sum which, at the time of, or by virtue of, the making of any arrangement is payable on demand or on the expiration of a fixed period after demand shall be deemed for the purposes of this article to be payable at the time of the making of the arrangement, or, as the case may be, on the expiration of the fixed period after the making of the arrangement, notwithstanding that no demand has been made.

Raising money by issue of shares

3.—(1) Subject to the exemptions contained in Part II of this Order, a body corporate shall not, without the consent of the Treasury, raise money in Great Britain by the issue, whether in Great Britain or elsewhere, of any shares in that body corporate.

(2) This article shall not apply to money raised by the issue of shares to the subscribers of a memorandum of association where the total consideration for the issue of all those shares issued to the said subscribers does not exceed five hundred pounds.

(3) This article shall not apply to money raised by the issue by a private company of shares to the vendors or the nominees of the vendors of any undertaking sold to the company if—

(*a*) the shares are all fully paid; and

(*b*) the money raised is cash forming part of the assets of the undertaking or cash which has been paid to the vendors as, or as part of, the purchase price of the undertaking.

Issues of partly paid shares and other issues of shares and other securities

4.—(1) Subject to the exemptions contained in Part II of this Order, a body corporate shall not, without the consent of the Treasury, issue partly paid shares, if either the body corporate is incorporated under the law of England or Scotland or the shares are, or are to be, registered in England or Scotland.

(2) Subject to the exemptions contained in Part II of this Order, a body corporate incorporated under the law of England or Scotland shall not, without the consent of the Treasury, issue any shares where the whole or any part of the consideration for the issue is the transfer of any property, unless the property consists of, or forms part of, the assets of an undertaking which is being sold to the body corporate, being a private company.

(3) Subject to the exemptions contained in Part II of this Order, a body corporate incorporated under the law of England or Scotland shall not, without the consent of the Treasury, issue any shares if the purposes or effects of the transaction consist of or include—

(*a*) the raising or borrowing of money outside Great Britain, unless the borrowing is in the ordinary course of its business and is from a person carrying on a banking undertaking, and the money is made available in the scheduled territories ; or

(*b*) the exchanging or substituting of new securities for redeemable securities already issued by the body corporate, unless such new securities are not redeemable or are redeemable not earlier than the earliest date on which the securities already issued are redeemable.

(4) Subject to the exemptions contained in Part II of this Order, a body corporate not incorporated under the law of England or Scotland shall not, without the consent of the Treasury, issue any shares which are, or are to be, registered in England or Scotland if the purposes or effects of the transaction consist of or include—

(*a*) the raising or borrowing of money outside Great Britain ; or

(*b*) the exchanging or substituting of new securities for redeemable securities already issued by the body corporate, unless such new securities are not redeemable or are redeemable not earlier than the earliest date on which the securities already issued are redeemable.

(5) Subject to the exemptions contained in Part II of this Order, a body corporate incorporated under the law of England or Scotland shall not, without the consent of the Treasury, issue any shares where the whole or any part of the consideration for the issue is the discharge of any capital liability in respect of any such borrowing as is mentioned in paragraph (2) of article 1 of this Order.

(6) Subject to the exemptions contained in Part II of this Order, a body corporate incorporated under the law of England or Scotland shall not, without the consent of the Treasury, issue any redeemable shares if the purposes or effects of the transaction consist of or include the capitalisation of profits or reserves.

(7) Subject to the exemptions contained in Part II of this Order, a body corporate shall not, without the consent of the Treasury, for any purpose issue any securities, other than shares, if either the body corporate is incorporated under the law of England or Scotland or the securities are, or are to be, registered in England or Scotland.

(8) The last foregoing paragraph shall not apply to—

(*a*) securities issued by any body corporate for the sole purpose of securing money borrowed by the body corporate in Great Britain, if the borrowing is in the ordinary course of its business and is from a person carrying on a banking undertaking;

(*b*) securities issued by a body corporate, being a body corporate incorporated under the law of England or Scotland, for the sole purpose of securing money borrowed by the body corporate outside Great Britain, if the borrowing is in the ordinary course of its business and is from a person carrying on a banking undertaking, and the money is made available in the scheduled territories; and

(*c*) securities issued by any body corporate for the sole purpose of exchanging or substituting new securities for redeemable securities already issued by the body corporate, if such new securities are not redeemable or are redeemable not earlier than the earliest date on which the securities already issued are redeemable.

