STATUTORY INSTRUMENTS

1983 No. 290 (L. 2)

SUPREME COURT OF ENGLAND AND WALES

The Supreme Court Funds (Amendment) Rules 1983

Made - - - - -	1*st March* 1983
Laid before Parliament	11*th March* 1983
Coming into Operation	1*st April* 1983

The Lord Chancellor, in exercise of the powers conferred on him by Section 7(1) of the Administration of Justice Act 1965**(a)** and with the concurrence of the Treasury, hereby makes the following Rules:—

1.—(1) These Rules may be cited as the Supreme Court Funds (Amendment) Rules 1983 and shall come into operation on 1st April 1983.

(2) These Rules amend the Supreme Court Funds Rules 1975**(b)** and a rule referred to by number means the rule so numbered in those Rules.

2. In rule 2 the definition of "Master" shall be amended by omitting the words "the Chancery or".

3. In rule 8(2), after the words "Queen's Bench", the words "or Chancery" shall be inserted.

4. In rule 27(2) the words from "or, where the court has directed" to the end shall be omitted.

5. For Part IV the following shall be substituted:—

"PLACING OF MONEY ON DEPOSIT AND INVESTMENT OF FUNDS".

Time for placing money on deposit

28.—(1) Subject to the provisions of this Part of the Rules and to any direction of the court, all money (including interest) shall be placed on deposit on the day on which the Schedule or other authority is received in the Court Funds Office or on the effective date of lodgment of the money, whichever is the later.

(2) In no circumstances shall interest accrue from a date earlier than that on which the money is placed on deposit in accordance with paragraph (1) above.

(a) 1965 c. 2.
(b) S.I. 1975/1803; the relevant amending instruments are S.I. 1976/2235, 1978/751, 1981/1589, 1982/123 and 787.

Money not placed on deposit

29. Money (including interest), shall not be placed on deposit in the following cases:—

(i) where the amount available is less than £10;

(ii) where the money has been directed by an order or other authority to be dealt with otherwise than being placed on deposit;

(iii) where the money has been carried over to an account of unclaimed balances under rule 56;

(iv) if the money stood to the credit of a fund in court before 1st October 1965 without a request that it be placed on deposit.

Money paid in satisfaction

30.—(1) Where money is lodged under Order 22 rule 1 (or appropriated under Order 22 rule 8) in satisfaction of a claim, and is not accepted within the time limited by Order 22, rule 3(1), it shall be placed on deposit 21 days after the effective date of lodgment or appropriation:—

Provided that where the plaintiff is under disability the money shall be so placed in any event, whether or not he has accepted it.

(2) Where such money is accepted within the time limited by Order 22 rule 3(1), no interest shall be payable in respect of the period between lodgment (or appropriation) or where there has been more than one, between the latest lodgment (or appropriation) and the date of payment out of court.

Interest on money on deposit

31.—(1) Subject to the following provisions of this rule, interest at $9\frac{1}{2}$ per cent. per annum on every complete pound on deposit shall accrue from day to day from the day on which the money is placed on deposit until the day preceding its withdrawal from deposit, both days inclusive.

(2) Where money placed on deposit is transferred to a short-term investment account it shall earn deposit interest up to the last day of the month in which the transfer takes place.

(3) Interest which has accrued during the half-years ending on 31st March and 30th September in each year on money on deposit shall be credited to the appropriate ledger credits on or before 15th April or 15th October next following and, for the purpose of rule 28, shall be treated as having been credited on the day on which it accrued.

(4) Accrued interest shall be credited whenever money is withdrawn from a deposit account.

Time for investment

32. Subject to the provisions of this Part of the Rules and to any directions of the court, money (including interest) shall be invested as soon as it is available.

Amount for investment

33.—(1) Notwithstanding rule 32, no sum of money or interest shall be invested:—

(*a*) in the common investment fund or in a short-term investment account, where it is less than £10;

(*b*) in national savings stock, where it is less than £50;

(*c*) in any other case, where it is less than £500 unless the authority giving the direction to invest is satisfied that any cost of investment (by way of commission or otherwise) is not disproportionate.

(2) Any sum of money of £10 or more which is not invested shall be placed on deposit and shall be withdrawn from deposit and invested when it, together with the interest credited upon it and further sums of money or interest credited to the ledger credit which are required to be invested in the same manner, amounts to £50.

Investment of Trustee Act money

34.—(1) Money or interest credited to an account opened pursuant to a lodgment in court under rule 18(iii)(*a*) shall be invested in the manner specified in the Schedule to the affidavit, which may be:—

(i) in accordance with Order 22, rule 13(1);

(ii) by investment in a common investment fund.

(2) Money or interest credited to an account opened pursuant to a lodgment in court made on or after the 1st October 1965 under rule 18(iii)(*b*) shall be invested by being placed to a short-term investment account.

Investment in common investment fund

35.—(1) Where funds are required to be invested in common investment fund units or such units are required to be realised, the purchases and sales shall be effected on the first available valuation day appointed by the Public Trustee for the fund in question in pursuance of powers conferred on him by the Common Investment Funds Scheme 1965.

(2) Funds shall not be directed to be invested in Capital Fund units unless the authority giving the direction is satisfied that the funds are likely to remain so invested for at least 5 years:—

Provided that this paragraph shall not apply in any case where there is an express request for investment in Capital Fund units by or on behalf of one or more of the persons interested in the Fund or, if no such person is ascertained or traceable, by the person who pays the funds into court.

