STOCK

1952 No. 1721 (S. 89)

The Local and Other Authorities (Scotland) Stock Regulations, 1952

Made - - - -	19*th September*, 1952
Laid before Parliament	23*rd September*, 1952
Coming into Operation	1*st January*, 1953

In exercise of the power conferred on me by Section 271 of the Local Government (Scotland) Act, 1947(**a**), and all other powers enabling me in that behalf I hereby make the following Regulations :—

PART I—PRELIMINARY

Commencement and Citation

1. These regulations may be cited as the Local and Other Authorities (Scotland) Stock Regulations, 1952, and shall come into operation on the first day of January, 1953 (hereinafter referred to as " the appointed day ").

Interpretation

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

" the Act " means the Local Government (Scotland) Act, 1947 ;

" authority " means a " local authority " or " statutory authority " as those expressions are hereinafter defined ;

" bank " means any bank in Scotland established by or in pursuance of the powers contained in any Act of Parliament or royal charter ;

" interest account " means such an account as is referred to in Regulation 16 of these Regulations ;

" local authority " means a county council or a town council ;

" prescribed period " means the period fixed by a resolution of an authority in accordance with the provisions of section 269 (2) (*b*) or section 270 (2) (*b*) of the Act ;

" redemption fund account " means such an account as is referred to in Regulation 6 of these Regulations ;

" the registrar " has the meaning assigned to it by paragraph (1) of Regulation 10 of these Regulations ;

" statutory authority " means any statutory authority commissioners or trustees (not being a local authority) to which the provisions of section 270 of the Act apply ;

" statutory borrowing power " in relation to a local authority has the meaning assigned to it by section 379 (1) of the Act and in relation to a statutory authority means a power to borrow conferred on the statutory authority under any enactment or statutory order ;

" stock " means redeemable stock created and issued by an authority under the Act or under any enactment repealed by the Act ;

a) 10 & 11 Geo. 6. c. 43.

" stock certificate " has the meaning assigned to it by paragraph (1) of Regulation 12 of these Regulations and does not include a stock certificate to bearer to which Regulations 24 and 25 of these Regulations apply ;

" the stock register " has the meaning assigned to it by paragraph (1) of Regulation 11 of these Regulations.

(2) The Interpretation Act, 1889(a), shall apply to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

PART II—ISSUE AND REDEMPTION OF STOCK

Issue of Stock

3.—(1) Each class of stock issued by an authority shall have a distinctive title and shall be issued subject to the conditions that all stock belonging to that class shall bear the same rate of interest, shall become redeemable on the same conditions and shall in all other respects be of the same character.

(2) The resolution of a local authority made under section 269 of the Act, or of a statutory authority made under section 270 of the Act, for the creation of a class of redeemable stock may contain provisions as to—

(*a*) the minimum amount of such stock which may be held by any person ; and

(*b*) the minimum amount of such stock which may at any time be transferred by one person to another.

Saving for provisions of Exchange Control Act, 1947

4. Nothing in these Regulations shall be taken to relieve an authority of any obligations imposed by the provisions of the Exchange Control Act, 1947(b).

Redeemability of stock

5. Unless previously redeemed and subject to the provisions of section 286 of the Act stock shall be redeemed immediately at the expiration of the prescribed period.

Redemption Fund Accounts

6.—(1) For the redemption of stock created by a local authority, not being a local authority which has established a loans fund under the Act or under any other enactment including a local Act, or by a statutory authority, there shall be established by the authority separate accounts to be entitled " redemption fund accounts ".

(2) There shall be a separate redemption fund account for each class of stock issued by an authority.

(3) The authority shall keep in connection with each redemption fund account

(*a*) an account showing the securities in which all sums carried to the redemption fund account are from time to time invested ;

(*b*) separate accounts relative to each undertaking or purpose for or in respect of which any statutory borrowing power is exercised by them by the issue of the stock ; and

(*c*) separate accounts relative to each statutory borrowing power so exercised.

(4) The accounts to be kept under sub-paragraphs (*b*) and (*c*) of the last preceding paragraph shall be so framed as to show

(a) 52 & 53 Vict. c. 63. (b) 10 & 11 Geo. 6. c. 14.

(*a*) the amount of stock for the time being chargeable to each undertaking or purpose;

(*b*) if more than one statutory borrowing power has been exercised in respect of an undertaking or purpose, the amount of stock attributable to the exercise of each such borrowing power;

(*c*) the amount of stock attributable to each statutory borrowing power which has been redeemed or purchased and extinguished by means of the redemption fund account.

(5) The sums to be carried to each redemption fund account in respect of each loan represented by stock to which the account relates throughout the period within which the loan is required to be repaid or, if a scheme for the consolidation of loans is in operation, throughout the period fixed by the scheme shall be either:—

(*a*) equal yearly or half-yearly sums sufficient without accumulations and after payment of all expenses to redeem or purchase the amount of stock at par at the expiration of that period, or

(*b*) equal yearly or half-yearly sums which, if accumulated at compound interest at such rate as the authority may determine not exceeding the highest rate fixed by the Treasury for the purposes of section 1 of the Public Works Loans Act, 1897(**a**), and in force at the date at which the loan was raised or such other rate as the Secretary of State may in any particular case approve would be sufficient after payment of all expenses to redeem or purchase the amount of stock at par at the expiration of such period, and, in addition thereto, a sum equivalent to interest on the amount from time to time standing to the credit of the account at the rate on which the aforesaid equal yearly or half-yearly sums are based:

Provided that if stock is issued by an authority to raise money which they are authorised to lend to another authority, or to a district council or to a joint board and which is to be repaid to them by instalments, the sums to be carried in each year to the redemption fund account shall be such sums as are in that year due to be paid to the lending authority by way of repayment of capital.

