

2. Water Stock Regulations

ORDER IN COUNCIL CONFIRMING THE METROPOLITAN WATER STOCK REGULATIONS, 1903.

1903 No. 673

[*This Order in Council (S.R. & O. Rev. 1904, VIII, "Metropolitan Water Area," p. 11) is printed as amended by Orders in Council, dated August 10, 1914 (S.R. & O. 1914 (No. 1271) I, p. 810) and May 2, 1925 (S.R. & O. 1925 (No. 418) p. 1098).*]

At the Court at Buckingham Palace, the 11th day of August, 1903.

PRESENT,

The King's Most Excellent Majesty in Council.

Whereas the Local Government Board have, in virtue of the power conferred upon them by the Metropolis Water Act, 1902, made certain Regulations with respect to the creation, issue, transfer, dealing with, and redemption of Metropolitan Water Stock which the Metropolitan Water Board create under that Act:

2 Edw. 7. c.
41.

And whereas the said Regulations have, as required by the Public Health Acts Amendment Act, 1890, as applied by the Metropolis Water Act, 1902, been laid before both Houses of Parliament for the period of thirty days, and no resolution has been passed by either House that such Regulations ought not to be proceeded with:

53 & 54 Vict.
c. 59.

Now, therefore, His Majesty, having taken the said Regulations (copy whereof is hereunto annexed) into consideration, is pleased, by and with the advice of His Privy Council, to confirm, and doth hereby confirm, the said Regulations.

A. W. FitzRoy.

REGULATIONS REFERRED TO IN THE FOREGOING ORDER IN COUNCIL.

Whereas by the Metropolis Water Act, 1902 (hereinafter referred to as "the Act") it is enacted that a Board, to be called the Metropolitan Water Board (hereinafter referred to as the "Water Board"), shall be established for the purpose of acquiring by purchase and of managing and carrying on the undertakings of the companies mentioned in the first schedule to the Act (which companies in the Act and hereinafter are referred to as "the Metropolitan Water Companies"), and generally for the purpose of supplying water within the area described in the second schedule to the Act, subject to such alterations therein as may be made by or under the Act:

And whereas the Act confers upon the Water Board certain borrowing powers, establishes a Water Fund, and provides for the discharge of certain sums by means of Metropolitan Water Stock and for other purposes in respect of which that Stock may or shall be issued:

And whereas by Sections 17 and 18 of the Act it is enacted as follows; that is to say,—

“ 17.—(1) For the purpose of enabling the Water Board to raise money which they are authorised to borrow under this Act, and to issue any water stock which, under the provisions of this Act, and to issue any water stock which, under the provisions of this Act, is to be issued to any metropolitan water company or the holder of any debenture stock or mortgage debt, the Water Board may create a sufficient amount of stock, to be called Metropolitan Water Stock, and in this Act referred to as water stock, bearing interest at such a rate not exceeding three pounds per centum per annum, as the Water Board with the consent of the Local Government Board, and after consultation with the Governor of the Bank of England, may resolve.

“ (2) Water stock and interest thereon shall be charged on the water fund and on all the revenues of the Water Board.

“ (3) Subject to the provisions of this Act, the provisions of Section 52 of the Public Health Acts Amendment Act, 1890, which relates to the issue of stock by local authorities, shall apply to water stock as if it were stock created under, and the Water Board were an authority mentioned in, that section, and the regulations in respect of water stock issued to the holders of irredeemable debenture stock shall be uniform with the regulations in respect of other water stock except as to the period of redemption and the provisions relating thereto.

“ (4) Water stock shall be included amongst the securities in which a trustee may invest under the powers of the Trustee Act, 1893.

56 & 57 Vict.
c. 53.

“ 18.—(1) The Water Board shall in accordance with regulations made by the Local Government Board, by the creation of one or more sinking or redemption funds or otherwise, make provision for—

“ (a) the discharge within a period of one hundred years from the thirty-first day of March, One thousand nine hundred and three, of the amount of any water stock issued by the board in consideration for the undertaking of any metropolitan water company, or in substitution, or in consideration for any debenture stock or mortgage debts;

“ (b) the discharge within that period of all debenture stock and mortgage debts which under this Act are to be discharged within that period; and

“(c) the discharge within the periods within which they are under this Act to be discharged of any sums borrowed by the Water Board under this Act:

“ Provided that during the first twenty years of the said period of one hundred years the Water Board shall not be required to make any payments towards the discharge of water stock, debenture stock, mortgage debts, or loans, for the discharge of which the said period of one hundred years is fixed by this Act, other than the payment in respect of each year towards the discharge of such water stock of the amount (if any) by which the receipts or revenue account exceed the expenditure on that account of the Water Board in that year, after deducting such sum as may be reasonably necessary for meeting current expenses. The sums so to be paid shall be paid as soon as may be after the amount thereof is ascertained, and the certificate of the auditor of the accounts of the Water Board, subject to such variations as the Local Government Board may allow, shall be conclusive as to the amount to be paid.

“(2) The Local Government Board may make regulations under this section, and the regulations so made—

“(a) if they relate to the discharge of water stock, shall be made under Section 52 of the Public Health Acts Amendment Act, 1890, as applied by this Act;

* * * * *

“(3) For the purpose of this section, the expression ‘discharge’ means—

“(a) with respect to water stock * * * * * ,
the redemption or purchase thereof;”

* * * * *

And whereas Section 52 of the Public Health Acts Amendment Act, 1890, is in the following terms; that is to say,—

“ 52.—(1) Where any authority, whether a municipal corporation, local board, or improvement commissioners, which is an urban authority, have for the time being, either in their capacity, as urban authority or in any other capacity, any power to borrow money, they may, with the consent of the Local Government Board, exercise such power by the creation of stock to be created, issued, transferred, dealt with, and redeemed in such manner, and in accordance with such regulations, as the Local Government Board may from time to time prescribe.

“(2) Without prejudice to the generality of the above power, such regulations may provide for the discharge of any loan raised by such stock, and in the case of consolidation of debt for extending or varying the times within which loans may be discharged, and may provide for the consent of limited owners and for the application of the Acts, relating

38 & 39 Vict.
c. 83.

to stamp duties and to cheques, and for the disposal of unclaimed dividends, and may apply for the purposes of this section, with or without modifications, any enactments of the Local Loans Act, 1875 and the Acts amending the same, and of any Act relating to stock issued by the Metropolitan Board of Works, or the County Council of London, or by the Corporation of any municipal borough.

