1978 No. 256

ULSTER DEVELOPMENT BONDS

9½% Ulster Development Bonds (Second Issue) Order (Northern Ireland) 1978

Made . . . . . *24th October* 1978

Coming into operation . . *20th November* 1978

The Department(**a**) of Finance in exercise of the powers conferred upon it by Section 11(1) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950(**b**) and of all other powers enabling it in that behalf, hereby makes the following Order:

Citation and commencement

1.—(1) This Order may be cited as the 9½% Ulster Development Bonds (Second Issue) Order (Northern Ireland) 1978.

(2) This Order shall come into operation on 20th November 1978.

Interpretation

2. In this Order:—

"bonds" has the meaning assigned by Article 3(1);

"a holder" in relation to a bond means a person in whose name the bond is registered;

"friendly society" means a society or branch registered, or deemed to be registered, under the Friendly Societies Act (Northern Ireland) 1970(**c**), or a registered branch in Northern Ireland of a society registered under the Friendly Societies Act 1974(**d**) or a similar Society or branch registered in Great Britain.

"provident society" means a society registered, or deemed to be registered, under the Industrial and Provident Societies Act (Northern Ireland) 1969(**e**) or a similar society registered in Great Britain.

Creation of new security

3.—(1) There shall be created a Northern Ireland Consolidated Fund security to be known as 9½% Ulster Development Bonds (Second Issue) (hereinafter referred to as "bonds").

(2) Bonds shall be in registered form and shall be issued in units of £5 and in multiples thereof not exceeding £10,000 on or after 20th day of November 1978 by or on behalf of the Department.

(3) A register of holders of bonds shall be maintained by the Department and each holder shall be issued with a bond book in which shall be recorded the amounts of any bonds purchased and of any subsequent encashments.

(**a**) Formerly Ministry: *see* 1973 c. 36 Sch. 5 para. 8(1).
(**b**) 1950 c. 3 (N.I.)
(**c**) 1970 c. 31 (N.I.)
(**d**) 1974 c. 46
(**e**) 1969 c. 24 (N.I.)

Persons entitled to purchase and hold bonds

4.—(1) Bonds may be purchased and held by or for:

(*a*) an individual or any two or more individuals jointly;

(*b*) a trustee or two or more trustees jointly;

(*c*) limited companies;

(*d*) charitable, friendly and provident societies;

(*e*) clubs, funds and corporate bodies;

(*f*) a County Court Judge and a Clerk of the Crown and Peace in their joint names, or the Accountant General of the Supreme Court in his sole name, in trust for a beneficiary;

(*g*) the Committee of a person of unsound mind;

and any bonds so purchased shall be registered in the name of the person or body by whom they are purchased.

(2) Where bonds are purchased by a trustee or trustees he or they may be described in the register as trustee or trustees of a specified trust or as a trustee or trustees without specifying the trust, but such description shall not affect the Department with notice of the terms of any trust and save as aforesaid no notice of any trust express, implied or constructive shall be receivable by the Department in respect of any bond.

Interest

5.—(1) No interest shall be payable on bonds encashed within six months from the date of purchase.

(2) Subject to paragraph (1) interest will accrue from the date of purchase at a rate of nine and one-half (9½) per cent. per annum and will be payable half-yearly on the first day of June and the first day of December until the maturity date specified in Article 8 or until the date of earlier encashment. No deduction will be made by the Department for Income Tax when payment of interest is made.

(3) The first interest payment will be in respect of the period from the date of purchase of the bonds to the next half-yearly date except where the purchase is made within six weeks preceding a half-yearly date in which case the first interest payment will be in respect of the period from the date of purchase to the second half-yearly date after purchase.

(4) No interest will accrue on bonds after the maturity date specified in Article 8.

Maximum holding

6.—(1) The maximum holding of bonds which a person may hold whether solely or jointly with any other person shall be ten thousand pounds, provided that in calculating a maximum holding—

(*a*) any bonds held as a trustee shall be regarded separately from those held in a personal capacity;

(*b*) any bonds held by a trustee shall be regarded separately in respect of each separate trust fund, and so much of the property in the hands of a trustee shall be treated as a separate trust fund as is held on trusts which (as respects the beneficiaries or their respective interests or the purposes of the trust or as respects the powers of the trustees) are not identical with those on which other property in his hands is held;