(6) For the purpose of calculating the sums required to be carried to the redemption fund account—

(*a*) when stock has been issued at a discount, as much of the stock as represents the difference between the price of the stock as issued and its nominal value; and

(*b*) where stock has been issued for the purpose of defraying the expenses of the creation and issue of any stock, the amount of stock created and issued for that purpose,

shall be deemed to represent a loan repayable at the date at which the stock is first redeemable at par at the option of the authority.

(7) The first contribution to each redemption fund account in respect of each loan shall be made within twelve months, or, when the sums are to be carried to the redemption fund account half-yearly, within six months, from the commencement of the period within which the loan is required to be repaid:

Provided that if stock is issued for raising a loan and the authority are authorised to postpone commencing provision for repayment of the loan, the provisions of this Regulation shall apply with the necessary modifications.

(**a**) 60 & 61 Vict. c. 51.

Application of sums in Redemption Fund Accounts

7.—(1) The authority shall from time to time apply the whole or such part as may be necessary of any sums standing to the credit of any redemption fund account in or towards the redemption, according to the terms of issue, of the stock to which such account relates.

To the extent to which the whole or any part of such sums is not required to be so applied and unless the terms of issue require redemption to take place by means of periodical drawings (whether or not such drawings are combined with any other method of redemption), the authority may from time to time apply such sums in purchasing any stock to which such account relates.

(2) In so far as such sums have not been applied in manner aforesaid the authority shall invest the said sums in trustee securities and the annual proceeds arising from every such investment shall be carried to the revenue account relative to the undertaking or purpose in respect of which the stock was issued.

(3) Where the sums to be carried to any redemption fund account have been calculated in the manner provided by paragraph (5) (*b*) of the last preceding Regulation and money standing to the credit of such account has been applied in manner provided by paragraph (1) of this Regulation, the authority shall carry to the credit of such account each year and shall accumulate during the residue of the period allowed for the continuance of the loan an additional sum equivalent to the interest which would have been produced by the money so applied if invested at the rate on which the equal yearly or half-yearly payments to such account are based:

Provided that no such additional sums shall be carried to the credit of such account in respect of sums paid in excess under paragraph 1 of Regulation 9 of these Regulations.

(4) Nothing contained in the preceding provisions of this Regulation shall operate to prevent the authority employing in accordance with the provisions of section 8 of the Local Authorities Loans Act, 1945, for any purpose for which the authority has a statutory power to borrow as defined in that section any money for the time being standing to the credit of any redemption fund account and for such purpose as aforesaid the authority may sell any securities in which the last mentioned money is for the time being invested and employ the proceeds.

(5) If money standing to the credit of a redemption fund account is employed in the manner provided for in paragraph (4) of this Regulation the authority shall—

(*a*) withdraw from the money standing to the credit of the redemption fund account the sum so to be employed and that sum shall be deemed to be withdrawn from such separate account of the redemption fund account as the authority determine ; and

(*b*) deduct from the amount of stock chargeable to the undertaking or purpose or attributable to the exercise of the borrowing power to which the said separate account relates, a portion of stock at par value or at such other value as the Secretary of State may direct equal to the sum withdrawn from that separate account, and transfer that portion of stock, as from a date to be fixed by the authority to the separate account relative to the undertaking or purpose for which the sum withdrawn is to be employed.

(6) These Regulations shall apply—

(*a*) to the money withdrawn from a redemption fund account and used as aforesaid as though the money so withdrawn had been applied in the redemption of stock at par or at such other value as the Secretary of State may direct on the separate account from which the money was withdrawn and as though the money so used had been raised by the issue of additional stock for the purposes of the separate account relative to the undertaking or purpose for which the money is used ; and

(*b*) to the stock deducted and transferred as aforesaid as though the stock so deducted had been redeemed by the application of the redemption fund account on the separate account from which the stock was deducted, but subject to the condition that such stock shall not be cancelled, and as though the stock so transferred were additional stock expressly issued for the purposes of the separate account relative to the undertaking or purpose for which the sum represented by that stock is used.

Provision for adjustment of Redemption Fund Accounts

8.—(1) If it appears to the authority at any time that the amount standing to the credit of, or the investments representing any redemption fund account, together with the future yearly or half-yearly sums to be carried to such account under these Regulations, will probably not be sufficient at the expiration of the period allowed for the continuance of any loan to make up a sum equal to the amount required to redeem the stock representing the loan, the sums to be carried to such account shall be increased annually or otherwise to such extent as will make up the deficiency ; and if it appears to the Secretary of State on a report by the auditor of the accounts of the authority or otherwise that any such increase is necessary the authority shall increase the sums to be carried to such account to such extent as the Secretary of State may direct.

(2) If the authority desire to accelerate the repayment of any loan represented by stock to which any redemption fund account relates they may increase, annually or otherwise the sums to be carried to the account.

(3) If it appears to the authority at any time that the amount standing to the credit of, or the investments representing, any redemption fund account, together with the future yearly or half-yearly sums to be carried to such account under these Regulations, will probably be more than sufficient at the expiration of the period allowed for the continuance of any loan to make up a sum equal to the amount required to redeem the stock representing the loan, the sums to be carried to such account may be reduced, either temporarily or permanently, to such extent as the Secretary of State may permit or the authority may, for so long as the Secretary of State may permit, cease to carry any further sums to such account.

