1962 No. 868

BORROWING AND SECURITIES

The Exchange of Securities Rules 1962

Made - - - - *24th April* 1962
Coming into Operation *4th May* 1962

The Lord Commissioners of Her Majesty's Treasury, in exercise of the powers conferred upon them by section 2 (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 ;

" holder " means the holder of any old securities ;

" new securities " means 5 per cent. Defence Bonds (Conversion Issue) offered to holders of 3 per cent. Defence Bonds (Conversion Issue) in the terms of the notice dated the 4th May 1962 ;

" old securities " means any securities which under the terms of the notice dated the 4th May 1962 may be exchanged for new securities ;

" receiver ", in relation to an acceptance in a case where the holder is a person suffering from mental disorder, means :—

(*a*) in the application of these Rules to England and Wales, a receiver or other person authorised in that behalf under Part VIII of the Mental Health Act 1959(b) ;

(*b*) in the application of these Rules to Scotland, a curator bonis or other person appointed by the Court to manage the affairs of the holder ; and

(*c*) in the application of these Rules to Northern Ireland, the holder's committee.

(2) The Interpretation Act 1889(c), shall apply for the interpretation of these Rules as it applies for the interpretation of an Act of Parliament.

Persons to whom acceptances are to be made

2. Acceptances of the offer of exchange of securities of the descriptions specified in the first column of the following table shall be lodged with the persons respectively specified in the second column of that table :—

Description of holding	*Person with whom acceptance form is to be lodged*
Bonds registered in a part of the Post Office Register kept by the trustees of a trustee savings bank.	The trustees of the savings bank in question.
Bonds registered in any other part of the Post Office Register.	The Postmaster-General.

(a) 2 & 3 Geo. 6. c. 117. (b) 7 & 8 Eliz. 2. c. 72. (c) 52 & 53 Vict. c. 63.

Manner of making acceptance

3.—(1) An acceptance of the offer of exchange of securities shall—

(*a*) be made on a form to be supplied for the purpose by the appropriate authority or a form to the like effect;

(*b*) give particulars of the amount of the holding to which the acceptance relates and of the full name, address and description of every person in whose name the holding is entered in the Post Office Register;

(*c*) be accompanied by the Bond Book or certificate relating to the holding; and

(*d*) be signed by every person accepting the offer, or, in the case of an acceptance made by a corporation, sealed with the common seal of the corporation, or, in the case of a corporation not having a common seal, executed in accordance with the rules of law and the provisions of any Act or instrument regulating the constitution of the corporation with respect to the execution of instruments by the corporation:

Provided that an acceptance made by a corporation may, instead of being so sealed or executed, be signed by the secretary or treasurer or two directors for the time being of the corporation or, in the case of a corporation sole, by the person representing the corporation for the time being.

(2) An acceptance may be sent by post.

Persons by whom acceptances may be made in special cases

4.—(1) In the cases specified in the first column of the following table, being cases in which the holder is the sole holder or the last surviving holder of a joint account, acceptance may be made by the persons respectively specified in the second column of that table:—

Case	*Person by whom acceptance may be made*
1. Where the holder has not attained the age of seven years.	1. The holder's parent or other guardian.
2. Where the holder has not attained the age of twenty-one years, but has attained the age of seven years.	2 The holder.
3. Where the holder is a person suffering from mental disorder.	3. The holder's receiver.
4. Where the holder is under any disability other than those specified in the cases aforesaid.	4. Any person entitled in law to administer the holder's property.

(2) Where a holder is under any of the disabilities mentioned in the first column of the last foregoing table and the holding is held jointly by him and one or more other holders, acceptance may (without prejudice to the provisions of the next following Rule in a case in which that Rule applies) be made by the other holder or holders together with any person who, under the foregoing provisions of this Rule, would have been entitled to make the acceptance if the first mentioned holder had been the sole holder or the last surviving holder on a joint account.

(3) Where securities are registered in the name of a deceased person who was a sole holder or the last surviving holder on a joint account, an acceptance may be made by his personal representative or representatives, or, if there are more than two personal representatives, a majority of them.

Acceptances in case of joint accounts

5. Where a holding is held jointly by more than two holders, whether or not the holders are trustees within the meaning of section 4 of the National Loans Act 1939, an acceptance in respect of the holding may be made by a majority of the holders.

Evidence as to facts on which validity of acceptance depends

6.—(1) The appropriate authority may accept, as evidence of any fact on which the validity of an acceptance depends, a statutory declaration of that fact made by one or more competent persons.

(2) Nothing in this Rule shall be taken as imposing any obligation upon the appropriate authority to require proof by such statutory declaration as aforesaid of any fact whereof they have other evidence which they are entitled to accept and act upon.

Application to new securities of trusts, powers, &c., affecting old securities

7.—(1) Where any old securities are exchanged for new securities, the new securities, and the interest thereon, shall be subject to the same trusts, charges, rights and restraints as affect the old securities exchanged and the interest thereon respectively, and all powers of attorney, requests as to interest, and other documents relating to the old securities exchanged and the interest thereon, or either of them, shall apply to the new securities and the interest thereon respectively.

(2) In any Act passed or instrument executed before the day following the 4th May 1962 references to any old securities may, if the securities are exchanged for new securities, be construed as references to the new securities received in exchange therefor, and in the case of any testamentary instrument executed before that day, any disposition which would have operated as a specific bequest of any old securities shall, if they are exchanged for new securities, be construed as a specific bequest of the new securities.

Protection for the Savings Banks, &c.

8.—(1) The Postmaster-General and the trustees and officers of trustee savings banks may act on any evidence authorised by these Rules and are hereby indemnified for so doing.

(2) Nothing in these Rules shall affect the Postmaster-General or any trustee or officer of a trustee savings bank with notice of any trust.

Citation and commencement.

9. These Rules may be cited as the Exchange of Securities Rules 1962, and shall come into operation on the 4th May 1962.

John Hill,
John Peel,
Two of the Lords Commissioners
of Her Majesty's Treasury.

24th April 1962.

EXPLANATORY NOTE

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

These Rules prescribe the procedure with respect to the acceptance of the offer to exchange 3 per cent. Defence Bonds (Conversion Issue) for 5 per cent. Defence Bonds (Conversion Issue).