Government securities

5. Subject to the exemptions contained in Part II of this Order, no securities of any government, other than Her Majesty's Government in the United Kingdom, which are, or are to be, registered in England or Scotland shall be issued for any purpose without the consent of the Treasury.

Prospectuses, etc.

6. Subject to the exemptions contained in Part II of this Order, a person shall not, without the consent of the Treasury, circulate in Great Britain any offer for subscription or sale of—

(*a*) any securities of any body corporate not incorporated under the law of England or Scotland; or

(*b*) any securities of any government other than Her Majesty's Government in the United Kingdom,

if the offer is a public offer or an offer to existing holders of securities of the body corporate or government in question or to existing holders of securities of any body corporate specified in the offer.

Unit trusts

7.—(1) Subject to the exemptions contained in Part II of this Order, a person shall not, without the consent of the Treasury—

(*a*) raise money in Great Britain for the purposes of a unit trust scheme by the issue of any unit under the scheme; or

(*b*) issue any units under a unit trust scheme, if the purposes or effects of the transaction consist of or include the raising of money outside Great Britain, and either the scheme is governed by the law of England or Scotland or the units are, or are to be, registered in England or Scotland:

Provided that this paragraph shall not apply to the issue, or to the raising of money by the issue, of any unit or sub-unit under a unit trust scheme if the issue does not cause the total number of issued units or sub-units to exceed the total number outstanding on the twelfth day of May, nineteen hundred and forty-one, including units or sub-units which at the said date the trustees could be required by the managers of the trust to issue.

(2) Article 6 of this Order shall apply in relation to units under a unit trust scheme not governed by the law of England or Scotland as it applies in relation to securities of a body corporate not incorporated under the law of England or Scotland.

PART II

GENERAL EXEMPTIONS

Exemption where annual limit not exceeded

8.—(1) Subject to the provisions of this article, the consent of the Treasury shall not be required to the carrying out by any such person as is mentioned in any of the provisions of Part I of this Order of any transaction mentioned in that provision if the amount involved in the transaction together with the amount involved in all previous transactions by the same person in the previous twelve months, being transactions which are to be taken into account in accordance with paragraph (2) of this article, does not exceed fifty thousand pounds.

(2) The previous transactions to be taken into account for the purposes of this article are:—

(*a*) any borrowing of money in Great Britain except such borrowing as is mentioned in paragraph (2) of article 1 of this Order, whether or not the consent of the Treasury under this Order was required thereto; and

(*b*) any other transaction to which the consent of the Treasury under this Order was required or would, apart from the provisions of this Part of this Order, have been required;

and include transactions effected before the coming into force of this Order to which the preceding provisions of this paragraph would have applied if this Order had then been in force:

Provided that—

(i) where the effect of any of the said previous transactions consisting of the borrowing or raising of money was that any share or loan capital (other than loan capital raised by any such borrowing as is mentioned in paragraph (2) of article 1 of this Order), which was redeemed or repaid contemporaneously with, or not more than three months before, that transaction, was replaced by other share or loan capital, the amount involved in that transaction shall be treated as reduced by the amount so redeemed or repaid; and

(ii) where any of the said previous transactions consisted solely of the borrowing or raising of money which, subsequently to that borrowing or raising, was repaid in whole or in part, the amount involved in that transaction shall be treated as reduced by the amount repaid unless the repayment formed part of any other of the said previous transactions, and the whole or part of the amount involved in that other transaction has been left out of account by virtue of proviso (i) of this paragraph.

(3) The Treasury may at any time direct that the exemption conferred by this article shall not apply to any person specified in the direction.

(4) Any direction given under the last foregoing paragraph may be revoked by a subsequent direction of the Treasury, and any direction given by the Treasury under proviso (*b*) of sub-paragraph (1) of paragraph 1 of the

Capital Issues Exemptions Order, 1941(a) (as amended by the Capital Issues Exemptions Order, 1944(b)), or under paragraph (4) of article 8 of the Control of Borrowing Order, 1947(c), have effect as if it had been given under the last foregoing paragraph.

