STATUTORY INSTRUMENTS

1999 No. 1209

FINANCIAL SERVICES

The Financial Markets and Insolvency (CGO Service) Regulations 1999

Made - - - - *21st April 1999*

Laid before Parliament *22nd April 1999*

Coming into force in accordance with regulation 1

The Treasury and the Secretary of State, in exercise of the powers conferred by sections 173(4) and (5), 174(2) to (4), 185 and 186 of the Companies Act 1989**(a)**, and having consulted the Bank of England in accordance with sections 173(6) and 174(5) of that Act, hereby makes the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Financial Markets and Insolvency (CGO Service) Regulations 1999 and, subject to the following provisions of this Regulation, shall come into force on 24th May 1999.

(2) If notice is given that the responsibility for operating the CGO Service is not to be transferred from the Bank of England to CRESTCo Limited on or before 24th May 1999 nothing in these Regulations shall have effect until such day, of which prior notice is given, on which that responsibility is so transferred.

(3) For the purposes of paragraph (2) above, notice is given by the Bank of England and CRESTCo Limited by a notice published in the London, Edinburgh and Belfast Gazettes.

Interpretation

2. In these regulations–

"CGO Service" has the same meaning as in the principal Regulations; and

"the principal Regulations" means the Financial Markets and Insolvency Regulations 1991**(b)**.

Amendment of the principal Regulations

3.—(1) Regulation 7 of the principal Regulations (interpretation) shall be amended–

(a) by deleting the definition of "CGO";

(b) in the definition of "CGO Service member" by substituting for the words "the Bank" the words "CRESTCo Limited (which is now responsible for operating the CGO Service)";

(c) in the definition of "former CGO Service member" by deleting the words "by contract with the Bank"; and

(d) in the definition "settlement bank" by substituting for the words "the Bank" the words "CRESTCo Limited (which is now responsible for operating the CGO Service)".

(a) 1989 c. 40. The powers originally vested in the Secretary of State by sections 173, 174, 185 and 186 of the Companies Act 1989 are now exercisable by him jointly with the Treasury by virtue of the Transfer of Functions (Financial Services) Order 1992 (S.I. 1992/1315).

(b) S.I. 1991/880.

(2) Regulation 12 of the principal Regulations (circumstances in which CGO charge to be treated as market charge) shall be amended by substituting for the expression "CGO" the words "CGO Service".

Clive Betts
Jim Dowd
Two of the Lords' Commissioners
21st April 1999 of Her Majesty's Treasury

Kim Howells
Parliamentary Under Secretary of State,
21st April 1999 Department of Trade and Industry

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations make amendments to the Financial Markets and Insolvency Regulations 1991 (the principal Regulations) which are necessary to reflect the fact that operation of the Central Gilts Office Service (CGO Service) is to be transferred by the Bank of England to CRESTCo Limited. This is intended to occur on a contractual basis on 24th May 1999 but, if a notice is given in the London, Edinburgh and Belfast Gazettes that the transfer of responsibility will not occur until a later date, nothing in the Regulations will take effect until the day on which the responsibility is transferred. This will be specified either in the original notice or in a subsequent notice published in the same Gazettes prior to the specified day. The effect of the transfer will be that persons who originally played a role in the operation of the CGO Service under contract with the Bank of England will in future do so under contract with CRESTCo Limited.

The principal Regulations make various amendments and modifications to the provisions of Part VII of the Companies Act 1989 (c. 40). Part VII is concerned with the effect of insolvency law on the financial markets. Part VII, as amended and modified by the principal Regulations, contains provision as to the enforcement of certain charges granted in connection with the operation of the CGO Service.

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