“(3) Such regulations shall be laid before each House of Parliament for not less than thirty days during which such House sits, and if either House during such thirty days resolves that such regulations ought not to be proceeded with, the same shall be of no effect, without prejudice, nevertheless, to the making of further regulations.

“(4) If no such resolution is passed, it shall be lawful for Her Majesty by Order in Council to confirm such regulations, and the same when so confirmed shall be deemed to have been duly made and to be within the powers of this Act, and shall be of the same force as if they were enacted in this Act.”

Now, therefore, we, the Local Government Board, in pursuance of the powers given to us in that behalf, do hereby make the following Regulations (hereinafter referred to as “the Regulations”), and do hereby order and prescribe that the Regulations shall, from and after the confirmation thereof, apply to the creation, issue, transfer, dealing with, and redemption of any Metropolitan Water Stock which the Water Board create under the Act in the exercise of any statutory borrowing power as defined in the Regulations:—

PRELIMINARY.

Interpretation.

Article 1.—In the Regulations the following expressions shall, unless the contrary intention appears, have the meanings hereby respectively assigned to them, namely,—

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| “The Water Board.” | The expression “the Water Board” means the Metropolitan Water Board; |
| “The Clerk.” | The expression “the clerk” means the clerk of the Water Board; |
| “Stock.” | The expression “stock” means Metropolitan Water Stock created by the Water Board under the Act and the Regulations; |
| “The Water Fund.” | The expression “the Water Fund” means the Water Fund established in pursuance of the Act; |
| “The Board.” | The expression “the Board” means the Local Government Board; |
| “The Bank of England.” | The expression “the Bank of England” means the governor and company of the Bank of England; |
| “Statutory borrowing power.” | The expression “Statutory borrowing power” means any power of the Water Board under the Act (other than the power conferred by Section 44 of the Act), or under the Regulations, or under any consent of the Board in pursuance of the Act or of the Regulations, whether the power be or be not coupled with a duty,— |

- (a) Of borrowing money; or
- (b) Of re-borrowing money for paying off any money borrowed or for redeeming any stock created and issued or any other security granted by the Water Board; or
- (c) Of redeeming any stock created and issued by the Water Board; or
- (d) Of creating and issuing any stock to be issued to a Metropolitan Water Company or to any person to whom the Water Board may be required to issue stock; or
- (e) Of substituting stock for any debenture, debenture stock, or mortgage debt, the liability for which is transferred by the Act to the Water Board, or for any stock created and issued or for any other security granted by the Water Board.

The expression "statutory security" means any security in which trustees are by law for the time being authorised to invest, and any mortgage, bond, debenture, debenture stock, stock, or other security (not being annuities, rentcharges, or securities payable to bearer) duly issued by any local authority as defined by Section 34 of the Local Loans Act, 1875, but exclusive in every case of any security of the Water Board; "Statutory security."

The expression "prescribed period" means, in relation to an amount of stock created and issued for the purpose of exercising a statutory borrowing power, the period within which, in pursuance of any enactment applicable to the case, or of any consent of the Board under the Act or the Regulations, or of any Scheme of Consolidation under the Regulations, provision is required to be made for the repayment of moneys borrowed, or for the redemption of stock issued, in the exercise of the statutory borrowing power. "Prescribed period."

CREATION OF STOCK.

Article 2.—(1) The Water Board, in pursuance of their powers under Section 17 of the Act, and of any statutory borrowing power exercisable by the creation and issue of stock, shall by resolution create two classes of stock; that is to say,— Creation of stock.

- (i) Stock to be designated Metropolitan Water (A) Stock and to be issued to holders of irredeemable debenture stock of any metropolitan water company in substitution for that irredeemable stock, or, with the consent of the Board signified by Order, to be issued for the purpose of exercising any other statutory borrowing power;
- (ii) Stock to be designated "Metropolitan Water (B) Stock" and to be issued for the purpose of exercising any statutory borrowing power exercisable otherwise than by the issue of Metropolitan Water (A) Stock.

(2) The Water Board, with the consent of the Board signified by Order, may, by resolution, from time to time create and may thereafter issue stock of any other class than Metropolitan Water (A) Stock or Metropolitan Water (B) Stock. The stock so created and issued shall have such designation as the Water Board, in their resolution for the creation of the stock, determine and the Board approve.

(3)—(i) Every resolution for the creation of stock shall specify the particular borrowing power for the purpose of which the stock is created, and, where the stock is created in the exercise of more than one borrowing power, the amount of money to be raised by the stock in respect of each borrowing power.

(ii) A copy of every such resolution shall be forwarded to the Board as soon as conveniently may be after the passing of the resolution.

(4)—(i) Metropolitan Water (A) Stock shall be redeemable at par at the option of the Water Board after the expiration of a period of sixty years from the Thirty-first day of March, One thousand nine hundred and three.

(ii) Metropolitan Water (B) Stock shall be redeemable at par at the option of the Water Board after the expiration of a period of thirty years from the date of the first creation of stock of that class.

(iii) Stock of any class other than Metropolitan Water (A) Stock or Metropolitan Water (B) Stock, shall be—

(a) stock redeemable at par at the option of the Water Board after the expiration of such period from the date of the first creation of that class of stock as the Water Board determine, and the Board approve; or,

(b) stock which the Water Board shall be bound to the holders to redeem at par within such period from the date of the first creation of that class of stock as the Water Board determine and the Board approve, and which, if the Water Board with the Board's approval so determine, shall be redeemable at par, at the option of the Water Board, at the expiration of such earlier period from the date of the first creation of that class of stock as may be determined by the resolution creating the stock.

The period or periods so determined and approved shall be specified in each resolution for the creation of stock of the class to which the resolution relates (a).

(5) Each class of stock shall be created on such terms and subject to such conditions that all stock at any time belonging to that class shall bear one and the same rate of dividend, shall be transferable in the same manner, shall become redeemable, and (in the case of stock which the Water Board are bound to the holders to redeem) be redeemed, at the same time, and shall in all other respects be of the same character (b).

