STATUTORY INSTRUMENTS

1979 No. 1333

EXCHANGE CONTROL

The Exchange Control (Securities etc.) (Exemption) Order 1979

Made - - - -	19*th October* 1979
Laid before Parliament	23*rd October* 1979
Coming into Operation	24*th October* 1979

The Treasury, in exercise of the powers conferred upon them by sections 15(1)(*b*), 31 and 36(5) of the Exchange Control Act 1947**(a)**, hereby make the following Order:—

1. This Order may be cited as the Exchange Control (Securities etc.) (Exemption) Order 1979 and shall come into operation on 24th October 1979.

2. The exemptions granted by articles 3 to 7 (inclusive) and 9 of this Order are subject to the condition that they shall not apply to any person effecting or procuring any issue or transfer of securities or any other act referred to in sections 8 to 14 (inclusive) of the Act or the transfer of any right referred to in section 28 thereof knowingly as consideration for or in association with—

(*a*) the receipt by any person resident in Southern Rhodesia of a payment made outside the scheduled territories or the acquisition by any such person of property which is outside the scheduled territories; or

(*b*) the transfer to any such person, or the creation in favour of any such person, of a right (whether present or future and whether vested or contingent) to receive a payment outside the scheduled territories or to acquire property which is outside the scheduled territories.

3. Subject to article 2 of this Order, there shall be exempted from the provisions of sections 8 and 10 of the Exchange Control Act 1947 (hereinafter called "the Act", which sections impose restrictions on the issue of securities)—

(*a*) the issue of any security or bearer certificate to any person not being a person known to the issuer to be a person resident in Southern Rhodesia or a person who is to be the nominee of a person resident in Southern Rhodesia; and

(*b*) the alteration of any document (not being a document beneficially owned by a person resident in Southern Rhodesia) so that it becomes a bearer certificate or coupon.

4. Subject to article 2 of this Order, there shall be exempted from the provisions of section 9 of the Act (which imposes restrictions on transfers of securities) any transfer of securities if neither the transferor nor the transferee nor the person if any for whom the transferor or the transferee is or is to be a nominee is resident in Southern Rhodesia.

(a) 1947 c. 14.

5. Subject to article 2 of this Order, there shall be exempted from the provisions of sections 11 and 12 of the Act (which respectively impose restrictions on the substitution of securities and certificates and the payment of capital moneys outside the United Kingdom) the doing of any act with intent to secure—

(*a*) that any security, not being a security beneficially owned by a person resident in Southern Rhodesia, which is

(i) registered in the United Kingdom, or

(ii) transferable by means of a bearer certificate in the United Kingdom,

becomes, or is replaced by, a security registered outside the United Kingdom or a security transferable by means of a bearer certificate outside the United Kingdom; or

(*b*) that a certificate of title to any other security, not being a security beneficially owned by a person resident in Southern Rhodesia, is issued outside the United Kingdom in substitution for or in addition to a certificate of title thereto which is in, or is or has been lost or destroyed in, the United Kingdom; or

(*c*) that capital monies payable on a security registered in the United Kingdom, not being a security beneficially owned by a person resident in Southern Rhodesia, are paid outside the United Kingdom; or

(*d*) that, where the certificate of title to a security, not being a security beneficially owned by a person resident in Southern Rhodesia, is in the United Kingdom, capital moneys payable on that security are paid outside the United Kingdom without production of the certificate to the person making the payment.

6. Subject to article 2 of this Order, there shall be exempted from the provisions of section 13 of the Act (which imposes restrictions on persons keeping registers of securities) the making of any entry in a register except—

(*a*) the entry of the name of a person whose registered address is to be an address in Southern Rhodesia, and

(*b*) the entry of the name of the transferee of any securities registered in the name of a transferor whose registered address is an address in Southern Rhodesia which any such transferor has purported to transfer.

7. Subject to article 2 of this Order, the provisions of section 14 of the Act referred to below (which impose restrictions in relation to transactions in securities held or to be held by nominees) shall not apply in the following cases, that is to say—

(*a*) the provisions of section 14(1) thereof shall not apply to any person unless the holder of the security in question

(i) is a nominee and the person for whom he is a nominee is resident in Southern Rhodesia; or

(ii) is not a nominee and is resident in Southern Rhodesia;

(*b*) the provisions of section 14(2) thereof shall not apply to any person unless that person, being a person for whom the holder of a security is a nominee, does any act whereby the holder, wherever resident, holds the security as nominee for a person resident in Southern Rhodesia;

(*c*) the provisions of section 14(3) thereof shall not apply to any person unless the holder of the security in question (being a nominee) or the person through whose agency the exercise of all or any of the holder's rights in respect of the security are controlled does any act whereby he recognises or gives effect to the substitution of a person resident in Southern Rhodesia as the person from whom he receives his instructions; and

(*d*) the provisions of section 14(4) thereof shall not apply unless the holder of a security does an act whereby he becomes the nominee of a person resident in Southern Rhodesia.

