



Crown Agents Act 1979

1979 CHAPTER 43

An Act to reconstitute as a body corporate, and make other provision with respect to, the Crown Agents for Oversea Governments and Administrations, including the establishment of a Board to realise certain of their assets. [4th April 1979]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

The Crown Agents for Oversea Governments and Administrations

1 Reconstitution of Crown Agents as body corporate

- (1) On such day as the Minister may by order appoint (in this Act referred to as " the appointed day ")—
 - (a) there shall come into being a body corporate named the Crown Agents for Oversea Governments and Administrations, which shall function under and in accordance with the provisions of this Act; and
 - (b) the term of office of each of the unincorporated Agents shall expire, but without prejudice to his eligibility for appointment under this section to membership of the Crown Agents for a term of office beginning on that day.
- (2) In this Act—
 - (a) " the Crown Agents " means the body corporate established by this section;
 - (b) " the unincorporated Agents " means the persons for the time being holding office under the Crown as Crown Agents for Oversea Governments and Administrations ; and
 - (c) " the Minister " means the Minister of Overseas Development.
- (3) The Crown Agents shall consist of not less than six nor more than ten members appointed by the Minister; and the Minister shall appoint one member to be the chairman, and another member to be the deputy chairman, of the Crown Agents.

- (4) Any appointment under subsection (3) may be on either a full-time or a part-time basis.
- (5) The Crown Agents, despite their name—
- (a) are to be regarded as agents of the Crown only in so far as they act as agents of the Crown by virtue of any provision of this Act expressly authorising them to do so; and
 - (b) are not to be regarded as servants of the Crown or as enjoying any status, privilege or immunity of the Crown,
- and their property is not to be regarded as property of, or held on behalf of, the Crown; but nothing in this Act shall be taken to derogate from any privilege, immunity or exemption of the Crown in relation to any matter as respects which the Crown Agents act as agents of the Crown by virtue of any such provision as is mentioned in paragraph (a).
- (6) Schedule 1 shall have effect with respect to the Crown Agents.
- (7) The Minister may, after consultation with the Crown Agents, by order specify a different name by which the Crown Agents are to be known; and an order under this subsection may make such provision as appears to the Minister to be necessary or expedient in consequence of the change of name effected thereby, including provision for amending enactments (whether contained in this or any other Act).

2 Vesting in Crown Agents of property, rights and liabilities

- (1) Subject to the provisions of this section, on the appointed day there shall vest in the Crown Agents by virtue of this Act—
- (a) all property (in whoever vested) which, immediately before the appointed day, is held by or on behalf of the Crown in connection with the functions of the unincorporated Agents in their capacity as such; and
 - (b) all rights, liabilities and obligations (in whoever vested) which, immediately before that day, are enjoyed by, or incumbent on, the Crown in that connection.
- (2) Subsection (1) does not apply to any property, rights, liabilities or obligations as to which it is provided by paragraph 7 of Schedule 5 that on the appointed day they are to vest in the Crown Agents Holding and Realisation Board established by section 25.
- (3) Subsection (1)(a) does not apply to any property which, immediately before the appointed day, is vested in any person as nominee of the unincorporated Agents or any of them in their capacity as such; and accordingly, subject to paragraph 7(2) of Schedule 5, any such property shall as from that day continue vested in that person as nominee, but (by virtue of subsection (1) (b)) as nominee of the Crown Agents and not of any other person.
- (4) Schedule 2 shall have effect for the purpose of supplementing the preceding provisions of this section.
- (5) In this section and Schedule 2 " the Crown " means the Crown in right of Her Majesty's Government in the United Kingdom.

3 General functions of Crown Agents

- (1) Subject to the following provisions of this Act, the Crown Agents shall have power—

- (a) to do, as agents of any scheduled authority or body, but not as agents of any other person, anything which they are by or under this Act given power to do as agents; and
 - (b) to do, otherwise than as agents, anything which they are by or under this Act given power to do in their own right
- (2) It shall be the duty of the Minister, in deciding whether or how far to make use of any power conferred on him by this Act, and in particular his powers under section 10 to require the Crown Agents to furnish him with information, to have regard to the special nature of the relationship between the Crown Agents and the scheduled authorities and bodies for whom they act as agents.
- (3) In this Act " scheduled authority or body" means an authority or body of any description specified in Part I of Schedule 3, and references to the scheduled authorities and bodies shall be construed accordingly.
- (4) Part II of Schedule 3 shall have effect for the purpose of supplementing subsection (3).

4 Authorised agency activities

- (1) As agents of any scheduled authority or body the Crown Agents shall have power to carry on anywhere in the world any of the activities mentioned in Schedule 4 on behalf of their principal; and references in that Schedule to the principal shall be construed accordingly.
- (2) The Minister may from time to time, with the approval of the Treasury and after consultation with the Crown Agents, by order impose on the Crown Agents, for any period specified in the order, an overall limit on the amount of funds which may be accepted by them under paragraph 10 of Schedule 4 during that period.
- (3) The Minister may by order confer on the Crown Agents power, as agents of any scheduled authority or body, to carry on anywhere in the world any activity not mentioned in Schedule 4 which in his opinion it would be appropriate for the Crown Agents to have power to carry on as agents.
- (4) An order under subsection (3) conferring power to carry on any activity—
- (a) may be framed so as to confer power to carry on that activity only in accordance with conditions specified in the order; and
 - (b) may be made so as to have effect from any date not earlier than the appointed day.