(a) Sub-para. (iii) as substituted by S.R. & O. 1914 No. 1271.

(b) Para. (5) as substituted by S.R. & O. 1914 No. 1271.

Water Stock Regulations

(6) Subject to the provisions of the Act and of the Regulations, and to any consent of the Board in pursuance of the said provisions, all stock shall be transferable in such manner as the Board, by Order, direct or approve, and may be issued for such an amount (being within the statutory borrowing power applicable to the case) at such price, and to bear such half-yearly or other dividends, as the Water Board, by the resolution for the creation of the stock, direct.

Article 3.—The Water Board in the exercise of a statutory borrowing power may create and issue stock for the purpose of defraying the expenses of the creation and issue of any stock; and shall provide for the redemption of any stock created and issued in pursuance of this Article within the period for the redemption of the stock in respect of which the said expenses are incurred.

Expenses of issue of stock.

Article 4.—Subject to the provisions of the Act, all stock from time to time created by the Water Board in pursuance of the Regulations shall rank equally without any priority or preference by reason of any precedence in the date of any statutory borrowing power, or in the date of creation of any class of stock or of any portion of stock, or in the date of issue of any portion of stock, or on any other ground whatsoever, and shall also rank equally with all other securities of the Water Board created or granted in pursuance of any statutory borrowing power or in pursuance of any Act to be hereafter passed, and all dividends payable on any such stock shall rank equally with interest on all other securities of the Water Board created or granted in pursuance of any statutory borrowing power or in pursuance of any Act to be hereafter passed.

Ranking of stock.

Article 5.—(1) When the Water Board in the exercise of a statutory borrowing power create stock for the purpose of borrowing money, of re-borrowing money, or of redeeming stock, the Water Board may create stock of such total amount and may from time to time issue such nominal amounts of stock within the limits of the total amount so created as will, according to the price actually realised in respect of each issue, produce the actual amount, or some portion of the actual amount, of money which, in the exercise of the statutory borrowing power, the Water Board may borrow or re-borrow or may require for redeeming any stock.

Borrowing power to be exercisable for actual sum raisable.

(2) When the Water Board in the exercise of a statutory borrowing power create stock for the purpose of issuing stock to a Metropolitan Water Company, or to any person to whom the Water Board may be required to issue stock, or for the purpose of substituting stock for any debenture, debenture stock, mortgage debt, stock, or other security, the amount of stock to be so created and to be thereafter issued shall be such amount as, in pursuance of the Act or of the Regulations, the Water Board are required or authorised to issue or substitute as aforesaid.

CONSOLIDATION OF LOANS

Article 6.—(1) For the purpose of the repayment of all or any loans which have been lawfully raised by the Water Board by the creation and issue of stock, and the periods for the repayment of which have been fixed by the Board, the Board, having due regard to the amounts of the several loans and the periods allowed for their discharge, may approve a scheme for the consolidation of the said loans.

Consolidation of loans.

(2) Any such scheme as aforesaid may fix the period or periods within which the loans so consolidated shall be discharged, and for that purpose may extend or vary any period allowed for the discharge of the loans, and may also apply and have effect with respect to any loans theretofore included in a scheme of consolidation in pursuance of this Article.

(3) Any scheme of consolidation approved by the Board as aforesaid may be varied by a subsequent scheme in pursuance of this Article.

DIVIDENDS FUND

Maintenance
and use of
Dividends
Fund
Account.

Article 7.—(1) For the payment of dividends on the several classes of stock there shall in each year be carried to accounts of the Water Fund, entitled the Stock (Dividends) Fund Accounts, a sum or sums equal to the aggregate amount of all dividends payable during the year.

(2) There shall be a separate Stock (Dividends) Fund Account, distinguished by a number or otherwise, for each class of stock, and each such account is hereinafter referred to as the Dividends Fund Account.

(3) The Water Board shall, from time to time, pay the dividends on stock and charge the same to the appropriate Dividends Fund Account.

REDEMPTION OF STOCK

Redemption
Fund
Account.

Article 8.—(1) Subject to the provisions of the Act as regards stock for the discharge of which provision is required by the Act to be made within a period of one hundred years from the thirty-first day of March, One thousand nine hundred and three, there shall in each year, for redemption and extinction, or purchase and extinction, of the several classes of stock, be carried to accounts of the Water Fund, entitled the Stock (Redemption) Fund Accounts, a sum or sums equal to the aggregate amount of all sums payable in the year for redemption and extinction, or purchase and extinction, of stock.

(2) There shall be a separate Stock (Redemption) Fund Account, distinguished by a number or otherwise, for each class of stock, and each such account is hereinafter referred to as the Redemption Fund Account.

Amounts to
be carried
yearly to
Redemption
Fund
Account.

(3) Subject to the provisions of the Act and of the Regulations the sums to be carried to the Redemption Fund Account in each year in respect of any stock shall be determined by reference to the provisions either of paragraph (a) or paragraph (b) of this subdivision, according as the Water Board, with the consent of the Board, decide; that is to say,—

Either—

(a) The Water Board shall carry to the Redemption Fund Account throughout the prescribed period such equal annual sums as will, without accumulations, at the end of that period together make up a sum equal to the nominal amount of the stock in respect of which the said sums are carried to the account; or

(b) The Water Board shall carry to the Redemption Fund Account, throughout the prescribed period,—

- (i) Such equal annual sums as, being accumulated at compound interest at the rate of three pounds per centum per annum, or at such other rate as the Water Board, with the consent of the Minister of Health, may from time to time determine, would, after payment of all expenses, make up a sum equal to the nominal amount of the stock in respect of which the said sums are carried to the account; and (a)
- (ii) Accumulations of the said equal annual sums at compound interest at the rate per centum on which the said equal annual sums are respectively calculated.

Article 9.—(1) In relation to stock for the discharge of which provision is required by the Act to be made within a period of one hundred years from the thirty-first day of March, One thousand nine hundred and three, there shall, during the first twenty years of that period, be carried to the Redemption Fund Accounts in respect of that stock, in substitution for any sums required by Article 8 to be carried to the Redemption Fund Accounts during that period, such sums as, in pursuance of the proviso to Section 18 (1) of the Act, are required to be paid towards the discharge of the said stock, together with the accumulations of the said sums as required by Article 11, and any sums so required to be paid, and the accumulations thereof, shall be carried to such Redemption Fund Account as the Board from time to time determine.