(4) Any surplus standing to the credit of any redemption fund account after the redemption or purchase of the stock and the discharge of the whole of the money to which such account relates, shall be applied with the consent of the Secretary of State in the repayment of debt or the redemption of any other stock issued by the authority or otherwise for any other purpose for which capital money may properly be applied.

Provisions as to Redemption Fund Accounts

9.—(1) In any year when money standing to the credit of any redemption fund account is applied in the purchase of any stock to which such account

relates, the authority shall, during the year in which the purchase is made, effect the following adjustments:—

(*a*) (i) the amount of the gross accrued interest on the stock purchased to the date of purchase shall be charged to the interest account and carried to the redemption fund account, or

(ii) if the stock purchased is transferable ex the next following interest payment, the amount of the gross rebate interest from the date of purchase to the next following interest date shall be charged to the redemption fund account and carried to the interest account; and

(*b*) If the cost of the stock purchased (inclusive of brokers' commission and other costs of purchase) after deduction of the amount referred to in sub-paragraph (*a*) (i) of this paragraph or with the addition of the amount referred to in sub-paragraph (*a*) (ii) of this paragraph, as the case may be, exceeds the amount payable on redemption of the stock, the amount of the difference shall be carried to the redemption fund account during the year in which the stock is purchased or such amounts as the Secretary of State may approve shall be carried to the redemption fund account during that year and each succeeding year for such period as the Secretary of State may approve.

(2) Where the authority in the exercise of a statutory borrowing power create and issue any stock for the purpose of replacing money previously borrowed by them or of paying off or redeeming any security created by them under any statutory borrowing power or issue stock in substitution for the security they shall make such adjustments (if any) as may be necessary in the redemption fund accounts.

PART III—PROVISIONS RELATING TO STOCK

Appointment of Registrar of Stock

10. The authority shall, on such terms and subject to such conditions and instructions not inconsistent with these Regulations as they think expedient, appoint any person (whether an officer of the authority, or any other person or any bank) (in these Regulations referred to as "the registrar"), to act as registrar of stock for the purposes of these Regulations, and different registrars may be appointed of different classes of stock.

Register of Stock

11.—(1) The registrar shall keep a register relating to each class of stock (in these Regulations referred to as the "stock register") in which shall be entered the name, address and description of each holder from time to time of stock of the class to which the stock register relates and the amount of stock held by him.

(2) Without prejudice to the provisions of section 284 (1) of the Act the stock register shall be prima facie evidence of any matter entered therein in accordance with the provisions of these Regulations and of the title of the persons entered therein as holders of stock.

(3) For the purposes of the redemption of any stock, the stock register relating thereto may be permanently closed to transfers of that stock on any day not more than one month immediately preceding the date on which redemption is to take effect.

Stock Certificates

12.—(1) Every person whose name is entered in the stock register as a holder of stock shall be entitled, without payment, to a certificate of the proprietorship thereof (in these Regulations referred to as a "stock certificate") specifying the amount of stock to which the holder is entitled.

(2) A stock certificate shall be prima facie evidence of the title of the person therein specified to the amount of stock therein specified.

(3) If a stock certificate is worn out or damaged or is lost or destroyed the registrar, on production and surrender of the worn out or damaged certificate, or, as the case may be, on proof to his satisfaction of the loss or destruction of the certificate, and on receiving such indemnity (if any) as he may require, and on payment to him of a fee not exceeding two shillings and sixpence, shall issue a duplicate stock certificate in lieu thereof.

(4) Where an amount of stock of any class is transferred, and in connection with that transfer the provisions of paragraph 2 of Regulation 13 of these Regulations so far as relating to stock certificates and if necessary the provisions of section 282 of the Act have been complied with in respect of an amount of stock of that class exceeding the amount specified in the instrument of transfer the person by whom the amount was transferred shall be entitled to a stock certificate representing the amount of the excess:

Provided that if in any such case a relevant stock certificate representing either the whole or any part of the amount of stock in respect of which the aforesaid provisions have been complied with has not been delivered to the registrar because it has been lost or destroyed, the registrar shall before issuing a stock certificate under this paragraph require proof to his satisfaction of the loss or destruction and the provision in the immediately preceding paragraph of this Regulation for the payment of a fee shall apply to any such issue.

(5) Where in the case of a person in whose name there stood in the books required to be kept under any provision contained in any enactment repealed by the Act immediately before the appointed day an amount of stock of any class—

(*a*) there is transferred by that person an amount of stock of that class which is less than the amount first-mentioned in this paragraph; and

(*b*) there has not been issued a certificate in respect of such first-mentioned amount before the delivery to the registrar of the instrument of transfer;

paragraph (1) of this Regulation shall on and from the date on which effect is given to such transfer cease to have effect in relation to that person but he shall be entitled to a certificate representing the difference between the said first-mentioned amount of stock and the amount of stock transferred.

(6) An entry of the issue of a stock certificate, and of a certificate issued as aforesaid in lieu thereof, shall be made in the stock register.

(7) If the names of two or more persons are entered in the stock register relating to any stock, nothing contained in the foregoing provisions of this Regulation shall be construed as requiring the registrar to issue more than one stock certificate in respect of that stock; and delivery of a stock certificate to one of the several joint holders shall be sufficient delivery to all of them.