Time of placing to short-term investment account

36. Where money (including interest) is directed or required to be placed to a short-term investment account it shall be so placed on the day in which the Schedule or other authority is received in the Court Funds Office or on the effective date of lodgment of the money, whichever is the later.

Money not placed to short-term investment account

37. Money (including interest) shall not be placed to a short-term investment account except where the person entitled to it is under disability and, in particular, money shall not be placed to a short-term investment account in the following cases:—

(i) where the money is lodged under Order 22 rule 1 (or appropriated under Order 22 rule 8) in satisfaction of a claim;

(ii) where the money has been directed by an order or other authority to be dealt with otherwise than being placed to a short-term investment account;

(iii) where the money has been carried over to an account of unclaimed balances under Rule 56.

Interest on short-term investment account

37A.—(1) Subject to paragraph (3), interest at $12\frac{1}{2}$ per cent per annum in respect of every complete pound placed to a short-term investment account shall accrue every month and shall begin on the first day of the month next following that in which the money is invested and shall cease from the last day of the month next preceding the day of withdrawal.

(2) Interest which has accrued during the half-years ending on 31st May and 30th November in each year on money placed to a short-term investment account shall be credited to the appropriate ledger credits on or before 15th June or 15th December next following and for the purpose of Rule 36, shall be treated as having been credited on the day on which it accrued.

(3) Accrued investment interest shall be credited whenever money is withdrawn from a short-term investment account.

(4) Where money placed to a short-term investment account on which interest has begun to accrue in a county court is transferred from the county court to the High Court, interest shall begin to accrue under this rule on the first day of the month in which the money is transferred (that is, the day on which the money ceases to carry interest in the county court).

Withdrawal of money from deposit or short-term investment account

37B. Money shall be withdrawn from deposit or from a short-term investment account in the following cases:—

(i) where and to such an extent as the money, together with the interest credited on it at the time of withdrawal, is required for the purpose of giving effect to a direction of the court or these Rules:

Provided that such interest shall not be used if directed by the court to be otherwise dealt with;

(ii) where the amount is reduced below £10;

(iii) where the money is required to be carried over to an account of unclaimed balances under Rule 56.

Dealings with foreign currencies

37C.—(1) Where foreign currency is lodged in court:—

(*a*) the other provisions of Part IV of these Rules shall not apply, but;

(*b*) the court may direct that it shall be placed to an interest-bearing account in that currency or any other currency;

(*c*) interest (if any) shall accrue from the date of the order or the date of placing to the account, whichever is the later;

and the Accountant General shall deal with the interest as the court may direct.

(2) Any charges incurred by placing foreign currency to an account shall be deducted from the currency so placed or the accrued interest, as may be appropriate.

(3) Where income from a security in court is received in a foreign currency, the court may give such directions in relation to the income as it thinks fit, and in the absence of such direction it shall be converted into sterling and invested in accordance with the other provisions of this Part."

6. Rule 50(2) down to the proviso shall be omitted and the following substituted:—

"(2) Where money has been lodged in court in proceedings which are transferred to a county court, the Accountant General shall on receipt of written notification from that court transfer the money to a county court ledger:".

7. Forms 10 and 11 shall be amended by inserting immediately before the Notes in each form the words:—

"Defendant's solicitors: Name .....

Address .....

.....

....."

8.—(1) Rules 4 and 5 of this Instrument shall not apply to money:—

(*a*) in respect of which an order was made or direction given, or

(*b*) on which interest had started to accrue,

on or before 31st March 1983 and the Rules in force on that date shall continue to apply to such money.

(2) When money has been lodged in court but interest has not started to accrue on it before 1st April 1983, any party may apply for such money to be placed to a deposit account and where the court makes such an order the money shall be treated thereafter in accordance with the provisions of this Instrument.

(3) Subject to paragraphs (1) and (2) these Rules shall apply to all money in court or to be brought into court before or after 1st April 1983.

Hailsham of St. Marylebone, C.

Dated 28th February 1983

We concur

J. A. Cope,
Alastair Goodlad,
Two of the Lord Commissioners
of Her Majesty's Treasury.

Dated 1st April 1983

EXPLANATORY NOTE

(*This Note is not part of the Rules.*)

These Rules amend the Supreme Court Funds Rules 1975 in a number of respects. In particular they:—

(*a*) make minor amendments consequential on the abolition of the office of Chancery Registrar on 1st January 1983 (rules 2 and 3);

(*b*) make new provision in respect of payments into court in satisfaction of claims so that such payments (which could formerly be placed to a short-term investment account on the application of a party) will now be placed on deposit automatically after the time for acceptance has elapsed (rule 5);

(*c*) increase the rate of interest on deposit accounts from 5 per cent. to $9\frac{1}{2}$ per cent. (rule 5);

(*d*) provide for interest on deposit accounts to be calculated on a day-to-day basis instead of in respect of whole months only (rule 5);

(*e*) confine the short-term investment account to funds held in court for the benefit of persons under disability (rule 5);

(*f*) reduce the rate of interest on short-term investment accounts from 13 per cent. to $12\frac{1}{2}$ per cent. (rule 5);

(*g*) make transitional provision so that money entitled to interest before 1st April 1983 will continue to earn it in accordance with the rules in force before that date (rule 8).

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