Variation in amounts to be carried yearly to Redemption Fund Account.

(2) If it appears to the Board at any time that the amount standing to the credit of the Redemption Fund Account in respect of any stock, with the future annual sums to be carried to the account under the Regulations, will probably not be sufficient within the prescribed period to make up a sum equal to the nominal amount of the stock, the sums to be carried to the account shall be increased annually or otherwise to such extent as the Board direct.

(3) If it appears to the Board at any time that the amount standing to the credit of the Redemption Fund Account in respect of any stock, with the future annual sums to be carried to the account under the Regulations, will probably be more than sufficient within the prescribed period to make up a sum equal to the nominal amount of the stock, the sums to be carried to the account may be reduced either temporarily or permanently to such extent as the Board may allow.

(a) Sub-para. (i) as substituted by S.R. & O. 1925 No. 418.

(4.) If at any time the total amount carried to the credit of the Redemption Fund Account in respect of any stock is such that, in the opinion of the Board, it will probably be sufficient with the accumulations thereof (if accumulations are required) within the prescribed period to make up the nominal amount of the stock, the Water Board may, with the consent of the Board, cease to carry any sums to the account in respect of that stock until the Board otherwise direct.

Subsidiary provisions as to Redemption Fund Account.

Article 10.—(1) In any case where moneys which have been carried to the Redemption Fund Account are applied in the redemption or purchase and extinction of stock at a rate exceeding one hundred pounds sterling for one hundred pounds stock, the Water Board shall carry to the Redemption Fund Account, during the year in which the redemption is effected or the purchase is made, an additional sum or sums equal in amount to the sum or sums paid in excess of the said rate for the redemption or purchase of stock in that year.

(2) When the Water Board redeem or purchase and extinguish stock by the application of moneys which have been carried to the Redemption Fund Account, the stock so redeemed or purchased and extinguished shall be deemed to be stock issued in respect of such one or more of the statutory borrowing powers exercised by the creation and issue of stock and, if in respect of more than one, in such proportions as the Water Board determine: Provided that no larger amount of stock shall be deemed to be redeemed or purchased and extinguished in respect of any statutory borrowing power than the amount which, according to the actual price of redemption or purchase, could be redeemed or purchased with the moneys carried to the Redemption Fund Account in respect of that borrowing power.

Investment and application of sums carried to Redemption Fund Account.

Article 11.—(1) In relation to stock for the discharge of which provision is required by the Act to be made within a period of one hundred years from the thirty-first day of March, One thousand nine hundred and three, the Water Board, during the first twenty years of that period, shall from time to time invest in statutory securities such sums as, in pursuance of the proviso to Section 18 (1) of the Act, and of Article 9, are required to be paid towards the discharge of the said stock, and the interest and annual proceeds arising from those securities shall be invested and accumulated in like manner.

(2) The Water Board may from time to time apply the sums standing to the credit of the Redemption Fund Account, other than sums and the accumulations of sums mentioned in sub-division (1) of this Article, in redeeming stock according to the terms of issue and purchasing stock for extinction, but the annual sums to be carried to the Redemption Fund Account shall not be affected by the said application, and pending or in default of any such application of the said sums or of their application in the manner authorised by sub-division (3) of this Article, the Water Board shall invest the said sums in statutory securities, and the interest or annual proceeds arising from every such investment shall be carried to the general revenue Account of the Water Fund, or to the Dividends Fund Account, as the Water Board think fit.

(3) Notwithstanding anything in sub-division (2) of this Article—

(a) Where the Water Board have any statutory borrowing power exercisable for the purpose of raising money by the creation and issue of stock, the Water Board, instead of exercising the statutory borrowing power by the creation and issue of additional stock, may, subject as is hereinafter provided, exercise the statutory borrowing power, either wholly or partially, by using for the purpose any moneys, other than moneys to which sub-division (1) of this Article applies, for the time being standing to the credit of the Redemption Fund Account and of any separate account forming part of the Redemption Fund Account.

(b) Where the Water Board determine to proceed in the manner authorised by paragraph (a) of this sub-division the Water Board shall pass a resolution to that effect and shall, by the resolution, prescribe all such matters or things as in or in pursuance of this sub-division are referred to as prescribed or are required to be prescribed; and, after passing the resolution, the Water Board shall—

(i) withdraw from the moneys standing to the Redemption Fund Account the prescribed sum which shall be equal to the amount of the statutory borrowing power proposed to be exercised, and such sum shall be deemed to be withdrawn from such separate account or separate accounts of the Redemption Fund Account as shall be prescribed; and

(ii) deduct from the amount of stock for the time being chargeable to the purpose or attributable to the exercise of the borrowing power to which a separate account prescribed as aforesaid has reference, a portion of stock at par value equal to the sum withdrawn from that separate account, and transfer that portion of stock, as from the prescribed date, to the separate account in respect of which the statutory borrowing power is exercised under this clause.

(4) The Regulations shall apply—

(a) to the moneys withdrawn from the Redemption Fund Account and used in pursuance of sub-division (3) of this Article as though the moneys so withdrawn had been applied in the redemption of stock at par on the separate account or separate accounts from which the moneys so used had been raised by the issue of additional stock for the purposes of the separate account in respect of which the statutory borrowing power is exercised under sub-division (3) of this Article: and

(b) to the stock deducted and transferred in pursuance of sub-division (3) of this Article as though the stock so deducted had, in pursuance of the Regulations, been redeemed by the application of moneys carried to the Redemption Fund Account on the separate account or separate accounts from which the stock was deducted, but subject to the condition that the stock shall not be cancelled, and as though the stock so transferred were additional stock expressly issued for the purposes of the separate account in respect of which the statutory borrowing power is exercised under sub-division (3) of this Article.