(8) The stock certificate shall be signed by one member of the authority and by the registrar and, in the case of a local authority or of a statutory authority being a body corporate shall bear the seal of the authority. Where the chief financial officer of the authority is not the registrar the stock certificate shall also be signed by the chief financial officer of the authority.

Transfer of stock

13.—(1) Subject to the provisions hereinafter contained in regard to stock issued under any enactment repealed by the Act and in respect of which a stock certificate to bearer is for the time being outstanding stock shall be transferable in law by instrument in writing in any usual or common form executed by all parties to the transfer and in no other manner:

Provided that stock shall not be transferable in any amount which is a fraction of one penny and that any transfer shall be subject to any provision as to the minimum amount of stock which may be held and to any provision as to the minimum amount which may be transferred as laid down in the resolution for the creation of the stock.

(2) The instrument of transfer and the relevant stock certificate shall be delivered to and retained by the registrar. If the relevant stock certificate cannot be delivered up, such indemnity shall be given to the registrar in respect thereof as he may require:

Provided that in the case of the transfer of an amount of stock of any class issued under any enactment repealed by the Act (not being stock in respect of which a stock certificate to bearer is for the time being outstanding) as respects which there has not been issued a stock certificate before the delivery to the registrar of the instrument of transfer the provisions of this paragraph so far as they relate to the delivery or non-delivery to the registrar of the stock certificate shall not apply but the registrar may require to be furnished in lieu thereof with evidence of the title of the person claiming the right to make the transfer and such evidence shall be of the nature specified in section 282 (2) of the Act.

(3) The execution of the instrument of transfer by each party, other than a corporate body, shall be attested by one witness (not being a party thereto or the spouse of a party thereto) who shall append to his signature a statement of his usual place of abode or place of business and of his occupation or description.

(4) If the execution of an instrument of transfer by a party is otherwise than by signature of that party, the registrar may require evidence to his satisfaction that the effect of the instrument was understood by that party.

(5) Not more than one class of stock shall be included in any instrument of transfer and the instrument shall relate only to the transfer and shall not contain any recital, trust, power, or proviso whatsoever.

(6) An authority to execute an instrument of transfer of stock must be in writing and the execution of the instrument containing any such authority must be attested by a credible witness.

(7) The registrar shall, subject to the provisions of this paragraph, and after the foregoing provisions of this Regulation have been complied with give effect to a transfer by entering in the stock register such particulars as are necessary to show the effect of the transfer; and the transferee shall be entitled to a new stock certificate in his name:

Provided that the registrar shall not be obliged to give effect to a transfer until the expiration of whichever of the periods hereinafter mentioned last expires, that is to say:—

(*a*) the period of ten days after the day on which the instrument of transfer was delivered to him; or

(*b*) where he has before the expiration of the said ten days given notice to the transferor (or any one of two or more transferors) of the proposed transfer, before the expiration of three days after the day on which a reply would be delivered to the registrar in the ordinary course of post if it had been posted immediately after receipt of the notice and the notice had been received by the transferor in the ordinary course of post.

(8) A transferor of stock shall be deemed to remain the owner thereof until the registrar has given effect to the transfer.

Execution of instrument of transfer by body corporate

14. Nothing in these Regulations shall be construed as authorising a body corporate to execute an instrument of transfer otherwise than in accordance with the rules of law and the provisions of any instrument (including an Act of Parliament) regulating the constitution of that body with respect to the execution of instruments by that body.

Stock held by persons described as trustees or as possessing an official character

15.—(1) Notwithstanding that in relation to an amount of stock of any class standing in the stock register relating to stock of that class on a particular account the holder thereof is described as a trustee or as possessing an official character in virtue of the provisions of subsection (2) of section 280 of the Act or there has been furnished to the registrar any such statutory declaration as is mentioned in Regulation 22 of these Regulations, it shall not be necessary for the registrar to enquire concerning the propriety of anything done in relation to that amount of stock or any part thereof.

(2) If the holder of an amount of stock of any class is entered in the stock register relating to stock of that class as possessing an official character an instrument of transfer or any instrument containing directions with respect to the payment of interest on an amount of stock of any class entered in the stock register relating to stock of that class in the name of a person described as possessing an official character (whether it is so entered in the sole name of such person or jointly with another) or the payment or reinvestment of money attributable to any such amount or any part thereof which becomes payable by reason of the redemption (whether wholly or in part) of stock of that class shall, if executed by the person entitled for the time being to be described as possessing that official character be as effectual as if his name were entered as the holder of that amount.

PART IV—PAYMENT OF INTEREST AND REDEMPTION MONEYS

Maintenance and use of Interest Accounts

16.—(1) For the payment of the interest on stock created by a local authority not being an authority which has established a "loans fund" under the Act or under any other enactment including a local Act, or by a statutory authority there shall be established a separate interest account, distinguished by a number or otherwise for each class of stock issued by that authority.

(2) There shall in each year be carried from the accounts of the authority concerned relative to the undertaking or purpose in respect of which each class of stock is issued to the interest account appropriate to that class of stock a sum equal, or sums in the aggregate equal, to the amount of all interest payable or accrued due during the year in respect of that class of stock.

(3) Any interest paid on stock by such an authority as aforesaid shall be charged to the appropriate interest account.