5 Authorised non-agency activities

- (1) The Crown Agents shall have power to carry on in their own right anywhere in the world any of the following activities—
- (a) providing any of the services mentioned in subsection (2) to scheduled authorities and bodies, but not to any other person;
 - (b) procuring, subject to subsection (3), movable property of any kind, being property for which the Crown Agents anticipate a demand on the part of one or more of the scheduled authorities and bodies, and selling any such property to any such authority or body or (subject to subsection (3)) to any other person.
- (2) The services referred to in subsection (1)(a) are—
- (a) technical inspection services (including testing);

Status: This is the original version (as it was originally enacted).

- (b) giving professional or technical advice;
 - (c) carrying out feasibility studies ;
 - (d) supervision and management of projects;
 - (e) appraisal of proposals;
 - (f) certification in connection with contracts ;
 - (g) consultancy services;
 - (h) training services;
 - (i) provision and management of staff;
 - (j) services as a trustee or nominee;
 - (k) acting as registrar, and performing related functions, for the purposes of any loan raised by a scheduled authority or body;
 - (l) subject to subsection (3), procuring movable property of any kind, being property required by one or more of the scheduled authorities and bodies, and selling it to such of those authorities and bodies as require it;
 - (m) subject to subsection (3), assembling, installing, commissioning or maintaining any equipment procured and sold in pursuance of paragraph (l);
 - (n) providing on commercial terms—
 - (i) short-term credit in cases where a payment falls to be made by the Crown Agents, as agents of any scheduled authority or body, before the principal has done any of the things mentioned in section 8 (2) (a) and (b); or
 - (ii) subject to subsection (3), credit in connection with the sale of any movable property in pursuance of subsection (1)(b) or paragraph (l).
- (3) The following powers of the Crown Agents under subsection (1), namely—
- (a) the power under subsection (1)(a) to procure movable property in pursuance of subsection (2)(l);
 - (b) the power under subsection (1)(a) to provide any of the services mentioned in subsection (2)(m);
 - (c) the power under subsection (1)(a) to provide credit as mentioned in subsection (2)(n)(ii);
 - (d) the power under subsection (1)(b) to procure movable property; and
 - (e) the power under subsection (1)(b) to sell property procured under subsection (1)(b) to a person other than a scheduled authority or body,
- shall be exercisable only with the consent of the Minister.
- (4) Where as agents of any scheduled authority or body the Crown Agents receive any sum for disbursement or investment on behalf of the principal, they shall have power in their own right, pending the disbursement or investment of that sum on behalf of the principal, to make use of it for their own benefit by investing it in their own name in accordance with regulations.
- (5) The Minister may by order confer on the Crown Agents power in their own right to carry on anywhere in the world any activity not authorised by subsection (1).
- (6) Any order under subsection (5) conferring power to carry on any activity may be framed so as to confer power to carry on that activity only in accordance with conditions specified in the order.
- (7) No order shall be made under subsection (5) unless a draft of the order has been laid before Parliament and approved by a resolution of each House of Parliament.

6 Ancillary powers

- (1) Subject to the provisions of this section, the Crown Agents shall have power to do anywhere in the world anything which is calculated to facilitate the carrying on of the activities authorised by or under sections 4 and 5 or is incidental or conducive to the carrying on of any of those activities, including, without prejudice to the generality of the preceding provision, power to acquire, hold and dispose of interests in other bodies corporate and to form or take part in forming bodies corporate.
- (2) Except with the consent of the Minister the Crown Agents shall not have power in their own right—
 - (a) to acquire any interest in a body corporate ; or
 - (b) to transfer any interest of theirs in a wholly owned subsidiary of the Crown Agents to a person other than—
 - (i) another wholly owned subsidiary of the Crown Agents; or
 - (ii) a person who is to hold it as nominee of the Crown Agents or of a wholly owned subsidiary of the Crown Agents;
 - (c) to form or take part in forming a body corporate; or
 - (d) to enter into a partnership or any other form of joint venture with any person other than a subsidiary of the Crown Agents.
- (3) The Crown Agents—
 - (a) shall not have power in their own right—
 - (i) to acquire any land otherwise than for occupation or (as regards rights in or over land) enjoyment by the Crown Agents or a subsidiary of the Crown Agents; or
 - (ii) to guarantee any obligation (however arising) incurred by any other person not being such a subsidiary ; and
 - (b) except with the consent of the Minister, shall not have power in their own right to guarantee any obligation (however arising) incurred by such a subsidiary.
- (4) Nothing in this section shall—
 - (a) give the Crown Agents power to engage in their own right in any field of activity not expressly authorised by or under section 5 ; or
 - (b) preclude the Crown Agents from holding any property or right, meeting any liability or fulfilling any obligation which under section 2 vests in them on the appointed day.

7 Duty to act as agents of certain governments etc. on request

Except in so far as the Minister may otherwise direct, it shall be the duty of the Crown Agents, if so requested by a scheduled authority or body being either—

- (a) a government within paragraph 1 of Part I of Schedule 3; or
- (b) a public authority or public body established under the law of any colony or associated state or of any country or territory outside Her Majesty's dominions in which Her Majesty has jurisdiction in right of Her Government in the United Kingdom,

to carry on as agents of that authority or body such of the activities authorised by or under section 4 as are specified in the request, and to do so on terms similar to those on which they carry on the activities in question for other scheduled authorities and bodies.