(5) As regards stock for the discharge of which provision is required by the Act to be made within a period of one hundred years from the thirty-first day of March, One thousand nine hundred and three, the Water Board shall in each year, after the first twenty years of that period, apply, for the purpose of providing or making up any sum which in pursuance of Article 8 will be required to be carried to the Redemption Fund Account, so much of the moneys invested and accumulated in compliance with sub-division (1) of this article as will result from the division of the total sum representing the moneys then remaining invested and accumulated by the number of years unexpired of the period of one hundred years hereinbefore mentioned.

Extinction
of stock
redeemed or
purchased.

Article 12.—The Water Board on redeeming or purchasing any stock shall forthwith pass a resolution directing the stock so redeemed or purchased to be cancelled by the registrar, and on such cancellation the same and all dividends thereon which have not already become payable shall be and the same are by virtue of the Regulations extinguished.

Payment off
or substitu-
tion for
existing
securities.

Article 13.—(1) When the Water Board, in the exercise of a statutory borrowing power, create and issue stock for the re-borrowing of money, for the purpose of redeeming stock or any other security or of substituting stock for any security transferred to or granted by the Water Board, or for stock created and issued by the Water Board (including in each case the amount of any compensation payable in respect of the transaction) the Water Board shall forthwith transfer to the Redemption Fund Account the whole or a proportionate part (as the case may require) of any money and securities forming part of any sinking fund applicable to the discharge of the security, and also such further sum, if any, as may be necessary to make the money and securities so paid and transferred equivalent to the amount which should have been in that sinking fund, or should have been paid off, in respect of the security for the redemption of which or in substitution for which the stock is created and issued; and where the security consists of stock, the Water Board shall cause all money standing to the credit of any Redemption Fund Account in respect of that stock to stand in the proper Redemption Fund Account to the credit of the separate account in respect of the stock newly created and issued.

(2) Where the holder of the security is one of the persons described in Section 7 of the Lands Clauses Consolidation Act, 1845, and by that Act enabled to sell land thereunder, and is not expressly or impliedly authorised by any provisions of the Act which relate to the powers of any such holder or of any trustee, he may consent to payment or redemption of the security, and may accept money for giving that consent as if he were the absolute owner of that security, and he is hereby indemnified for giving such consent, and his receipt shall be a good discharge.

8 & 9 Vict.
c. 18.

(3) Money received by the holder of any security as authorised by sub-division (2) of this article, and stock issued to him in redemption of or in substitution for any security, and the dividends on any such stock, shall be subject to the same trusts, rights, powers, testamentary, and other dispositions, provisions, charges, liabilities, and process as affected or applied or had effect with respect to the money secured or represented by the security and any interest or dividend thereon immediately before the redemption or substitution as aforesaid, and every deed, and every other instrument or document, and every testamentary or other disposition, and every other matter or thing hereinbefore mentioned shall have effect with reference to the whole, or a proportionate part of the money or stock received, or of any dividend on the said stock, as the case may be.

APPLICATION OF MONEY RAISED

Article 14.—Money raised by stock shall be applied for purposes for which money raisable under the statutory borrowing power, in exercise whereof the stock is issued, ought by law to be applied, and not otherwise:

General application of money from stock.

Provided that if, after the raising of any money by stock under the Regulations, it is found that any part of that money is not required for the purposes to which it is applicable as aforesaid, the Water Board shall carry the money to the Redemption Fund Account and to the proper separate account forming part of the Redemption Fund Account.

Article 15.—The Water Board may, and if required by the Local Government Board shall, from time to time invest temporarily on statutory securities any sum raised by stock and not for the time being required for the purpose for which it was raised.

Temporary investments.

REGISTRATION AND CERTIFICATES

Article 16.—(1) The Water Board shall, on such terms and subject to such conditions and instructions not inconsistent with the Regulations as they think expedient, appoint and keep appointed an officer of the Water Board, or any other person, or the Bank of England, or any other bank, or any banking or other company, as registrar (hereinafter referred to as "the registrar") for all or any of the purposes of the Regulations.

Appointment of Registrar.

Where the Bank of England are the registrar, the Water Board and the registrar may agree to dispense with the need of compliance with any provision of the Regulations which renders the approval of the Water Board a condition precedent to any requirement of the registrar, and the Regulations shall apply and have effect subject to any such agreement.

42 & 43 Vict.
c. 11. (2) The Water Board in relation to the Regulations and the registrar, except where the Bank of England are the registrar, shall respectively be deemed a banker within the Bankers' Books Evidence Act, 1879.

Stock register. Article 17.—(1) The registrar shall, in relation to each class of stock, keep books (hereinafter referred to as "the stock register") in which shall be entered the names and addresses of holders from time to time of stock of that class and the amounts held by them.

(2) The stock register shall be *prima facie* evidence of any matter entered therein in accordance with the Regulations, and of the title of the persons entered therein as holders of stock.

Certificates of proprietorship of stock. Article 18.—(1) On demand of a holder of stock the Water Board may, if they think fit, give to him a certificate (hereinafter referred to as a "stock certificate") of the proprietorship thereof, specifying the amount of stock to which he is entitled.

(2) A stock certificate shall be *prima facie* evidence of the title of the person therein named, his executors, administrators, successors, or assigns, to the stock therein specified; but the want of a stock certificate, if the want be accounted for to the satisfaction of the Water Board, shall not prevent the holder of stock from disposing of and transferring the stock.

(3) If a stock certificate is worn out or damaged the Water Board, on production thereof, may cancel it and give a similar stock certificate to the person in whom the property in the stock certificate and in the stock therein specified is then vested.

(4) If a stock certificate is lost or destroyed the Water Board, on proof thereof to their satisfaction, may give a similar stock certificate to the person entitled to the certificate lost or destroyed.

(5) An entry of the issue of a stock certificate or of a substituted stock certificate, as the case may be, shall be made in the stock register.

TRANSFER

Power for stockholder to transfer. Article 19.—Subject to the provisions of the Regulations, and to any direction or approval of the Board in pursuance of the Regulations, every stockholder may transfer all or any part of his stock in books or by deed.

Transfer in books. Article 20.—(1) If and where the direction or approval of the Board makes any portion of stock transferable in books and not by deed, the provisions of this Article shall apply and have effect, but not otherwise.

Water Stock Regulations

(2) The registrar shall keep books (hereinafter referred to as "the stock transfer books"), wherein transfers of stock so transferable shall be entered.