Temporary investment of money raised by stock

17.—(1) A local authority, not being a local authority which has established a "loans fund" under the Act or under any other enactment including a local Act, or a statutory authority, may, and if required by the Secretary of State shall, from time to time invest temporarily in trustee securities any sum raised by stock and not for the time being applied to or required for the undertaking or purpose for which it was raised and shall from time to time pay the interest and annual proceeds of those securities into the interest account relative to the stock by which the sum was raised.

(2) The authority may, if they think fit, from time to time apply the interest and annual proceeds aforesaid or any part thereof in reduction of any sum required by Regulation 16 hereof to be carried to the appropriate interest account from the accounts relative to the undertaking or purpose in respect of which the stock by which the invested sum was raised was issued.

Payment of redemption moneys on stock

18.—(1) Any money becoming payable to the holder of stock by reason of the redemption thereof shall be paid by the authority through the registrar by means of warrants which, except where the holder (or in the case of joint holders all the holders) otherwise directs in writing, shall be sent through the post to the registered address of the person registered as the holder of the stock in respect of which the money is payable (or in the case of joint holders of stock to the registered address of that one of them whose name stands first on the stock register relating to that stock) if such address is within the United Kingdom, the Channel Islands, or the Isle of Man:

Provided that the registrar may, if he thinks fit, require the holder or the joint holders (as the case may require) of any amount of the stock to make application in writing specifying the person to whom payment of the money payable on the redemption of the stock is to be made and the address to which the warrant is to be sent; and upon receipt of such application the registrar shall make the payment in accordance therewith.

(2) The posting of any such warrant as aforesaid in a letter directed to such address as aforesaid shall as respects the liability of the authority be equivalent to the delivery of the warrant to the holder himself.

(3) Every warrant so sent by post shall be deemed to be a cheque and the authority and the registrar in relation thereto shall each be deemed to be a banker within the meaning of the Bills of Exchange Act, 1882(**a**).

(4) The authority shall not be required to make any payment under this Regulation to any executors or administrators of a deceased holder of stock until the confirmation of the executors or until probate of the will or the letters of administration, duly resealed, shall have been left with the authority for registration, and thereupon for the purposes of this Regulation the said executors or administrators shall be deemed to be the holder or joint holders (as the case may require) of the amount of stock held by the deceased holder immediately before the date of his death.

(5) Before paying any money becoming payable to the holder of stock by reason of the redemption thereof the registrar may, if the circumstances of the case appear to him to make it expedient, require the production of

(a) 45 & 46 Vict. c. 61.

such evidence of the title of any person claiming the right to receive payment thereof and that evidence shall be a statutory declaration of one or more competent persons or of such other nature as he may require.

Unclaimed interest and redemption moneys

19. Without prejudice to the provisions of sections 286 and 291 of the Act, if a warrant for the payment of interest or redemption moneys has not been encashed and has become defaced, lost or destroyed, or if no such warrant has been issued and the interest or redemption moneys have not otherwise been paid, the registrar shall, on the application of a person who proves to the registrar's satisfaction that he is entitled to receive the payment, issue to that person a fresh warrant or a warrant, as the case may be:

Provided that the registrar shall not be required to issue a fresh warrant or a warrant as aforesaid unless he is furnished by the applicant with such indemnity (if any) as he may require and that the unencashed warrant (if any) concerned is produced and surrendered to him or its loss or destruction proved to his satisfaction.

Striking the balance for payment of interest on stock

20.—(1) The registrar, with the approval of the authority, may close the stock register relating to any stock during the whole or any part of the period of one month next before the day on which the interest on that stock is payable.

(2) In lieu of closing the stock register in the manner aforesaid the registrar may strike the balance for a payment of interest on any stock on any day not being more than thirty-seven days before the day on which the interest on that stock is payable.

(3) Any person who, on the day on which the stock register relating to any stock is closed or the balance is struck as aforesaid, is entered in the stock register relating to that stock as a holder of an amount of that stock shall as between himself and any transferee of that stock be entitled to the then current payment in respect thereof.

PART V—SPECIAL PROVISIONS

Stock held by persons under 21 years of age domiciled in Scotland

21.—(1) Where an amount of stock of any class is transferred by or to a person under twenty-one years of age domiciled in Scotland, the requirements of Regulation 13 of these Regulations so far as relating to the execution of an instrument of transfer or the execution of an instrument containing an authority to execute an instrument of transfer shall, so far as that person is concerned, be deemed to have been complied with if the instrument of transfer or the instrument containing such authority is executed, in the case of a pupil, on behalf of the pupil by his tutor, or, in the case of a minor, by the minor and his curator.

(2) The registrar may give effect to written directions with respect to

(*a*) the payment of interest on an amount of stock of any class entered in the stock register relating to stock of that class in the sole name of a person under twenty-one years of age domiciled in Scotland, or

(*b*) the payment or re-investment of money attributable to an amount or any part of an amount of stock of any class entered in the stock register relating to stock of that class in the name of a person under twenty-one

years of age domiciled in Scotland (whether it is so entered in the sole name of such person or jointly with another) which becomes payable by reason of the redemption (whether wholly or in part) of stock of that class,

if the instrument containing the directions is executed as aforesaid.

(3) In a case where a pupil or a minor has three or more tutors or curators, the preceding provisions of this Regulation shall have effect as if for any reference therein to a tutor or a curator, there were substituted a reference to a quorum of his tutors or curators, being a quorum entitled to act by virtue of an Act of Parliament, a deed or an order of the court.