8 Pre-funding of agency activities

- (1) Where as agents of any scheduled authority or body the Crown Agents undertake any activity involving the making of payments by them on behalf of the principal, the following provisions of this section shall apply.
- (2) It shall be the duty of the Crown Agents to ensure, so far as they are able to do so, that before any particular payment falls to be made by them on behalf of the principal, the principal will have either—
- (a) paid or caused to be paid to them a sum sufficient to enable them to make the payment; or
 - (b) caused to be issued to them an irrevocable letter of credit that will enable them to recover the sum required to make the payment.
- (3) Subject to subsection (5), any sum which the Crown Agents receive for disbursement or investment on behalf of the principal may, pending its disbursement or investment on his behalf, be invested by the Crown Agents in their own name and for their own benefit in accordance with regulations made under section 5(4).
- (4) As consideration for their use of any sum invested by them for their own benefit under subsection (3) the Crown Agents shall be liable to pay interest thereon to the principal; and the Crown Agents shall not be liable to account to the principal for any profit accruing to them from that use.
- (5) Where—
- (a) the Crown Agents receive for disbursement or investment on behalf of the principal a sum which, or a part of which, will not be needed by them for that purpose until a future date ; and
 - (b) the period from the receipt of that sum to the date when it, or that part of it, will be, or is likely to be, so needed is long enough for it to be appropriate, as a matter of good investment management, for the Crown Agents to invest the sum, or that part of it, on behalf of the principal,
- the Crown Agents shall invest the sum, or that part of it, on behalf of the principal at his risk in accordance with his general or specific instructions or, in default of such instructions, by placing it on deposit at his risk at a bank.
- In this subsection " bank " means the Bank of England or—
- (i) in relation to any time before such date as the Minister may, after consultation with the Treasury, determine, a bank which is both an authorised dealer and an authorised depositary as respectively defined in section 42(1) of the Exchange Control Act 1947 ; and
 - (ii) in relation to any time on or after that date, a recognised bank within the meaning of the Banking Act 1979, or the Post Office in the exercise of its powers to provide banking services.
- (6) Where—
- (a) a payment falls to be made on some future date by the Crown Agents on behalf of the principal; and
 - (b) to enable them to make that payment the Crown Agents need to realise investments for the time being held by them on behalf of the principal in consequence of subsection (5),

the Crown Agents may realise the necessary investments a reasonable time before the payment falls to be made.

- (7) Where the Crown Agents realise any investments in pursuance of subsection (6), subsections (3) to (5) shall apply in the case of the proceeds as they apply in the case of any other sum received by them for disbursement or investment on behalf of the principal.

9 Duties with respect to management of activities

- (1) The Crown Agents shall at any time when the Minister so requires—
- (a) undertake a review of the affairs of the Crown Agents and their subsidiaries for the purpose of determining how the management of the activities of the Crown Agents and their subsidiaries can most efficiently be organised; and
 - (b) make a report to the Minister on the Crown Agents' conclusions arising from the review.
- (2) The Minister shall lay before each House of Parliament a copy of any report under subsection (1), and may, after doing so and consulting the Crown Agents, give the Crown Agents such directions as he considers appropriate for securing that the management of the activities of the Crown Agents and their subsidiaries is organised in the most efficient manner.

10 Power of Minister to obtain information from Crown Agents

- (1) The Crown Agents shall furnish the Minister with such information as he may from time to time require with respect to such of the matters mentioned in subsection (2) as he may specify in writing.
- (2) Those matters are the activities (past, present or future), the plans, the property and the financial position of the Crown Agents or of any subsidiary of the Crown Agents, and in particular (but without prejudice to the foregoing provision) the position with respect to any sums received by the Crown Agents from the Minister by way of loan or grant under this Act.
- (3) Any information which the Crown Agents are required to furnish to the Minister under subsection (1) shall be furnished in such manner and at such time or times as he may specify in writing; but the Crown Agents shall only be required under that subsection to furnish information which they have or which they can reasonably be expected to obtain.
- (4) The Crown Agents shall afford the Minister facilities for verifying any information furnished to him under this section in such manner and at such times as he may reasonably request.

11 Annual reports

- (1) After the end of each accounting year the Crown Agents shall, within such time as the Minister may direct, make to the Minister, in such form as he may direct, a report on the performance by them of their functions during that year and on their policies, programmes and plans.
- (2) The report of the Crown Agents for any accounting year shall set out any direction given to them under this Act during that year, except any direction in the case of which the Minister has notified to the Crown Agents his opinion that it is against the national interest for it to be included in the report.

- (3) The Minister shall lay a copy of every report made to him under this section before each House of Parliament.

12 Control by Crown Agents of subsidiaries

- (1) As regards any subsidiary of the Crown Agents, the Crown Agents—
- (a) shall ensure that no person other than a member of the Crown Agents is appointed as a director of the subsidiary unless his appointment has been approved by the Minister or is made in accordance with any general arrangements for the appointment of directors of the subsidiary which are for the time being so approved;
 - (b) shall secure that (notwithstanding anything in the subsidiary's memorandum or articles of association) the subsidiary does not, either alone or in association with any other person, engage in any activity which the Crown Agents are not empowered to carry on; but
 - (c) shall not by virtue of paragraph (b) be obliged to prevent the subsidiary from carrying on with the consent of, or in accordance with the terms of any general authority given by, the Minister and in accordance with any conditions attached by him thereto, any activity which the Crown Agents would have power to carry on if the consent or authority had been given to them.
- (2) As regards any wholly owned subsidiary of the Crown Agents, the Crown Agents shall secure that (notwithstanding anything in the subsidiary's memorandum or articles of association) the subsidiary does not, except with the consent of the Minister—
- (a) issue any of its shares, stock or debentures to a person other than—
 - (i) the Crown Agents or another wholly owned subsidiary of the Crown Agents ; or
 - (ii) a person who is to hold them as a nominee of the Crown Agents or of a wholly owned subsidiary of the Crown Agents ; or
 - (b) transfer any interest of the subsidiary in another wholly owned subsidiary of the Crown Agents to a person not within paragraph (a)(i) or (ii).