8. Sections 15 and 16 of the Act shall not apply in relation to any security or coupon, and to that intent all securities to which the said sections can apply are hereby prescribed under section 15(1)(*b*) of the Act.

9. Subject to article 2 of this Order there shall be exempted from the provisions of section 28 of the Act (which imposes restrictions on the transfer of assurance policies, annuities etc.) the transfer of any right referred to therein unless the transferee or any person for whom he is to be a nominee is to the knowledge of the transferor resident in Southern Rhodesia.

10. The Orders specified in the Schedule to this Order are hereby revoked.

11. This Order shall extend to the Channel Islands, and any reference in this Order to the Exchange Control Act 1947 includes a reference to that Act as extended by the Exchange Control (Channel Islands) Order 1947**(a)**.

John MacGregor,
Peter Morrison,
Two of the Lords Commissioners of Her Majesty's Treasury.

19th October 1979.

SCHEDULE

ORDERS REVOKED

The Exchange Control (Transfer from Custodian Exemption) Order 1947	S.R. & O. 1947/2051
The Exchange Control (Declarations and Evidence) Order 1968	S.I. 1968/1232
The Exchange Control (Deposit of Securities) (Exemption) Order 1970	S.I. 1970/2038

(a) S.R. & O. 1947/2034.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order grants conditional exemptions, except in relation to transactions involving persons resident in Southern Rhodesia, from sections 8-14 and 28 of the Act. It also completely abolishes unconditionally:—

(*a*) the obligation to place certain securities in the custody of an Authorised Depositary;

(*b*) the restrictions on Authorised Depositaries parting with securities already in their custody; and

(*c*) the restrictions on dealing in securities etc. imposed by sections 15 and 16 of the Act.

The scheduled territories still consist of the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

Article 2 of this Order has the effect that the exemptions from sections 8-14 and 28 of the Act (granted in articles 3-7 and 9 of this Order) are subject to the condition that they shall not apply to any person in respect of a transaction executed knowingly in the course of a compensation deal for the benefit of a person resident in Southern Rhodesia, that is to say knowingly as consideration for or in association with a transaction described in article 2(*a*) or (*b*).

Subject to that condition

(*a*) article 3 gives a complete exemption from sections 8 and 10 of the Act in respect of the issue of securities (whether bearer or to be registered securities) unless the person to whom they are issued is known to be resident in Southern Rhodesia or acting as nominee for such a person; and

(*b*) article 3 also exempts from section 10 the alteration of any document, unless owned by a person resident in Southern Rhodesia, which makes that document a bearer certificate or coupon;

(*c*) article 4 gives a complete exemption from section 9 in relation to transfers of securities, unless the transferor or the transferee or the nominee of either is resident in Southern Rhodesia;

(*d*) article 5 gives complete exemption from sections 11 and 12, except in relation to securities beneficially owned by persons resident in Southern Rhodesia;

(*e*) article 6 gives a complete exemption from section 13 (which imposes restrictions on persons concerned with keeping registers of securities) except in relation to entries in registers relating to transferors or transferees whose registered address is or is to be an address in Southern Rhodesia;

(*f*) article 7 gives a complete exemption from section 14, except when the transaction involves a person resident in Southern Rhodesia or the nominee of such a person;

(*g*) article 9 gives a complete exemption from section 28, unless the transferee or his nominee is to the knowledge of the transferor resident in Southern Rhodesia.

It should be noted that section 17 of the Act (which imposes conditions on transactions in prescribed securities) no longer applies. This is the result of the revocation of the Exchange Control (Specified Currency and Prescribed Securities) Order 1967 (S.I. 1967/556); see article 6 of the Exchange Control (Gold and Foreign Currency) (Exemption) Order 1979 (S.I. 1979/1331) which comes into operation at the same time as this Order.

SI 1979/1333
ISBN 0-11-094333-3