(3) Every such entry shall be conceived in proper words for the purpose of transfer, and shall be signed by the person making the transfer, or, if he is absent, by his agent thereunto lawfully authorised in writing under his hand attested by a witness.

(4) Where the Bank of England are the registrar they may, if they think fit, require that the agent be so authorised by power of attorney under the hand and seal of the person making the transfer, attested by two or more credible witnesses.

(5) The person to whom a transfer is made, may, if he thinks fit, underwrite his acceptance thereof.

(6) Except as otherwise provided by Act of Parliament, and subject to the provisions of the Regulations respecting any portion of stock which the direction or approval of the Board make transferable by deed and not in books, no mode of transferring stock other than that prescribed in this Article shall be good in law.

Article 21.—(1) If and where the direction or approval of the Board makes any portion of stock transferable by deed and not in books, the provision of this Article shall apply and have effect, but not otherwise. Transfer by deed.

(2) Every transfer of stock so transferable shall be by deed.

(3) The deed of transfer shall relate only to the transfer, and shall not contain any recital, trust, power, or proviso whatsoever.

(4) The deed of transfer when duly executed, shall be delivered to and kept by the registrar, and the registrar shall enter a memorial thereof in a book to be called the register of transfers of stock, and shall endorse on the deed of transfer a notice of that entry.

(5) The registrar shall, after reasonable notice, and on delivery up of the old stock certificate, or on such proof that it cannot be produced, as the registrar, with the approval of the Water Board, may require, deliver to the purchaser a new stock certificate.

(6) Until the deed of transfer has been so delivered to the registrar, the Water Board or the registrar, shall not be affected thereby, and the purchaser of the stock shall not be entitled to receive any dividend thereon.

Article 22.—(1) The registrar, before allowing any transfer of stock may, if the circumstances of the case appear to him to make it expedient, require evidence of the title of any person claiming a right to make the transfer. Evidence on transfer.

(2) That evidence shall be a statutory declaration of one or more competent persons, or of such other nature as the registrar, with the approval of the Water Board, may require.

Closing of transfer books.

Article 23.—(1) The registrar, with the approval of the Water Board, may, as regards any portion of stock, close the stock transfer books or the register of transfers of stock (as the case may be) on any day in the month next before that in which dividends on that portion of stock are payable, but so that the books be not at any time kept closed for more than fifteen days.

(2) The persons who on the day of closing in accordance with sub-division (1) of this Article are inscribed as stockholders shall, as between them and their transferees of stock, be entitled to the dividend next payable thereon.

Stamp duty on transfers.

Article 24.—Unless the Water Board have compounded for stamp duty, every deed of transfer of stock transferable by deed shall be duly stamped, and the consideration shall be truly stated therein.

TRANSMISSION

Transmission on death.

Article 25.—(1) The interest of a deceased stockholder in stock shall be transferable by his executors or administrators, notwithstanding any specific bequest thereof.

(2) Where two or more persons are registered as owners of any stock, those persons shall be deemed to be joint owners with right of survivorship between them.

(3) The Water Board or the registrar shall not be required to allow any executors or administrators to transfer any stock until the probate of the will or the letters of administration to the estate of the deceased has or have been left with the registrar for registration, and may require all the executors who have proved the will to join in the transfer.

Transmission otherwise than by death of holder or transfer in books or by deed.

Article 26.—(1) If the interest in any stock has become transmitted by any lawful means other than a transfer in books or by deed, or than the death of a stockholder, satisfactory evidence of the transmission shall be furnished to the registrar by a statutory declaration of one or more competent persons, or in such other manner as the registrar, with the approval of the Water Board, may require.

(2) The name of the person entitled under the transmission shall be entered in the stock register.

(3) Until evidence has been furnished in accordance with sub-division (1) of this Article, the Water Board or the registrar shall not be affected by the transmission, and no person claiming by virtue thereof shall be entitled to receive any dividend on the stock.

(4) In this article the expression "transmission" includes any case of apparent transmission in consequence of the change of name of the stockholder, although the actual ownership of the stock may remain unaltered.

DIVIDENDS

Payment of dividends.

Article 27.—The Water Board shall pay by the registrar the dividends on stock.

Water Stock Regulations

Article 28.—The Water Board or the registrar shall not be required to pay any executors or administrators any dividend on stock held by their testator or intestate until the probate of the will or the letters of administration has or have been left with the registrar for registration. Dividends to executors, &c.

Article 29.—The registrar before paying any dividend on any stock may, if the circumstances of the case appear to him to make it expedient, require evidence of the title of any person claiming a right to receive the dividend, and that evidence shall be a statutory declaration of competent persons, or of such other nature as the registrar with the approval of the Water Board may require. Evidence of title.

Article 30.—(1) Where more persons than one are registered as joint holders of any stock, any one of them may give an effectual receipt for any dividend thereon, unless notice to the contrary has been given to the registrar by any other of them. Dividends to joint holders.

(2) Where any stock is standing in the name of an infant or person of unsound mind jointly with any person not under legal disability, a letter of request for receipt of the dividends on the stock shall be sufficient authority in that behalf if given under the hand of the person not under disability, but the registrar before acting on the letter of request, may, if he think fit, require proof to his satisfaction of the alleged infancy or unsoundness of mind by a statutory declaration of one or more competent persons, or by such other means as the registrar may specify.

Article 31.—(1) Dividends may be paid by means of warrants sent through the post to the registered holders of stock at their registered addresses, or in the case of joint registered holders to the registered address of that one of them whose name stands first on the register in respect of the stock in question: Dividend warrants by post.

Provided that the registered holder or registered holders (if more than one) may by writing under his or their hands direct that the dividend on his or their stock shall be sent to some other address, and thereupon the warrant shall be sent accordingly (a).

(2) The posting by the Registrar of a letter containing a dividend warrant addressed to a stockholder at the address to which warrants are authorised to be sent by Sub-division (1) of this Article shall, as respects the liability of the Water Board and of the Registrar, be equivalent to the delivery of the warrant to the stockholder himself (a).

(3) Every warrant so sent by post shall be deemed a cheque, and the Water Board and the registrar shall, in relation thereto, be deemed a banker within the Bills of Exchange Act, 1882.