(5) In this article, the expression " the amount involved " means—

(*a*) in relation to the borrowing of money, the amount of money to be borrowed ;

(*b*) in relation to the issue of securities or the raising of money by such an issue, the amount of the money to be raised or the total nominal value of the securities to be issued or the value of any assets to be acquired in return for the securities, whichever is the greatest ;

(*c*) in relation to the circulation of an offer of securities,

(i) in the case of an offer to existing holders of securities registered in England or Scotland, the total price, under the offer, of the securities offered to such holders,

(ii) in any other case, the total price, under the offer, of all the securities offered ;

(*d*) in relation to an arrangement to provide any guarantee or to mortgage or charge any property to secure the payment of any sum, the amount of that sum ;

(*e*) in relation to an arrangement by which the price of any property is allowed to remain unpaid, the amount of that price.

(6) Paragraph (5) of this article shall apply in relation to units under a unit trust scheme as it applies in relation to securities of a body corporate.

Building Societies and Industrial and Provident Societies

9. Nothing in Part I of this Order applies to any borrowing or raising of money by, or any issue of securities of—

(*a*) a society incorporated under the Building Societies Acts, 1874 to 1940, or such an unincorporated society as is mentioned in section 7 of the Building Societies Act, 1874(d) ; or

(*b*) a society registered under the Industrial and Provident Societies Act, 1893(e), whose business does not consist wholly or mainly in investing in land or securities.

Profit Sharing Schemes

10. Nothing in Part I of this Order applies to any issue of shares made in pursuance of a profit sharing scheme whereby a share in the net profits from time to time made by a body corporate falls to be distributed on a predetermined basis among all the employees of that body corporate who are entitled to participate in the scheme (not being less than three-quarters of the total number of employees of that body corporate) in the form, either wholly or in part, of fully paid shares and such distribution is made in addition to the payment to such employees of wages at rates standard in the industry of which that body corporate forms part.

(a) S.R. & O. 1941/648 (1941 II, p. 511). (b) S.R. & O. 1944/1269 (1944 II, p. 495).
(c) S.R. & O. 1947/945 (Rev. III, p. 147 : 1947 I, p. 98).
(d) 37 & 38 Vict. c. 42. (e) 56 & 57 Vict. c. 39.

Exemption for transactions sanctioned by the Ministry of Finance, Northern Ireland

11. Where the consent of the Ministry of Finance, Northern Ireland, under any Order made in pursuance of the Loans Guarantee and Borrowing Regulation (Northern Ireland) Act, 1946, has been given to the carrying out of any transaction to which that Order applies, then, so long as that consent remains in force and provided that any conditions attached to the consent are complied with, the consent of the Treasury under this Order shall not be required to the carrying out of that transaction.

PART III

SUPPLEMENTAL

Provisions as to Treasury consent

12.—(1) Any consent granted by the Treasury under this Order—

(*a*) may be either general or special;

(*b*) may be revoked by the Treasury;

(*c*) may be absolute or conditional; and

(*d*) may be limited so as to expire at the end of a specified period unless renewed.

(2) Any consent granted by the Treasury under the Control of Borrowing Order, 1947, or under that Order as amended(**a**), shall have effect as if it had been granted under the corresponding provision of this Order.

Definitions

13.—(1) In this Order, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say:—

"issue" includes reissue;

"local authority" means any authority being, within the meaning of the Local Loans Act, 1875(**b**), or the Local Authorities Loans (Scotland) Act, 1891(**c**), an authority having power to levy a rate;

"registered" in relation to any security or unit includes inscribed; "registered in England or Scotland" means, in relation to securities or units, registered in a register in England or Scotland; and "register", in relation to securities or units, includes any book in which securities or units are registered;

"the scheduled territories" has the meaning assigned to it by subsection (3) of section 1 of the Exchange Control Act, 1947(**d**);

"security" includes shares, bonds, notes, debentures and debenture stock;

"share" includes stock and any perpetual debenture or perpetual debenture stock;

"unit trust scheme" means any arrangements made for the purpose, or having the effect, of providing facilities for the participation by persons, as beneficiaries under a trust, in profit or income arising from the acquisition, holding, management or disposal of securities or any other property whatsoever;

"unit" means, in relation to a unit trust, any right or interest (described whether as a unit or as a sub-unit or otherwise) which may be acquired under the scheme, being a right or interest created or issued for the

(**a**) S.I. 1949/755, 1955/530, 1956/1190, 1958/1097 (1949 I, p. 500; 1955 I, p. 231; 1956 I, p. 372). (**b**) 38 & 39 Vict. c. 83. (**c**) 54 & 55 Vict. c. 34. (**d**) 10 & 11 Geo. 6. c. 14.

purpose of raising money for the purposes of the scheme or a right or interest created or issued in substitution (whether directly or indirectly) for any right or interest so created or issued.

