

2013 No. 416

NATIONAL DEBT

**The National Savings Stock Register (Amendment) Regulations
2013**

<i>Made</i>	- - - -	<i>25th February 2013</i>
<i>Laid before Parliament</i>		<i>26th February 2013</i>
<i>Coming into force</i>	- -	<i>6th April 2013</i>

The Treasury make the following Regulations in exercise of the powers conferred by section 3 of the National Debt Act 1972(a).

Citation and commencement

1. These Regulations may be cited as the National Savings Stock Register (Amendment) Regulations 2013 and come into force on 6th April 2013.

Amendments to the National Savings Stock Register Regulations 1976

2. The National Savings Stock Register Regulations 1976(b) are amended as follows.

Amendment to regulation 2

3. In regulation 2 (interpretation), in paragraph (1)—

(a) in the definition of “new stock”, after “begun;”, insert—

“and

(c) variable interest stock;”;

(b) at the end, insert—

““variable interest stock” means stock issued without a term”.

Amendment to regulation 5

4. In regulation 5 (subscription for stock), after paragraph (1), insert—

“(1A) The conditions referred to in paragraph (1) must include, for variable interest stock, provision that the Treasury may amend the authorised conditions at any time after stock has been subscribed for.

(1B) Any amendment of conditions that is to the detriment of a stock holder may only be made after at least 30 days’ notice of the amendment has been given to the stock holder.

(a) 1972 c. 65; section 3 was amended by the Trustee Savings Bank Act 1976 (c. 4), Schedule 5, paragraph 19(1)(a)(i), the Finance Act 1989 (c. 26), section 183(2) and S.I. 1998/1446.

(b) S.I. 1976/2012; relevant amending instruments are S.I. 1989/2046, 2001/3649, 2007/1898 and 2012/1877.

(1C) Paragraphs (1A) and (1B) apply in respect of variable interest stock issued before 6th April 2013 as they apply to variable interest stock issued on or after 6th April 2013.”.

Amendment to regulation 10

5. In paragraph (5) of regulation 10 (certificates, subscription books and records)—
- (a) in sub-paragraph (a)—
 - (i) at the start of sub-paragraph (ii), insert “where the new stock is fixed interest stock,”;
 - (ii) at the start of sub-paragraph (iii), insert “where the new stock is fixed interest stock,”;
 - (b) in sub-paragraph (b)—
 - (i) at the start of sub-paragraph (iii), insert “where the new stock is fixed interest stock,”;
 - (ii) at the start of sub-paragraph (iv), insert “where the new stock is fixed interest stock,”.

Amendment to regulation 21

6. In paragraph (5)(a) of regulation 21 (payment of dividends), after “regulation 21B”, insert “or regulation 21C”.

Insertion of regulation 21C

7. After regulation 21B (accrual of interest), insert—

“Accrual of interest on variable interest stock

21C.—(1) This regulation applies to all variable interest stock.

(2) The amount of any interest accruing on a particular day in respect of stock to which this regulation applies must be calculated using the following formula—

$$A = (V \times I\%) / 365$$

where—

A is the amount of interest accruing in respect of stock on the particular day,

V is the capital value of the stock on that day, and

I% is the annual rate of interest applying to the stock on that day.”.

Amendment to regulation 22

8. In regulation 22 (payments by the Director of Savings), omit paragraphs (3) and (4).

Amendment to regulation 25

9. In regulation 25 (authority for payment to third party)—
- (a) omit paragraph (1);
 - (b) in paragraph (3) for “seven years” substitute “sixteen years”;
 - (c) in paragraph (4), sub-paragraph (a), for “Paragraphs (1) and (2) do not apply”, substitute “Paragraph (2) does not apply”;
 - (d) after paragraph (4), insert—

“(5) If the conditions specified in paragraph (6) are satisfied in relation to the holder of a National Savings Income Bond, paragraph (3) has effect as if the reference to “sixteen years” was a reference to “seven years”.

(6) The conditions are that—

- (a) an application to subscribe for National Savings Income Bonds was received by the Director of Savings in the approved form before 6th April 2013; and
- (b) the holder attained the age of seven years before 6th April 2013.”.

Revocation of regulation 30

10. Regulation 30 (minors) is revoked.

Insertion of regulation 30A

11. Before regulation 31 (persons under disability), insert—

“Minors

30A.—(1) From 6th April 2013 no stock may be subscribed for by, or on behalf of, a minor under the age of sixteen years.