Financial provisions

13 General financial duties of Crown Agents

- (1) Without prejudice to the following provisions of this section, it shall be the duty of the Crown Agents so to perform their functions, and so to exercise their control over their subsidiaries, as to secure that, taking one year with another, the combined revenues of the Crown Agents and their subsidiaries are not less than sufficient—
- (a) to meet the total outgoings of the Crown Agents and their subsidiaries properly chargeable to revenue account; and
 - (b) to enable the Crown Agents and their subsidiaries to make such allocations to reserve as the Crown Agents consider adequate, and as may be necessary to comply with any directions given by the Minister under section 14.
- (2) The Minister may determine, for any period specified in the determination, the overall rate of return which he considers it appropriate for the Crown Agents and their subsidiaries, taken as a whole, to achieve in that period; and the Minister shall give the Crown Agents notice of any determination under this subsection.

- (3) In determining an overall rate of return for any period under subsection (2) the Minister shall among other things have regard to the overall rate of return which, in the absence of any determination under that subsection, he would expect the Crown Agents and their subsidiaries, taken as a whole, to achieve in that period with a view to satisfying the requirements of subsection (1).
- (4) A determination under subsection (2)—
 - (a) shall be made only with the approval of the Treasury and after consultation with the Crown Agents;
 - (b) may relate to a period beginning before the date on which it is made ; and
 - (c) may be varied by a further determination under that subsection relating to the same period.
- (5) During any period as respects which a determination has been made under subsection (2) the Crown Agents shall perform their functions and exercise their control over their subsidiaries with a view to achieving in that period an overall rate of return not less than that specified by the determination as for the time being in force.

14 Directions by Minister as to reserves of Crown Agents and their wholly owned subsidiaries

- (1) The Minister may from time to time, with the approval of the Treasury and after consultation with the Crown Agents, give the Crown Agents directions—
 - (a) requiring them to allocate to reserve generally or to reserve for a particular purpose, or to cause any wholly owned subsidiary of the Crown Agents so to allocate, either a specified amount or such amount as the Crown Agents consider adequate ; or
 - (b) requiring them to re-allocate for a specified purpose, or to cause any such wholly owned subsidiary so to reallocate, the whole or part of any amount previously allocated by the Crown Agents or the subsidiary to reserve for some other purpose ; or
 - (c) with respect to the application by the Crown Agents or any such wholly owned subsidiary of amounts allocated to reserve;but no such directions shall require any amount to be allocated, re-allocated or (subject to section 16(3)) applied otherwise than for the purposes of the Crown Agents and their wholly owned subsidiaries.
- (2) Directions under subsection (1) requiring the allocation of any amount to reserve may provide for it to be so allocated either at a specified time or during the course of a specified period.

15 Management of liquid assets of Crown Agents and their wholly owned subsidiaries

Any money for the time being standing to the credit of the Crown Agents, other than money held by them as agents, shall be held or invested by them in accordance with regulations; and the Crown Agents shall ensure that any money for the time being standing to the credit of any wholly owned subsidiary of the Crown Agents, other than money held by the subsidiary as agent, is held or invested by it in accordance with regulations.

16 Payments to Minister

- (1) If for any accounting year there is an excess of revenue of the Crown Agents over the total sum required by them—
 - (a) to meet the total outgoings of the Crown Agents properly chargeable to revenue account; and
 - (b) to enable the Crown Agents to make such allocations to reserve as they consider adequate, and as may be necessary to comply with any directions under section 14 requiring them to make allocations to reserve,the Minister may, with the approval of the Treasury and after consultation with the Crown Agents, give the Crown Agents directions requiring them to pay the whole or part of the excess to the Minister.
- (2) Subject to any directions given to them under subsection (1), the Crown Agents may deal with any such excess as is mentioned in that subsection either—
 - (a) by applying it for such of the purposes of the Crown Agents as they may determine ; or
 - (b) by allocating it to reserve, whether generally or for a particular purpose, or partly in one of those ways and partly in the other.
- (3) The Minister may, with the approval of the Treasury and after consultation with the Crown Agents, direct the Crown Agents to pay to the Minister the whole or part of the sum for the time being standing to the credit of any reserve of the Crown Agents.
- (4) Any sums received by the Minister in pursuance of this section shall be paid into the Consolidated Fund.

17 Crown Agents' commencing capital debt

- (1) The Crown Agents shall on the appointed day assume a debt due to the Minister (in this Act referred to as their "commencing capital debt") in respect of the property and rights transferred to them by virtue of section 2.
- (2) The amount of the Crown Agents' commencing capital debt shall be such as the Minister may, with the approval of the Treasury, specify by notice in writing given to the Crown Agents ; and the Treasury shall be deemed to have issued to the Minister out of the National Loans Fund on the appointed day a sum equal to that amount.
- (3) The arrangements for repaying the Crown Agents' commencing capital debt, and, subject to the following provisions of this section, the other terms of that debt shall be such as the Minister may from time to time, after consultation with the Crown Agents, determine.
- (4) For any part of the initial period interest shall be payable on the Crown Agents' commencing capital debt or any portion of that debt only if the Minister so determines; and for any part of that period for which interest on the debt or any portion thereof is payable, the rate of interest shall be such as the Minister may from time to time determine.
- (5) As from the end of the initial period interest on the amount outstanding in respect of the principal of the Crown Agents' commencing capital debt shall be payable at such rate as the Minister may from time to time determine.

