

EXPLANATORY STATEMENT

STATUTORY RULES 1983 NO 71

ISSUED BY THE AUTHORITY OF THE TREASURER

COMMONWEALTH INSCRIBED STOCK REGULATIONS (AMENDMENT)

Section 58 of the Commonwealth Inscribed Stock Act 1911 (the Act) provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing the fees payable under the Act and all matters and forms required or necessary or convenient to be prescribed for carrying out or for giving effect to the Act or for the conduct of any business at or in connection with any Registry.

The regulations make provision for the administrative procedures relating to Commonwealth securities. The Statutory Rules amend the regulations to:

- (i) allow the crediting of interest on Commonwealth securities to financial institutions other than banks and
- (ii) increase the limits up to which transfers of Stock may be made without having to obtain Probate and the amount of bearer securities which may be delivered by a Registrar on behalf of a deceased person.

The Statutory Rules also make further minor amendments of an administrative nature which will bring the procedures under the regulations into line with current business practice and monetary values.

Regulations 1 and 5 of the Statutory Rules amend regulations 8 and 52 respectively to make it clear that the Registrar need not issue receipts or securities in respect of applications to purchase Commonwealth securities which have been rejected by the Treasurer.

Regulation 2 of the Statutory Rules amends regulation 10 to simplify procedures relating to changes of addresses of stock holders.

Regulation 3 of the Statutory Rules amends regulation 25A to increase from \$5,000 to \$10,000 the maximum value of Inscribed Stock that may be transmitted from the name of a deceased person to the name of another person (usually the executor of a deceased estate) without the requirement to seek a Grant of Probate.

Regulation 4 of the Statutory Rules amends sub-regulation 32(3) to allow the crediting of interest on Commonwealth securities to a holder's account with a financial institution approved by the Treasurer. (Under existing sub-regulation 32(3), the crediting of interest payments can only be made to bank accounts ).

Regulation 6 of the Statutory Rules amends sub-regulation 54(1) to increase from \$1,200 to \$10,000 the amount of bearer securities which may be delivered to another person by a Registrar in the event of death of the person who was to have received the bearer securities.

Regulation 7 of the Statutory Rules amends the schedule to the regulations by deleting the existing Form 24 and substituting a revised form authorising payments of interest to investors' accounts with a bank or approved financial institution consequent on the amendment contained in regulation 4.

S.R. 15/83