(4) Provided that this Article shall not apply to cases to which the provisions of Section 4 of the National Debt Act, 1889, apply.

45 & 46 Vict.
c. 61.

52 & 53 Vict.
c. 6.

(a) Paras. (1) and (2) as substituted by S.R. & O. 1925 No. 418.

STOCK CERTIFICATES WITH COUPONS TO BEARER

Provisions respecting stock certificates with coupons to bearer.

Article 32.—(1) On demand of a stockholder and on delivery to the registrar of the stock certificate (if any), the registrar may issue to the stockholder a stock certificate to bearer, that is to say, a certificate of title to his stock or any part thereof, entitling the bearer to the stock therein specified, and transferable by delivery with coupons entitling the bearer of the coupons to the dividends on the stock.

(2) A stock certificate to bearer shall not be issued in respect of any sum of stock other than ten pounds or a multiple of ten pounds.

(3) No trustee shall apply for, purchase, take, or hold a stock certificate to bearer unless he is in express words authorised to do so by the instrument creating his trust, and any contravention of this provision by a trustee shall be deemed a breach of trust; but this provision shall not impose on the Water Board or the registrar an obligation to inquire or to take notice whether a person applying for or holding a stock certificate to bearer is or is not a trustee or subject the Water Board or the registrar to any liability in case of his, with or without notice, issuing to a trustee a stock certificate to bearer, or invalidate any stock certificate to bearer issued.

(4) Where a stock certificate to bearer is outstanding the stock represented thereby shall cease to be transferable in books or by deed.

(5) The bearer of a stock certificate to bearer may, on delivery up to the registrar of the certificate, and of all unpaid coupons belonging thereto, require to be entered in the stock register as the holder of the stock described in the certificate under which he derives title, and thereupon such stock certificate and coupons shall be cancelled and the stock shall be re-entered in the register as transferable, and shall become and again be transferable in the stock transfer books or by deed, as the case may require, and shall, as regards the mode of payment of the dividends thereon, be in the like condition as if no stock certificate to bearer had been issued in respect thereof.

(6) The coupons issued with a stock certificate to bearer shall comprise the dividends to be paid in respect of the stock therein specified for such period as the Water Board approve.

(7) At the end of that period fresh coupons may be issued for such further period as the Water Board approve, and so for successive periods during the continuance in force of the stock certificate, but the Water Board may direct the registrar, instead of issuing fresh coupons in respect of any stock certificate, to give in exchange a fresh stock certificate with coupons.

(8) Payment to the bearer of a coupon of the amount expressed therein shall be a full discharge to the Water Board and to the registrar from all liability in respect of that coupon and the dividend represented thereby.

Water Stock Regulations

(9) Where the Bank of England are the registrar coupons shall be payable at the chief establishment of the bank at the expiration of three clear days from the days of presentation, and at any branch establishment of the bank situate more than ten miles from the chief establishment at the expiration of five clear days from the day of presentation.

(10) If a stock certificate to bearer or coupon is worn out or damaged, the registrar, on production and delivery up thereof, may cancel it and issue a new certificate or coupon.

(11) If a stock certificate to bearer or coupon is lost or destroyed, the registrar may issue a new certificate or coupon on receiving indemnity to the satisfaction of the Water Board against the claims of all persons deriving title under the certificate or coupon lost or destroyed.

(12) All coupons issued under the Regulations in respect of any stock certificate to bearer shall, for the purposes of the Acts relating to stamp duties, be deemed to have been attached to and issued with that stock certificate.

(13) Stock specified in a stock certificate to bearer shall be charged on the same securities, and be subject to the same powers of redemption and other powers, and save as regards the mode of transfer and of payment of dividends thereon, and save so far as a stock certificate to bearer is a negotiable instrument shall be subject to the same incidents in all respects as if that stock had continued to be registered in the stock register as transferable in books or by deed.

GENERAL

Article 33.—(1) Stock is personal property.

(2) Stock is not liable to foreign attachment by the custom of London or otherwise.

(3) No notice of any trust, express, implied, or constructive, in respect of any stock, or of any stock certificate to bearer or coupon, shall be entered in the stock register, or in any other book kept by the Water Board or the registrar, or be receivable by the Water Board or the registrar, or affect the registrar or the Water Board through the registrar or otherwise.

Article 34.—(1) If at any time any dividend due on any stock remain unpaid for two months after demand in writing the person entitled thereto may apply to the High Court for a receiver, and the Court may, if it thinks fit, appoint a receiver on such terms as it thinks fit.

(2) The receiver shall have the like power as the Water Board would have, for the purpose of raising any sum required to meet a deficiency in the Water Fund, so far as it may be necessary to meet that deficiency in order to provide the moneys which ought to be carried under the Regulations to the Redemption Fund Account or the Dividends Fund Account.

Nature of stock: notice of trusts.

Receiver.

(3) The receiver shall also have such other powers and such duties, as the Court thinks fit, and shall apply all moneys raised by him, after payment of expenses and costs as the Court directs, for purposes of the regulations.

(4) The Court may at any time discharge the receiver, and shall have full jurisdiction over him and all persons interested in his acts.

Protection
of holders
of stock.

Article 35.—A person taking or holding stock shall not be concerned to inquire or to take notice whether the creation or issue thereof was or was not within any statutory borrowing power of the Water Board, or otherwise in accordance with the Regulations, or whether or not the Water Board or any meeting thereof was properly constituted or convened, or whether or not the proceedings at any meeting of the Water Board were legal or regular, or to see to the application of any money raised by stock, or be answerable for any loss or misapplication thereof.

Annual
return to
Local
Government
Board.

Article 36.—(1) Once in every year, at a time appointed by the Board, the Clerk to the Water Board shall send to the Board an abstract of the accounts of the Water Board relating to stock and the Redemption Fund Account and subordinate accounts in a form prescribed by the Board.

The abstract shall be verified by a statutory declaration of an officer of the Water Board, if and as may be required by the Board, and shall be made up to such date in each year as the Board determine.

(2) In case of wilful default by the clerk (2) or any other officer of the Water Board in respect of any matter mentioned in sub-division (1) of this Article or in respect of any requirement of the Board in relation to any such matter, the said clerk or other officer shall on each occasion be liable to a fine not exceeding twenty pounds, and every fine under this sub-division shall be recoverable summarily on the prosecution of the Board and not otherwise.