- (6) Different rates may be determined under subsection (4) or (5) with respect to different portions of the debt.
- (7) Any sums received by the Minister by way of interest on or repayment of the Crown Agents' commencing capital debt shall be paid into the National Loans Fund.
- (8) The approval of the Treasury shall be required for any determination by the Minister under this section; but section 5(2) of the National Loans Act 1968 (criteria for fixing or approving rates of interest) shall not apply to approval by the Treasury of a rate of interest on the Crown Agents' commencing capital debt or any portion thereof for any part of the initial period.
- (9) For the purposes of this section " the initial period " means the period of five years or, if the Minister by order so provides, seven years beginning with the appointed day.
- (10) No order shall be made under subsection (9) unless a draft thereof has been laid before and approved by a resolution of the House of Commons.

18 Borrowing powers of Crown Agents and their wholly owned subsidiaries

- (1) Subject to section 19, the Crown Agents may borrow money in accordance with the provisions of subsections (2) to (5), and not otherwise.
- (2) The Crown Agents may borrow temporarily, by way of overdraft or otherwise—
 - (a) in sterling from the Minister; or
 - (b) with the consent of the Minister or in accordance with any general authority given by him, in sterling or a currency other than sterling from a person other than the Minister,such sums as the Crown Agents may require for meeting their obligations and performing their functions or for enabling any of their wholly owned subsidiaries to meet the obligations and perform the functions of that subsidiary.
- (3) The Crown Agents may borrow, otherwise than by way of temporary loan—
 - (a) in sterling from the Minister ; or
 - (b) with the consent of the Minister, in sterling from the Commission of the European Communities or the European Investment Bank or in a currency other than sterling from a person other than the Minister,such sums as the Crown Agents may require for any of the purposes mentioned in subsection (2).
- (4) The Minister shall not give any consent or authority under subsection (2) or (3) except with the approval of the Treasury.
- (5) The Crown Agents may borrow from any of their wholly owned subsidiaries without any consent, approval or other authority.
- (6) It shall be the duty of the Crown Agents to secure that no wholly owned subsidiary of theirs borrows money otherwise than from the Crown Agents or another wholly owned subsidiary of the Crown Agents.
- (7) References in this and the following section to borrowing by the Crown Agents or by a subsidiary of theirs do not include—
 - (a) receiving money in the capacity of an agent or in the capacity of the provider of any goods or services ; or

- (b) in the case of any sum received by the Crown Agents as agents, making use of it for the Crown Agents own benefit as mentioned in section 5(4).

19 Limit on certain liabilities of Crown Agents and their subsidiaries

- (1) The aggregate of the following amounts, namely—
- (a) the amounts outstanding in respect of the principal of money borrowed by the Crown Agents under section 18 otherwise than from a wholly owned subsidiary of theirs;
 - (b) the amount outstanding in respect of the principal of the Crown Agents' commencing capital debt; and
 - (c) all liabilities which for the time being are to be taken into account for the purposes of this subsection by virtue of subsection (2),
- shall not at any time exceed £50 million or such greater sum. not exceeding £80 million, as the Minister may from time to time, with the consent of the Treasury, by order specify.
- (2) Where any asset is being leased or hired by the Crown Agents or any of their subsidiaries at any time in circumstances such that, in the relevant accounts, if made up to that time—
- (a) that asset would be capitalised ; and
 - (b) the present and future liabilities of the Crown Agents or the subsidiary, as the case may be, under the lease or hiring agreement would be shown,
- the aggregate of those liabilities, as they would be shown in those accounts, shall be taken into account for the purposes of subsection (1) in its application to that time.
- (3) For the purposes of subsection (2) " the relevant accounts " means—
- (a) in the case of an asset leased or hired by the Crown Agents, a statement of accounts dealing with the Crown Agents and complying with any requirements duly notified to the Crown Agents under section 22(4);
 - (b) in the case of an asset leased or hired by a subsidiary of the Crown Agents, a statement of consolidated accounts dealing with the Crown Agents and that subsidiary and complying with any such requirements.
- (4) No order shall be made under subsection (1) unless a draft thereof has been laid before and approved by a resolution of the House of Commons.
- (5) Section 18(7) applies for the purposes of this section.

20 Grants and loans by Minister

- (1) The Minister may, with the approval of the Treasury—
- (a) make to the Crown Agents out of money provided by Parliament grants of such amounts as the Minister thinks fit;
 - (b) give the Crown Agents directions providing that the whole or part of a grant made under paragraph (a) is not to be used by them otherwise than—
 - (i) for the purposes of such of their functions as are specified in the directions or as the Minister may, with the approval of the Treasury, from time to time determine; and
 - (ii) in accordance with such conditions as are so specified or as the Minister may, with the like approval, from time to time determine.