(2) National Savings Income bonds which are held by minors under the age of sixteen years on 5th April 2013 may continue to be held subject to the following provisions—

- (a) applications for repayment may only be made by a minor who has not attained the age of sixteen years if the minor had attained the age of seven years before 6th April 2013;
- (b) where National Savings Income Bonds are held by a minor who had not attained the age of seven years before 6th April 2013, no interest may be paid otherwise than by means of crediting the amount to an approved account in the minor’s name, or in the name of any person appearing to the Director of Savings to be responsible for the welfare of the minor;
- (c) the Director of Savings may, at any time, require a specimen of the minor’s signature, and obtain the minor’s authority for the making of further payments as follows—
 - (i) where the minor attained the age of seven before 6th April 2013, at any time
 - (ii) where the minor has not attained the age of seven before 6th April 2013, at any time after the minor attains the age of sixteen years.

(3) In paragraph (2)(b) “approved account” means—

- (a) an account in the National Savings Bank comprising investment deposits within the meaning of the National Savings Bank Act 1971;
- (b) an account with a person who has permission under Part 4A of the Financial Services and Markets Act 2000(a) to accept deposits; or
- (c) an account with an EEA firm of the kind mentioned in paragraph 5(b) of Schedule 3 to the Financial Services and Markets Act 2000, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to accept deposits.

(4) Paragraph (3) must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000(b);
- (b) any relevant order under that section; and
- (c) Schedule 22 to the Financial Services and Markets Act 2000.”.

(a) 2000 c. 8; Part 4A was inserted by the Financial Services Act 2012 (c. 21), section 11(2).

(b) Section 22 was amended by the Financial Services Act 2012, section 7(1).

Amendment to regulation 31

12. In regulation 31 (persons under a disability)—

(a) in paragraph (1)—

- (i) for “seven years” substitute “sixteen years” in each place where it occurs;
- (ii) in sub-paragraph (b), for “who satisfies him that he is a proper person to receive payment”, substitute “who appears to the Director of Savings to be responsible for the welfare of the minor.”;

(b) after paragraph (4) insert—

“(5) If the conditions specified in paragraph (6) are satisfied in relation to the holder of National Savings Income Bonds, paragraph (1) has effect as if the reference to “sixteen years” was a reference to “seven years”.

(6) The conditions are that—

- (a) an application to subscribe for National Savings Income Bonds was received by the Director of Savings in the approved form before 6th April 2013; and
- (b) the holder attained the age of seven years before 6th April 2013.”.

Stephen Crabb
Desmond Swayne

Two of the Lords Commissioners of Her Majesty’s Treasury

25th February 2013

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the National Savings Stock Register Regulations 1976 (S.I. 1976/2012) (the Principal Regulations).

Regulation 3 amends the definition of “new stock” to include variable interest stock. Variable interest stock will be subject to the changes made to the Principal Regulations by the National Savings Stock Register (Amendment) Regulations 2012 (S.I. 2012/1877). These changes included replacing the requirement to issue a certificate or subscription book with an obligation to issue a record. The changes also included making different provision for the forfeiture of stock.

Regulation 4 amends the conditions under which variable interest stock is subscribed for to include provision that the Treasury may amend at any time the conditions under which the variable interest stock was subscribed for. This amendment applies both to variable interest stock issued before these regulations came into force and variable interest stock issued after these regulations came into force.

Regulation 5 makes consequential amendments to the requirement to issue records to take account of the fact that variable interest stock does not offer a fixed rate of interest for a term.

Regulations 6 and 7 provide for the manner in which interest is to accrue on a daily basis on variable interest stock.

Regulation 8 amends regulation 22 of the Principal Regulations to omit provisions concerning when and where warrants issued by the Director of Savings are payable.

Regulations 9 to 12 amend the Principal Regulations to provide that only persons aged 16 or over may subscribe for new stock. Provision is also made to allow those persons who are under 16 years of age and who already hold stock to continue to do so, and for the management of such stock.

A full impact assessment has not been produced for this instrument as no impact on the costs of business or the voluntary sector is foreseen.

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STATUTORY INSTRUMENTS

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The National Savings Stock Register (Amendment) Regulations
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£4.00

E5892 02/2013 135892T 19585

ISBN 978-0-11-153514-1



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