1965 No. 28 (S. 2)

LOCAL GOVERNMENT, SCOTLAND

The Local Authority Bonds (Scotland) Regulations 1965

Made - - - -	*9th January* 1965
Laid before Parliament	*19th January* 1965
Coming into Operation	*20th January* 1965

In exercise of the powers conferred on me by paragraph 5 of the Schedule to the Local Government (Development and Finance) (Scotland) Act 1964(a) and of all other powers enabling me in that behalf, with the approval of the Treasury I hereby make the following regulations :—

Citation and commencement

1. These regulations may be cited as the Local Authority Bonds (Scotland) Regulations 1965 and shall come into operation on 20th January 1965.

Interpretation

2.—(1) The Interpretation Act 1889(b) applies for the interpretation of these regulations as it applies for the interpretation of an Act of Parliament.

(2) In these regulations, unless the context otherwise requires—

" the Act of 1947 " means the Local Government (Scotland) Act 1947(c) ;

" the Act of 1964 " means the Local Government (Development and Finance) (Scotland) Act 1964 ;

" bond " means a local authority bond issued in accordance with the provisions of the Act of 1964 ;

" bond certificate " has the meaning assigned to it in regulation 3 ;

" bond-holder " means a person entitled to a bond ;

" bond register " has the meaning assigned to it in regulation 6 ;

" bond transfer " has the meaning assigned to it in regulation 8 ;

" registrar ", in relation to a bond, means the person who keeps the register relating to that bond under regulation 6.

Issue of bonds and bond certificates

3. A local authority which issues a bond shall, as soon as may be thereafter, deliver, or cause to be delivered, to the person in whose favour the bond is issued a certificate (hereinafter referred to as a " bond certificate ") in respect of that bond which shall include the following particulars—

(*a*) the name of the local authority ;

(*b*) the name and address of the registrar ;

(*c*) the name of the bond-holder ;

(*d*) the denomination of the bond ;

(*e*) the date and place of redemption ;

(*f*) the rate of interest ;

(*g*) the dates on which interest will be paid ;

(a) 1964 c. 67. (b) 52 & 53 Vict. c. 63. (c) 10 & 11 Geo. 6. c. 43.

(*h*) the date of issue of the bond ;

(*i*) an acknowledgment of the debt created by the issue of the bond ;

(*j*) a statement that that debt is charged on the whole funds, rates and revenues of the local authority ; and

(*k*) the serial number of the bond certificate :

Provided that, unless a bond-holder otherwise requests, a bond certificate issued under this regulation may be sent to him by post.

Sinking fund

4.—(1) Subject to section 11 of the Act of 1964 and, in the case of a local authority operating a loans fund, to the provisions under which the authority are operating that fund, a local authority shall redeem bonds issued by them by means of a sinking fund and shall make the first payment to the sinking fund within twelve months from the first issue of a bond.

(2) Sections 265 and 266 of the Act of 1947 (which relate to sinking funds established for the repayment of mortgages) shall, with any necessary modifications, apply to such a sinking fund as they apply to a sinking fund established for the repayment of money borrowed under that Act by way of mortgage.

Redemption of bonds

5. Subject to paragraph 2 of the Schedule to the Act of 1964, a bond shall be redeemed by payment of an amount equal to the denomination thereof at the place and on the date specified in the bond certificate delivered in respect of it :

Provided that a bond may be redeemed at any time after the expiration of one year from the date of its issue by, or in pursuance of, agreement between the local authority which issued it and the bond-holder, and may be so redeemed in part, so however, that the amount left outstanding shall be five pounds, or a multiple of five pounds.

Bond register

6.—(1) A local authority which issues bonds shall either appoint one of their officers or some other person or persons to keep a register (hereinafter referred to as " a bond register ") and different persons may keep registers for the purposes of different bonds.

(2) A bond register shall include the following particulars of bonds issued—

(*a*) the denomination of the bonds and the serial numbers of the relative bond certificates ;

(*b*) the dates of issue and redemption of such bonds ;

(*c*) the rate and dates of payment of interest ;

(*d*) the name and address of each bond-holder ;

(*e*) the date of any entries made in pursuance of regulations 7(4), 8(5) and 10(1) of these regulations.

(3) The bond register shall be *prima facie* evidence of any matter entered therein in accordance with the provisions of these regulations.

Bond Certificates

7.—(1) A bond certificate shall be *prima facie* evidence of the title of the person named therein to the bond therein specified.