- (2) The Minister may, with the approval of the Treasury, lend to the Crown Agents any sums which they have power to borrow from him under section 18 ; and the Treasury may issue to the Minister out of the National Loans Fund any sums necessary to enable him to make loans under this subsection.
- (3) Any loans made under subsection (2) shall be repaid to the Minister at such times and by such methods, and, subject to subsection (4), interest thereon shall be paid to him at such rates and at such times, as he may from time to time determine.
- (4) In the case of any loan made to the Crown Agents under subsection (2) in the initial period, being a loan obtained by them for the purpose of repaying the whole or part of their commencing capital debt—
 - (a) interest on that loan or any portion thereof shall be payable for any part of the initial period only if the Minister so determines ; and
 - (b) for any part of that period for which interest on that loan or any portion thereof is payable, the rate of interest shall be such as the Minister may from time to time determine.
- (5) The approval of the Treasury shall be required for any determination by the Minister under subsection (3) or (4); but, in the case of a loan to which subsection (4) applies, section 5(2) of the National Loans Act 1968 (criteria for fixing or approving rates of interest) shall not apply to approval by the Treasury of a rate of interest on that loan or any portion thereof for any part of the initial period.
- (6) All sums received by the Minister under subsection (3) or (4) shall be paid into the National Loans Fund.
- (7) In respect of each financial year the Minister shall prepare, in such form as the Treasury may direct, an account of—
 - (a) any sums issued to him under subsection (2) or received by him under subsection (3) or (4); and
 - (b) any sums received by him by way of interest on, or repayment of, the Crown Agents' commencing capital debt,and the disposal by him of any sums so received, and shall send the account to the Comptroller and Auditor General not later than the end of the month of November following the financial year to which it relates; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it and of his report before each House of Parliament.
- (8) For the purposes of this section " the initial period " has the same meaning as it has for the purposes of section 17.

21 Treasury guarantees

- (1) The Treasury may guarantee, in such manner and on such conditions as they think fit, the repayment of the principal of, the payment of interest on, and the discharge of any other financial obligation in connection with, any sums borrowed by the Crown Agents from a person other than the Minister.
- (2) Immediately after a guarantee is given under this section the Treasury shall lay a statement of the guarantee before each House of Parliament.
- (3) Any sum required for fulfilling a guarantee given under this section shall be charged on and issued out of the Consolidated Fund.

- (4) Where any sum is so issued for fulfilling any such guarantee—
- (a) the Crown Agents shall make to the Treasury, at such time and in such manner as the Treasury may from time to time direct, payments of such amounts as the Treasury may so direct in or towards repayment of that sum and payments of interest on the amount outstanding for the time being in respect of that sum at such rate as the Treasury may so direct; and
 - (b) the Treasury shall, as soon as possible after the end of each financial year beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to the sum.
- (5) Any sums received by the Treasury in pursuance of subsection (4)(a) shall be paid into the Consolidated Fund.

22 Accounts and audit

- (1) Subject to the following provisions of this section, it shall be the duty of the Crown Agents—
- (a) to keep proper accounts and proper records in relation thereto; and
 - (b) to prepare in respect of each accounting year a statement of accounts dealing with, and giving a true and fair view of the state of affairs, profit or loss, and source and application of funds of, the Crown Agents.
- (2) If the Minister with the approval of the Treasury so directs, it shall be the duty of the Crown Agents to prepare, in respect of each accounting year during which the direction is in force, such of the following statements of accounts as are specified in the direction, namely a statement or statements of consolidated accounts dealing with, and giving a true and fair view of the state of affairs, profit or loss, and source and application of funds of—
- (a) the Crown Agents and all of their subsidiaries; or
 - (b) the Crown Agents and one or more of their subsidiaries specified in the direction; or
 - (c) two or more subsidiaries of the Crown Agents so specified.
- (3) A direction under subsection (2) requiring the preparation of a statement or statements of consolidated accounts dealing with the Crown Agents and all or one or more of their subsidiaries—
- (a) may provide that where, in respect of any accounting year, the statement or statements prepared in accordance with the direction show the profit or loss of the Crown Agents for that year, the statement prepared in respect of that year under subsection (1)(b) need not contain a profit and loss account; and
 - (b) may provide that the statement prepared under subsection (1)(b) in respect of any accounting year during which the direction is in force need not contain a statement of the source and application of funds.
- (4) Every statement of accounts prepared by the Crown Agents under this section shall conform to the best commercial standards and, subject to that, shall comply with any requirement which the Minister has, with the approval of the Treasury, notified in writing to the Crown Agents relating to—
- (a) the information to be contained in the statement;

- (b) the manner in which the information is to be presented; and
 - (c) the methods and principles according to which the statement is to be prepared.
- (5) The accounts kept, and all statements prepared, by the Crown Agents in pursuance of the preceding provisions of this section shall be audited by auditors appointed for each accounting year by the Minister after consultation with the Crown Agents.
- (6) A person shall not be qualified for appointment under subsection (5) unless he is a member of one or more bodies of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Secretary of State.
- (7) As soon as the accounts kept, and the statement or statements prepared, by the Crown Agents in pursuance of the preceding provisions of this section have been audited, the Crown Agents shall send to the Minister a copy of the statement or statements, together with a copy of any report made by the auditors on the statement or statements or on the accounts of the Crown Agents; and the Minister shall lay a copy of every statement and report of which a copy is received by him in pursuance of this subsection before each House of Parliament
- (8) It shall be the duty of the Crown Agents to secure that the requirements of subsections (5) and (7) with respect to the accounts and statements relating to any particular accounting year are complied with within seven months after the end of that year or within such longer period as the Minister may for any special reason allow in relation to that year.

23 Power of Minister to give directions with respect to financial matters

- (1) Without prejudice to any other power conferred on the Minister by this Act, the Minister may, with the approval of the Treasury and after consultation with the Crown Agents, give the Crown Agents directions with respect to any financial matter connected with any of the functions which they are performing or propose to perform in their own right (including the exercise of rights conferred by the holding of interests in bodies corporate).
- (2) A direction under this section may be general or specific in character, but shall not confer on the Crown Agents power to do anything which they would not have power to do apart from the direction.

24 Duty to insure against insurable financial risks

It shall be the duty of the Crown Agents to secure, so far as is reasonably practicable, that they and their subsidiaries are appropriately insured against financial risks arising from the activities in which they engage, whether as agents or in their own right.