(2) A person shall be deemed for the purposes of this Order to borrow or raise money in Great Britain if the money is made available in Great Britain or, in any such case as is mentioned in article 2 of this Order, if the money would, but for the arrangement in question, have been payable in Great Britain and, without prejudice to the preceding provisions of this paragraph, a person shall also be deemed for the purposes of this Order to borrow money in Great Britain if the money is borrowed on the security of property in Great Britain.

Application of Interpretation Act

14. The Interpretation Act, 1889(**a**), shall apply to the interpretation of this Order as it applies to the interpretation of an Act of Parliament, and for the purposes of section 38 of the Interpretation Act, 1889, this Order and any Order revoked by this Order shall be deemed to be an Act of Parliament.

15. This Order applies to the borrowing or raising of money in pursuance of authority conferred by an Order made under an Act of Parliament passed before the twelfth day of July, 1946, being the date of the passing of the Borrowing (Control and Guarantees) Act, 1946.

Revocation

16. The Orders set out in the Schedule to this Order are hereby revoked.

Citation and commencement

17. This Order may be cited as the Control of Borrowing Order, 1958, and shall come into operation on the twenty-fifth day of July, nineteen hundred and fifty-eight.

Dated this twenty-third day of July, nineteen hundred and fifty-eight.

Martin Redmayne,
Harwood Harrison,
Two of the Lords Commissioners of
Her Majesty's Treasury.

SCHEDULE

ORDERS REVOKED

The Control of Borrowing Order, 1947.

The Control of Borrowing (Amendment of Exemption Provisions) Order, 1949(**b**).

The Control of Borrowing (Amendment) Order, 1955(**c**).

The Control of Borrowing (Amendment) (No. 2) Order, 1956(**d**).

The Control of Borrowing (Amendment) Order, 1958(**e**).

(**a**) 52 & 53 Vict. c. 63.
(**b**) S.I. 1949/755 (1949 I, p. 500).
(**c**) S.I. 1955/530 (1955 I, p. 231).
(**d**) S.I. 1956/1190 (1956 I, p. 372).
(**e**) S.I. 1958/1097.

EXPLANATORY NOTE

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

This Order consolidates the Control of Borrowing Order, 1947, and the four amending Orders referred to in the Schedule. It also makes two small alterations in article 8 (5)

(1) by the substitution of sub-paragraphs (*d*) and (*e*) for the previous sub-paragraph (*d*), in order to bring the definition of " the amount involved " into accord with the provisions of article 2 (1) (*a*) and (*b*);

(2) by the omission of the reference to an offer of securities for exchange which since the deletion of the reference to exchange in article 6 by the Order of 1955 has been unnecessary.

GOVERNMENT SECURITIES

1958 No. 662

The Exchange of Securities Rules, 1958

Made - - - - 18*th April*, 1958
Coming into Operation 22*nd April*, 1958

The Lords Commissioners of Her Majesty's Treasury, in exercise of the powers conferred upon them by subsection (2) of section 2 of the National Loans Act, 1939(a), and of all other powers enabling them in that behalf, hereby make the following Rules:—

Interpretation

1.—(1) In these Rules, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say:—

" appropriate authority " means, in relation to an acceptance of an offer of exchange, the person with whom the acceptance is required by these Rules to be lodged;

" committee ", in relation to a holder, includes a person authorised under section 1 of the Lunacy Act, 1908(b), to exercise in relation to the holder any of the powers of a committee, and, in the application of these Rules to Scotland, means a curator bonis or other person appointed by the Court to manage the affairs of the holder;

" holder " means the holder of any old securities;

" infant ", in relation to Scotland means any pupil or any minor;

" new securities " means 5 per cent. Defence Bonds (Conversion Issue) offered, in the terms of the notices dated the 22nd day of April, 1958, to holders of 2½ per cent. Defence Bonds and holders of 2½ per cent. Defence Bonds (Conversion Issue), being holders who have accepted an

(a) 2 & 3 Geo. 6. c. 117. (b) 8 Edw. 7. c. 47.