(4) The registrar may decline to give effect to an instrument purporting to be executed in accordance with this Regulation unless there is furnished to him a statutory declaration of one or more competent persons that the person by or to whom the amount of stock in question is transferred, or in whose name it is entered, as the case may be, is a pupil or a minor and is domiciled in Scotland, and that any person executing the instrument for that person as his tutor or curator is his tutor or curator and, in the case where there are three or more tutors or curators, that the persons executing the instrument in that capacity form a quorum of such tutors or curators.

(5) In this Regulation the following expressions have the meanings hereby respectively assigned to them, that is to say:—

"curator", in relation to a minor, includes an administrator in law, a curator nominate, a curator chosen by the minor with the sanction of the court or appointed by the court, and a person assumed to act as curator by virtue of an Act of Parliament;

"tutor" includes an administrator in law, a tutor by virtue of, or appointed under, an Act of Parliament, a tutor nominate, a tutor dative, a person assumed to act as tutor by virtue of an Act of Parliament and a factor loco tutoris.

Stock held on trust subject to law of Scotland

22.—(1) Where an amount of stock of any class is transferred by or to three or more persons who are trustees of a trust the execution of which is governed by the law of Scotland, the requirements of Regulation 13 of these Regulations so far as relating to the execution of an instrument of transfer shall, so far as those persons are concerned, be deemed to have been complied with if the instrument of transfer is executed by a quorum of those persons being a quorum entitled to act by virtue of an Act of Parliament, a deed or an order of the court; but the registrar may decline to recognise the instrument unless:—

(*a*) in the case of a transfer by the said persons, the amount is standing in the stock register relating to stock of that class on an account as respects which there has been furnished to the registrar a statutory declaration that the amount of stock from time to time standing thereon forms part of such a trust as aforesaid;

(*b*) in the case of a transfer to the said persons:—

(i) the amount is to stand as aforesaid; or

(ii) if the amount is not to stand as aforesaid, there is furnished to the registrar a statutory declaration that the amount of stock from time to time standing on the account whereon the first-mentioned amount is to stand, forms part of such a trust as aforesaid.

(2) Where there has been furnished to the registrar a statutory declaration that the amount of stock of a specified class from time to time standing on a particular account in the stock register relating to stock of that class forms part of a trust the execution of which is governed by the law of Scotland, the following provisions shall have effect:—

(*a*) the registrar may give effect to written directions with respect to the payment of interest on that amount or the payment of money attributable to that amount or any part thereof which becomes payable by reason of the redemption (whether wholly or in part) of stock of that class, if the instrument containing the directions is executed by a quorum of the persons who are for the time being trustees of the said trust;

(*b*) in the event of the appointment of a new trustee by deed of assumption, or by the court, the registrar shall accept as sufficient evidence of transmission to the new trustee (whether in conjunction or not with any trustee remaining in office):—

(i) a deed of assumption executed in pursuance of section 21 of the Trusts (Scotland) Act, 1921(**a**), with a minute of acceptance by the assumed trustee, or an official or duly authenticated extract of such deed and minute; or

(ii) a certified copy of the interlocutor of the court; as the case may be;

(*c*) in the event of the resignation of a trustee the registrar shall accept as sufficient evidence of the divestiture of the resigning trustee a minute of resignation executed in pursuance of section 19 of the Trusts (Scotland) Act, 1921, with an acceptance of intimation of resignation by the continuing trustee or trustees, or an official or duly authenticated extract of such minute and acceptance;

(*d*) in the event of the removal of a trustee by the court, the registrar shall accept as sufficient evidence of the removal and divestiture a certified copy of the interlocutor of the court.

(3) In this Regulation the expressions "trust", "trustee" and "the court" have the same meanings as in the Trusts (Scotland) Act, 1921.

Execution of instruments in Scotland on behalf of blind persons or persons unable to write

23.—(1) As respects the transfer of an amount of stock of any class, the requirements of Regulation 13 of these Regulations so far as relating to the execution of an instrument of transfer or the execution of an instrument containing an authority to execute an instrument of transfer shall, in so far as any party to the transfer who is blind or unable to write is concerned, be deemed to have been complied with if the instrument of transfer or the instrument containing such authority is executed in Scotland on his behalf in accordance with section 18 of the Conveyancing (Scotland) Act, 1924(**b**).

(2) Written directions with respect to the payment of interest on an amount of stock of any class or the payment or reinvestment of money attributable to an amount of stock of any class which becomes payable by reason of the redemption (whether wholly or in part) of stock of that class may, if the instrument containing the directions is executed in Scotland in accordance with the said section 18 on behalf of a person who is blind or unable to write, be given effect to by the registrar.

(**a**) 11 & 12 Geo. 5. c. 58. (**b**) 14 & 15 Geo. 5. c. 27.

PART VI—BEARER STOCK

Provisions respecting stock certificates with coupons to bearer

24.—(1) The provisions of this Regulation shall apply in any case where there is for the time being outstanding in respect of any stock a stock certificate to bearer issued in exercise of the powers given by section 41 of the Local Authorities Loans (Scotland) Act, 1891(**a**), that is to say, a certificate of title to stock entitling the bearer to the stock therein specified, and transferable by delivery with coupons entitling the bearer of the coupons to the dividends on the stock.

(2) Where a stock certificate to bearer is outstanding the stock represented thereby shall not be transferable by instrument in writing.

(3) Payment to the bearer of a coupon of the amount expressed therein shall be a full discharge to the authority and to the registrar from all liability in respect of that coupon and the interest represented thereby.