The Crown Agents Holding and Realisation Board

25 The Crown Agents Holding and Realisation Board

- (1) On the appointed day there shall come into being a body corporate named the Crown Agents Holding and Realisation Board (in this Act referred to as "the Board") which shall function under and in accordance with the provisions of this section and

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Schedule 5 and such of the other provisions of this Act as (by virtue of that Schedule or otherwise) apply in relation to the Board.

- (2) The Board shall consist of the persons for the time being holding office as members of the Crown Agents; and the persons for the time being holding office as the chairman and the deputy chairman of the Crown Agents shall be respectively the chairman and the deputy chairman of the Board.
- (3) Subject to the provisions of Schedule 5, it shall be the duty of the Board, acting in accordance with such instructions as may from time to time be given by the Minister under paragraph 21 of that Schedule
 - (a) to secure the realisation of the Board's assets and the assets of the Board's subsidiaries and the application of the proceeds in or towards discharging the liabilities of the Board and their subsidiaries;
 - (b) to secure that while any particular asset of the Board or any of the Board's subsidiaries remains unrealised, it is held and managed as advantageously as is consistent with its eventual realisation; and
 - (c) to discharge the liabilities of the Board and of each of their subsidiaries so far as not discharged in pursuance of paragraph (a).
- (4) The Board are not to be regarded as servants or agents of the Crown or as enjoying any status, privilege or immunity of the Crown, and their property is not to be regarded as property of, or held on behalf of, the Crown.
- (5) Schedule 5 shall have effect with respect to the Board, their powers and duties, and their eventual dissolution.

26 Position with respect to recoverable grants paid to unincorporated Agents

- (1) The liability of the unincorporated Agents to make, at the direction of the Minister, repayments in respect of the sums totalling £175 million paid to them by the Minister by way of recoverable grant (that is to say the sums of £85 million and £90 million so paid on 24th December 1974 and 28th March 1978 respectively) shall cease on the day before the appointed day, and shall accordingly not become a liability of the Crown Agents or the Board.
- (2) If for any accounting year—
 - (a) there is an excess of revenue of the Board over the total sums properly chargeable by the Board to revenue account; and
 - (b) under paragraph 14(2) of Schedule 5 the Minister has power to direct the Board to pay the whole or a part of that excess into the Consolidated Fund,then, in deciding whether to give the Board such a direction, the Minister shall have regard to the fact that the sum of £175 million mentioned in subsection (1) would have been recoverable at his direction but for that subsection.

Miscellaneous and general

27 Exemptions

- (1) The Board and every wholly owned subsidiary of the Board shall be exempt from corporation tax.

- (2) Stamp duty shall not be chargeable on any declaration of trust in respect of any land situated outside the United Kingdom which is made by the Minister on the appointed day for the benefit of the Crown Agents.
- (3) The provisions of the Moneylenders Acts 1900 to 1927 and the Moneylenders Acts (Northern Ireland) 1900 to 1969 shall not apply—
 - (a) to the Crown Agents or the Board; or
 - (b) to any body corporate the whole of whose issued share capital is held by or on behalf of the Board.

28 Provisions as to revenue of, and alienations by, former Agents

- (1) Revenue received (before or after the passing of this Act) by the former Agents or any of them on behalf of the Crown shall not be treated as being, or as having at any time been, required to be paid into the Consolidated Fund by virtue of section 1 of the Civil List Act 1952 (payment of hereditary revenues into that Fund) or any corresponding earlier enactment
- (2) The former Agents shall be deemed not to be, and never to have been, subject to any restraint on alienation imposed on the Crown by section 5 of the Crown Lands Act 1702.
- (3) In this section " the former Agents " means the persons from time to time holding office under the Crown (whether as the Crown Agents for Oversea Governments and Administrations or by any other name) as the persons appointed to act as agents or trustees for oversea governments and administrations, and in subsection (2) includes persons who have ceased to hold office as aforesaid.

29 Administrative expenses

Any administrative expenses incurred by the Minister in connection with the provisions of this Act shall be defrayed out of money provided by Parliament.

30 Orders, regulations and consents

- (1) An order or regulations made by the Minister under any provision of this Act—
 - (a) may make different provision in relation to different cases or circumstances;
 - (b) may make the consent or approval of the Minister material for the purposes of any provision of the order or regulations; and
 - (c) may contain such supplementary, incidental and transitional provisions as appear expedient to the Minister.
- (2) Any power of the Minister to make an order under any provision of this Act shall be exercisable by statutory instrument.
- (3) Any order made under any provision of this Act, except—
 - (a) an order under section 1(1) or 31(2) or paragraph 24(2) of Schedule 5 ; and
 - (b) an order which is required to be laid before Parliament or the House of Commons in draft,shall be subject to annulment in pursuance of a resolution of either House of Parliament.

- (4) Any consent given by the Minister under this Act—
- (a) may be given either generally or so as to apply only to the doing of specified things by or in relation to specified persons;
 - (b) may, if given generally, be revoked by the Minister; and
 - (c) may in any case be given either unconditionally or subject to such conditions as the Minister thinks fit.
- (5) Where any body corporate is given power by or under this Act to do something only with the consent of the Minister, then, if that consent is given subject to conditions, the body corporate shall not have power to do anything by virtue of that consent except in accordance with the conditions.