(3) If by any such abstract or otherwise it appears to the Board that the Water Board have failed to comply with any requisition of the Regulations, or of any Order of the Board thereunder, in relation to any payment, application, or investment, or otherwise in relation to stock or the Redemption Fund Account, the Board may by Order require the Water Board to make good the default within a time therein limited; and if the default be in respect of any sum to be carried to the Redemption Fund Account, or the misapplication of any part of the moneys carried to that account, the Board may by Order direct that the sum in that Order mentioned, not exceeding double the amount in respect of which default has been made, shall be carried to the Redemption Fund Account and be invested and applied in like manner as required by the Regulations in regard to other sums carried to that Account.

Unclaimed
dividends.

Article 37.—(1) If at any time any dividend on any stock is unclaimed at the time for payment thereof the same shall, nevertheless, on demand at any subsequent time whatsoever, be paid to the person showing his right thereto, but without interest in the meantime.

Water Stock Regulations

(2) [*Revoked by S.R. & O. 1925 No. 418.*]

(3) At the end of every successive period of five years from the day when the first dividend becomes payable on stock first issued, the Water Board shall publish an advertisement in a newspaper circulating in the County of London, stating what, if any, dividends on stocks have then been unclaimed for more than four years, and the names and addresses appearing in the stock register of the persons entitled to such dividends when the same became due.

(4) At the end of every successive period of ten years from the day when the first dividend becomes payable on stock first issued the Water Board, unless it has been otherwise agreed between them and the registrar, may require the registrar to repay to them all dividends unclaimed during that period and then in his hands, and the Water Board shall cause the same or any other dividends unclaimed during that period to be carried to the Dividends Fund Account, and may deal therewith as they are by the Regulations empowered to deal with moneys carried to that account without prejudice, nevertheless, to the rights of any person to those dividends.

Article 38.—(1) If at the end of a period of ten years after the date at which the Water Board, having power to redeem any stock, decide to redeem it, the Water Board, by reason of the holder of any such stock not being forthcoming, or by reason of any doubt as to the ownership of any such stock, shall not be able to redeem the stock, the Water Board shall invest in statutory securities a sum equal to the nominal value of all such stock as cannot be redeemed by reason as aforesaid, and thereupon the stock shall be deemed to have been extinguished. Unclaimed stock.

(2) Any sums invested by the Water Board as aforesaid shall, unless sold for the purpose of satisfying any claim in respect of the stock represented by the same, be kept invested on statutory securities for a further period of ten years, after which time the Water Board may appropriate the said sums and any accumulations thereof for such purposes as the Board approve, without prejudice, nevertheless, to the rights of any person to the said sums or any part thereof.

Article 39.—When and so often as the Water Board, after the date of the first creation of stock, act upon a power conferred on them of raising money otherwise than by stock, they shall cause to be given to each lender of money so raised notice in writing, signed by the Clerk or other authorised officer of the Water Board, and stating the effect of Article 4. Notice of ranking of stock.

Saving for power of revocation.

Article 40.—The Water Board may by resolution revoke at any time, in whole or in part, any resolution for creation of stock theretofore passed by the Water Board if and so far as the same has not been acted on by the issue of stock thereunder, and notice of any such revocation shall forthwith be given to the Board.

Saving for other obligations.

Article 41.—Except as in the Regulations expressly provided, nothing in the Regulations shall relieve the Water Board from any obligation which may be imposed on them in relation to any statutory borrowing power by any Act of Parliament under or by which that power for the time being exists or is regulated.

Forgery.
24 & 25 Vict.
c. 98.

Article 42.—(1) Stock shall be deemed capital stock of a body corporate within the Forgery Act, 1861.

33 & 34 Vict.
c. 58.

(2) A stock certificate to bearer and a coupon connected therewith shall be deemed a stock certificate and coupon within the Forgery Act, 1870.

Orders of the Local Government Board.

Article 43.—Any Order of the Board in pursuance of the Regulations may contain such provisions as the Board think necessary or proper for giving effect thereto, and shall, where the nature and terms of the Order and the circumstances of the case so require, be enforceable by writ of mandamus to be obtained by the Board out of the High Court, and any such Order may be from time to time cancelled or varied by the Board, as the circumstances of the case require.

Rules made by Bank of England.

Article 44.—Where the Bank of England are the registrar, they may, with the sanction of the Water Board, from time to time issue any forms required for carrying into effect the provisions of the Regulations, and may also from time to time make any Rules which are not inconsistent with the Regulations with respect to the following matters; that is to say—

- (a) The period for which coupons are to be given;
- (b) The mode in which the Bank of England are to act in issuing stock certificates to bearer, or entering in the transfer books the bearers of stock certificates to bearer;
- (c) The mode of proving the title of or identifying any person applying for a stock receipt or stock certificate, or stock certificate to bearer;
- (d) Anything necessary for carrying into effect such of the provisions of the Regulations as relate to or affect the Bank of England, or otherwise for the regulation of matters connected with the procedure of the Bank of England in exercise of the powers and in the discharge of the duties of the registrar.

The Bank of England may, with the sanction of the Water Board, alter, vary, or repeal any such Rules, and make other Rules instead thereof, or in addition thereto, any such Rules for the time being in force shall be duly observed.

Discharge of Debt

Article 45.—Such fees, if any, as may from time to time be fixed by an Order made by the Board, on the application of the Water Board, may be taken by or on behalf of the Water Board, in respect of such matters as may be specified in the said Order. Fees.

Article 46.—Expenses of book-keeping and management and other current expenses from time to time incurred by the Water Board in the execution of the Regulations, including expenses connected with the formation, maintenance, investment, application, or management of or otherwise relating to any Redemption Fund, shall be defrayed out of the Water Fund. Expenses.

Article 47.—The Regulations may be cited as “The Metropolitan Water Stock Regulations, 1903.” Short title.

Given under the seal of office of the Local Government Board,
this sixth day of July, in the year One thousand nine hundred
and three.

(L.s.)

Walter H. Long,
President.

S. B. Provis,
Secretary.