(2) If a bond certificate is worn out or damaged, the registrar, on the production thereof, and, if he so requires, on receiving an indemnity against

any claim in respect thereof, may cancel it and issue a duplicate certificate in lieu of the certificate worn out or damaged.

(3) If a bond certificate is lost or destroyed, the registrar, on proof thereof to his satisfaction, and, if he so requires, on receiving an indemnity against any claim in respect thereof, may issue a duplicate certificate in lieu of the certificate lost or destroyed.

(4) An entry of a substituted bond certificate shall be made in the bond register.

Transfer of bonds

8.—(1) A bond may be transferred by means of an instrument under hand (hereinafter referred to as "a bond transfer") executed by the transferor only and specifying (in addition to the particulars of the bonds transferred and of the person by whom the transfer is made) the full name and address of the transferee.

(2) The execution of a bond transfer need not be attested.

(3) A bond may be transferred in whole or in part, so however that any part transferred shall be only for an amount of five pounds or a multiple of five pounds.

(4) A bond transfer, and the bond certificate to which it relates, shall be delivered to the registrar as soon as practicable after the bond transfer has been executed.

(5) On receipt of a bond transfer duly executed and stamped (unless the stamp duty on the transfer has been paid by way of composition under section 115 of the Stamp Act 1891(a) as read with paragraph 3 of the Schedule to the Act of 1964) and of the bond certificate to which it relates, the registrar—

(*a*) shall enter the transfer in the bond register;

(*b*) shall amend the bond register in such manner as may be necessary;

(*c*) shall issue such new bond certificate to the transferee, or bond certificates to the transferor and transferee, as may be necessary in consequence of the transfer; and

(*d*) may retain the transfer;

Provided that, unless a request to the contrary is made, a bond certificate issued under this paragraph may be sent by post.

(6) Until the bond transfer and bond certificate have been delivered to the registrar as aforesaid, the local authority shall not be affected by the transfer, and the transferee shall not be entitled to receive any payment of interest on the bond.

(7) Before registering a bond transfer, the registrar may, if he thinks fit, require evidence, by statutory declaration or otherwise, of the title of any person purporting to make the transfer.

Closing of register

9. The registrar may close the bond register for a period not exceeding thirty days ending next before the date for payment of interest on the bonds; and, notwithstanding the receipt by the registrar during that period of a bond transfer, the payment of interest next falling due shall be made to the persons registered as bond-holders on the date of the closing of the register.

(a) 54 & 55 Vict. c. 39.

Transmission of bonds

10.—(1) A person becoming entitled to a bond by any lawful means other than a bond transfer may, by the production of such evidence of title as the registrar may reasonably require, either be registered as holder of the bond, or, instead of being himself registered, make such transfer of the bond as the previous bond-holder could have made, and the registrar shall issue a bond certificate accordingly.

(2) Until such evidence as aforesaid has been produced to the registrar, the registrar shall not be affected by the transmission of the bond, and no person claiming by virtue thereof shall be entitled to receive any payment of interest thereon.

(3) Where two or more persons are registered as holders of a bond they shall be deemed to be joint holders with right of survivorship between them.

Application of provisions of Act of 1947

11. The following provisions of the Act of 1947 shall apply in relation to bonds issued in accordance with these regulations as they apply to a mortgage created by a local authority—

section 284(2) and (3) (rectification of register);

section 280(2) (notice of trusts);

section 289 (receipts on behalf of joint holders, etc.);

section 287 (appointment of judicial factor).

Payment of interest

12.—(1) Unless a bond-holder otherwise requests in writing, a local authority may pay, or cause to be paid, interest on the bonds to which the bond-holder is entitled by sending a cheque or warrant to him by post at his address as shown in the bond register.

(2) For the purposes of this regulation the local authority may treat as the bond-holder that one of joint bond-holders who is first named in the bond register, or such other of them as the joint bond-holders may in writing direct.

(3) Before paying interest on any bond, a local authority may, if they think fit, require evidence, by statutory declaration or otherwise, of the title of any person claiming a right to receive the interest.

Given under the Seal of the Secretary of State for Scotland.

William Ross,
Secretary of State.

5th January 1965.

We approve of this Order.

Ifor Davies,
Harriet Slater,
Two of the Lords Commissioners of
Her Majesty's Treasury.

9th January 1965.

EXPLANATORY NOTE

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

These regulations make provision for the issue, transfer, dealing with and redemption of local authority bonds issued under section 11 of the Local Government (Development and Finance) (Scotland) Act 1964.