(4) Where a bank are the registrar, coupons shall be payable at the chief establishment of the bank at the expiration of three clear days from the day of presentation, and at any branch establishment of the bank at the expiration of five clear days from the day of presentation.

(5) If a stock certificate to bearer or coupon is worn out or damaged or is lost or destroyed the registrar, on production and surrender of the worn out or damaged certificate or coupon, or, as the case may be, on proof to his satisfaction of the loss or destruction of the certificate, and on receiving such indemnity (if any) as he may require, and on payment of a fee not exceeding two shillings and sixpence, may issue a duplicate certificate or coupon in lieu thereof.

(6) All coupons issued under this Regulation in respect of any stock certificate to bearer shall, for the purposes of the Acts relating to stamp duties, be deemed to have been attached to and issued with such stock certificate to bearer.

(7) Stock specified in a stock certificate to bearer shall save as regards the mode of transfer and of payment of interest thereon, and save so far as a stock certificate to bearer is a negotiable instrument, be subject to the same incidents in all respects as if that stock had been registered in the stock register as transferable by instrument in writing.

(8) A stock certificate to bearer and a coupon connected therewith shall be deemed a stock certificate and coupon within the Forgery Act, 1870(**b**).

Conversion of bearer stock

25.—(1) The bearer of a stock certificate to bearer may on delivery up to the registrar of the certificate and of all unpaid coupons belonging thereto and upon payment of a fee of five shillings require the registrar to enter him in the stock register as the holder of the stock described in the certificate under which he derives title and thereupon such stock certificate to bearer and coupons shall be cancelled and the stock shall be entered in the register as transferable and shall become transferable by instrument in writing and shall, as regards the mode of payment of the interest thereon, be treated as if no stock certificate to bearer had been issued in respect thereof, and there shall be issued to the said bearer a certificate in respect of such stock in terms of Regulation 12 of these Regulations.

(**a**) 54 & 55 Vict. c. 34. (**b**) 33 & 34 Vict. c. 58.

(2) Upon the expiration of the period for which the coupons issued with a stock certificate to bearer comprise the interest to be paid in respect of the stock therein specified the stock certificate to bearer shall be delivered up to the registrar and the registrar shall, without payment of any fee, enter the holder of the stock certificate to bearer in the stock register as the holder of the stock described in the certificate under which he derives title and thereupon such stock certificate to bearer shall be cancelled and the stock shall be entered in the register as transferable and shall become transferable by instrument in writing and shall, as regards the mode of payment of the interest thereon, be treated as if no stock certificate to bearer had been issued in respect thereof, and there shall be issued to the said holder of the stock a certificate in respect of such stock in terms of Regulation 12 of these Regulations.

Part VII—Conditions Safeguarding Issues of Stock

Transfer to bankers of authority of proceeds of public issue of stock

26.—(1) Where stock is offered by or on behalf of an authority to the public for subscription, any person by whom moneys which represent subscriptions to the stock are received shall, within the period mentioned in this Regulation, transfer the moneys so subscribed to the ordinary bankers of the authority for credit to a special account to be opened by the authority bearing their name and the name of the stock:

Provided that where the authority are entitled to a part only of the moneys so subscribed the transfer required by the foregoing provision shall extend only to the part of those moneys to which the authority are entitled.

(2) Moneys paid in advance of allotment which by this Regulation are required to be transferred to the ordinary bankers of the authority shall be so transferred within three days after the date of the allotment, and any other moneys which by this Regulation are required to be transferred to the ordinary bankers of the authority shall, if they are paid by cheque or other instrument, be so transferred within twenty-four hours after the collection of the proceeds and, if they are paid in cash, be so transferred within twenty-four hours after the receipt of the cash.

(3) No payment shall be debited to a special account opened by a local authority in accordance with the provisions of this Regulation unless it is authorised by an order of the finance committee of the local authority authenticated in the case of a county council in the manner provided by subsection (5) of section 178 of the Act and in the case of a town council in the manner provided by subsection (5) of section 182 of the Act.

(4) A statutory authority who open a special account in pursuance of this Regulation shall not allow the account to be drawn upon by any person who is not a person authorised to draw upon an ordinary banking account of the authority.

Provisions to be included in contracts for the purchase of the whole of an issue of stock

27. Any contract made by an authority with a banking or other company or person whereby that company or person undertakes to purchase the whole of an issue of stock of the authority (such company or person in this Regulation being called " the purchaser ") shall provide:—

(*a*) that no allotment letter or scrip certificate shall be in such a form as to create a contractual relation between the purchaser and the holder of the document instead of between the authority and the holder of the document; and

(*b*) that before any allotment letter or scrip certificate is issued by or on behalf of the authority the purchaser shall have paid to the ordinary bankers of the authority for credit to such a special banking account as is required by the preceding Regulation all sums which may be due from the purchaser in respect of the amount certified in the allotment letter or scrip certificate to have been paid by the holder of that document.

Supply of information to registrar

28.—(1) The banking or other company or person by whom any stock of an authority has been offered to the public for subscription or by whom the whole of an issue of such stock has been purchased shall (if the company or person is not the registrar) cause the registrar to be supplied—

(*a*) as early as practicable with a complete record of the scrip certificates issued showing in each case the number and other identification mark of the certificate, the amount of stock to which it relates, and a description of the manner in which the scrip certificate is authenticated; and

(*b*) immediately after payment has been made in full for the stock to which the scrip certificate relates, with a statement of the date on which payment was so made.

