STATUTORY INSTRUMENTS

1999 No. 1208

SECURITIES

The Stock Transfer (Gilt-edged Securities) (CGO Service) (Amendment) Regulations 1999

Made - - - -	*21st April 1999*
Laid before Parliament	*22nd April 1999*
Coming into force in accordance with regulation 1	

The Treasury, in exercise of the powers conferred on them by section 3(1) and (2) of the Stock Transfer Act 1982**(a)**, and of all other powers enabling them in that behalf, hereby make the following Regulations:–

Title, commencement and interpretation

1.—(1) These Regulations may be cited as the Stock Transfer (Gilt-edged Securities) (CGO Service) (Amendment) 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.

(4) In these Regulations:–

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

"the principal Regulations" means the Stock Transfer (Gilt-edged Securities) (CGO Service) Regulations 1985**(b)**.

Amendment of principal Regulations

2. Regulation 2 of the principal Regulations (interpretation) shall be amended–

(a) in the definition of "the CGO" by substituting for the words "the Central Gilts Office of the Bank" the words "CRESTCo Limited";

(b) in the definition of "the CGO Rules" by substituting for the words "the Bank" the word "or"; and

(c) 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)".

3. For regulation 3 of the principal Regulations (representation by the Bank), there shall be substituted the following–

(a) 1982 c. 41.
(b) S.I. 1985/1144, amended by S.I. 1987/1293, 1997/1329.

"**Representation by the CGO**

3. Where the CGO indicates through the CGO Service or on an instrument of transfer in writing that securities are, or have been, held within the CGO Service for the account of a person, such indication shall be taken as a representation by the CGO to any person acting on the faith of it that the person for whose account the securities are or were so held is or was a CGO Service member at the time the securities are or were so held, but such indication shall not be taken as a representation that the CGO Service member has or had any title to the securities.".

4. In regulation 6 of the principal Regulations (protection of the Bank in relation to trusts), for the word "Bank" where it occurs in the cross-heading and in the body of the regulation there shall be substituted the letters "CGO".

5. Regulation 7 of the principal Regulations (protection of Bank in relation to certain transfers of strips) shall be amended–

(a) in the cross-heading by inserting after the word "Bank" the phrase "and CGO";

(b) in paragraph (2) by omitting the words "by the Bank acting"; and

(c) in paragraph (3) by–

(i) substituting for the words "The Bank may effect any transfer" the words "Any transfer may be effected",

(ii) omitting the words "to the Bank",

(iii) inserting after the words "of the Bank" the words ", or of the CGO," and

(iv) inserting after the words "being the Bank" the words "or the CGO".

Jim Dowd
Jane Kennedy
Two of the Lords Commissioners
of Her Majesty's Treasury

21st April 1999

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Stock Transfer (Gilt-edged Securities) (CGO Service) Regulations 1985 to reflect the transfer of the responsibility for operating the CGO Service from the Bank of England to CRESTCo Limited. This is intended to occur on a contractual basis on 24th May 1999 but, if notice is given in the London, Edinburgh and Belfast Gazettes that the transfer of responsibility will not occur until a later date, the commencement of these Regulations is postponed until the day on which the responsibility is transferred (which will be specified in either the original notice or a subsequent notice published in the same Gazettes prior to the specified day).

Provisions in the principal Regulations relating to representations by the Bank (regulation 3), notification of transfer by the Central Gilts Office of the Bank to the registrar (regulation 4), and the protection of the Bank in relation to trusts (regulation 6), will apply to CRESTCo Limited instead of to the Bank or its Central Gilts Office. The representations implied by regulation 3 will no longer include any representation that prima facie evidence of title has been produced. The provisions relating to the protection of the Bank in relation to certain transfers of strips (regulation 7) will apply to CRESTCo Limited in addition to the Bank (the Bank will continue to be the registrar of strips, and a transfer of the legal title to a strip will continue to be completed only when the Bank amends the register – see regulation 9 of the Government Stock Regulations 1965, S.I. 1965/1420 and the definition of "stock" in regulation 23 as amended to include strips for that purpose by S.I. 1997/1709).

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