(2) Where the arrangements for the issue of the stock do not provide for the issue of scrip certificates this Regulation shall be read as if allotment letters were substituted therein for scrip certificates.

PART VIII—TRANSITIONAL PROVISIONS

Power of attorney

29. A power of attorney in force immediately before the appointed day authorising any person in relation to stock of any class to effect transfers of amounts of stock of that class shall be construed as authorising that person in relation to stock of that class to effect transfers of amounts thereof in accordance with the provisions of these Regulations.

Transfer of stock

30.—(1) Where in relation to an amount of stock of any class issued under any enactment repealed by the Act an instrument of transfer executed in accordance with the Government and other Stocks (Emergency Provisions) Act, 1939(**a**), has been delivered to the registrar but has not been given effect to before the appointed day the provisions of these Regulations shall apply in relation to the transfer of that amount.

(2) Where in relation to an amount of stock of any class issued under any enactment repealed by the Act an instrument of transfer which has been executed in accordance with any provision contained in that enactment has been delivered to the registrar but has not been given effect to before the appointed day, such instrument shall be deemed to be an instrument in writing for the purposes of Regulation 13 of these Regulations and the provisions of these Regulations shall apply in relation to the transfer of that amount of stock.

(**a**) 2 & 3 Geo. 6. c. 100.

PART IX—MISCELLANEOUS

Application of practice of Banks

31. Subject to the provisions of these Regulations (other than this Regulation), if the registrar is a bank, the bank may apply their general practice in relation to the management of the stock.

Registration Fees

32. The registrar shall be entitled to charge such fee, not exceeding two shillings and sixpence, as the authority may from time to time determine as a condition of the registration of each one of the following matters, that is to say:—

(*a*) any transfer;

(*b*) confirmation as executor, probate of a will, or letters of administration of an estate;

(*c*) change of name;

(*d*) power of attorney;

(*e*) order of court;

(*f*) any other document affecting the registration of stock.

If any such registration effects more than one class of stock, a separate fee may be charged in respect of each class.

Application of certain Acts

33.—(1) Section 1 of the Forged Transfers Act, 1891(**a**) (except subsection (3) of that section) as amended by section 3 of the Forged Transfers Act, 1892(**b**), shall apply to the authority in relation to the stock.

(2) The authority in relation to these Regulations and the registrar shall each be deemed to be a banker within the meaning of the Bankers' Books Evidence Act, 1879(**c**).

Expenses

34. The authority may, subject to the provisions of these Regulations, make any arrangement with and provide for the proper remuneration (including the payment of underwriting commission, brokerage and other expenses) of any person with respect to the issue of stock, the registration and transfer thereof, the payment of interest thereon, the keeping of books, and any other matters incidental to the issue, management, redemption and payment off of stock.

Application of certain statutory provisions to statutory authorities

35. As respects stock to which these Regulations relate the provisions of sections 272 to 274 and 278 to 291, of the Act shall apply to a statutory authority as they apply to a local authority, so, however, that such application shall not be contrary to the express provisions of any enactment relating to the statutory authority.

Merging of Redemption Fund and Interest Accounts in Loans Fund

36. Where a local authority has created and issued stock to which these Regulations apply and subsequently establishes a "loans fund" under the provisions of the Act the redemption fund accounts and the interest accounts referred to in these Regulations shall be transferred to and merged in the loans fund subject to the provisions of the eighth Schedule to the Act.

(**a**) 54 & 55 Vict. c. 43. (**b**) 55 & 56 Vict. c. 36. (**c**) 42 & 43 Vict. c. 11.

Consolidation of Loans

37. With a view to the consolidation for the purpose of repayment of loans which a local authority have raised or intend to raise by the issue of stock the local authority may prepare, and the Secretary of State may approve, with or without modifications, a scheme of consolidation, and the scheme shall fix the period or periods within which the loans which it is proposed to consolidate shall be repaid and for that purpose may extend or vary any periods originally fixed as the periods within which provision was required to be made for the repayment of the several loans, due regard being had to the amounts of the loans and the periods so originally fixed.

Dated this 19th day of September, 1952.

James Stuart,
One of Her Majesty's Principal Secretaries of State.

St. Andrew's House,
Edinburgh.

EXPLANATORY NOTE

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

These Regulations prescribe the terms upon which and the provisions in accordance with which Stock created and issued by a local authority or a statutory authority under the Local Government (Scotland) Act, 1947, or under any enactment repealed by that Act is to be issued, transferred, dealt with and redeemed.

The Local Authorities Loans (Scotland) Act, 1891 which was repealed by the Local Government (Scotland) Act, 1947 laid down in great detail a code for the creation and administration of stock but section 3 of the Local Authorities Loans (Scotland) Act, 1891, Amendment Act, 1893, also repealed by the Act of 1947, empowered the Secretary of State, notwithstanding anything contained in the Acts of 1891 and 1893 to make regulations prescribing the manner in which stock might be created, issued, transferred, dealt with and redeemed. In view of these provisions the Act of 1947 was limited as regards its provisions relating to stock to the more important requirements of the Loans Acts and gave the Secretary of State power to make regulations dealing with matters of a more or less administrative nature. A number of these Regulations reproduce, where necessary in a modernised form, provisions of the repealed Loans Acts which were not re-enacted in the Act of 1947. The Regulations also provide (on the lines of the temporary provisions contained in the Government and other Stocks (Emergency Provisions) Act, 1939) that stock to which the Regulations apply (except outstanding bearer stock) shall be transferable only by instrument in writing.