31 Interpretation

- (1) In this Act—

" accounting year " means, subject to subsection (2) and to any order under subsection (3) altering the meaning of that expression in relation to the Crown Agents, a period of twelve months ending with the 31st December in any year;

" the appointed day " means the day appointed by the Minister under section 1(1);

" the Board " means the Crown Agents Holding and Realisation Board;

" commencing capital debt ", in relation to the Crown Agents, has the meaning given by section 17(1);

" the Crown Agents " means the body corporate established by section 1;

" financial year ", in relation to the unincorporated Agents, means a period of twelve months ending with the 31st December in any year ;

" functions " includes powers and duties ;

" the Minister " means the Minister of Overseas Development ;

"pension", in relation to any person, means a pension, whether contributory or not, of any kind whatever payable to or in respect of him, and includes an allowance or a gratuity so payable (whether on retirement or otherwise) and a return of contributions to a pension fund or of insurance premiums, with or without interest or any other addition;

" performance ", in relation to functions, includes the exercise of powers as well as the performance of duties, and " perform " shall be construed accordingly;

" regulations " means regulations made by the Minister with the approval of the Treasury;

" scheduled authority or body " has the meaning given by section 3(3);

" subsidiary " shall be construed in accordance with section 154 of the Companies Act 1948 or section 148 of the Companies Act (Northern Ireland) 1960, and " wholly owned subsidiary " shall be construed in accordance with section 150(4) of that Act of 1948 or section 144(5) of that Act of 1960;

" the unincorporated Agents " has the meaning given by section 1(2)(b).

- (2) For the purposes of this Act the first accounting year shall be the period of whatever length beginning with such date (whether the same as, or earlier or later than, the appointed day) as the Minister may by order prescribe and ending with the 31st December next after the appointed day.

- (3) The Minister may, after consultation with the Crown Agents, by order direct that, in relation to the Crown Agents, the definition of "accounting year" in subsection (1) shall have effect with the substitution for the 31st December (or any date for the time being substituted therefor under this subsection) of such date as may be prescribed by the order; and where an order is made under this subsection then, in relation to the Crown Agents, the duration of the accounting year in which the first altered accounting year is to begin, or of the preceding accounting year, shall be shortened or extended, as the order may provide, by not more than six months so as to end with the date prescribed by the order.
- (4) Any provision of this Act conferring a power to give directions or instructions shall be construed as imposing, on any person to whom directions or instructions are given thereunder, a duty to comply with those directions or instructions.

32 Consequential amendments, transitional provisions and repeals

- (1) The enactment mentioned in Part I of Schedule 6 shall have effect as from the appointed day subject to the amendments there specified (being amendments consequential on the provisions of this Act).
- (2) This Act shall have effect subject to the transitional provisions contained in Part II of Schedule 6.
- (3) The enactments mentioned in Schedule 7 are hereby repealed as from the appointed day to the extent specified in the third column of that Schedule.

33 Citation and extent

- (1) This Act may be cited as the Crown Agents Act 1979.
- (2) This Act extends to Northern Ireland.

SCHEDULES

SCHEDULE 1

Section 1.

SUPPLEMENTARY PROVISIONS AS TO CONSTITUTION ETC OF CROWN AGENTS

Appointment and tenure of members

- 1 It shall be the duty of the Minister—
- (a) to satisfy himself, before he appoints a person to be a member of the Crown Agents, that he will have no such financial or other interest as is likely to affect prejudicially the performance of his functions as a member; and
- (b) to satisfy himself from time to time with respect to each member that he has no such interest;
- and a person who is a member or whom the Minister proposes to appoint as a member shall, whenever requested by the Minister to do so, furnish the Minister with such information as he may specify with a view to carrying out his duty under this paragraph.
- 2 Subject to the following provisions of this Schedule, a person shall hold and vacate office as a member or the chairman or deputy chairman of the Crown Agents in accordance with the terms of the instrument appointing him to that office.
- 3 A person may at any time resign his office as a member or the chairman or deputy chairman by giving to the Minister a signed notice in writing stating that he resigns that office.
- 4 Where a member becomes or ceases to be the chairman or deputy chairman, the Minister may vary the terms of the instrument appointing him a member so as to alter the date on which he is to vacate office as a member.
- 5 If the chairman or deputy chairman ceases to be a member, he shall cease to be the chairman or deputy chairman, as the case may be.
- 6 (1) If the Minister is satisfied that a member—
- (a) has been absent from meetings of the Crown Agents for a period longer than three consecutive months without the permission of the Crown Agents; or
- (b) has become bankrupt or made an arrangement with his creditors; or
- (c) is incapacitated by physical or mental illness; or
- (d) is otherwise unable or unfit to discharge the functions of a member,
- the Minister may declare his office as a member vacant, and shall notify the declaration in such manner as he thinks fit; and thereupon the office shall become vacant.
- (2) In the application of sub-paragraph (1) to Scotland, for the references in paragraph (b) to a member's having become bankrupt and to a member's having made an arrangement with his creditors there shall be substituted respectively a reference to sequestration of a member's estate having been awarded and to a member's having made a trust deed for behoof of his creditors or a composition contract.

Remuneration etc. of members

- 7 The Crown Agents shall pay to each of their members such remuneration and such reasonable allowances in respect of expenses as the Minister may determine with the approval of the Minister for the Civil Service.
- 8 (1) If the Minister so determines in the case of any person who is or has been a member of the Crown Agents, the Crown Agents shall pay or make arrangements for the payment of such pension to or in respect of that person as the Minister may determine.
- (2) Where a person ceases to be a member of the Crown Agents otherwise than on the expiry of his term of office and it appears to the Minister that there are special circumstances which make it right for that person to receive compensation, the Minister may direct the Crown Agents to make to that person a payment of such amount as the Minister may determine.
- (3) The approval of the Minister for the Civil Service shall be required for any determination or direction by the Minister under this paragraph.

Disqualification of members of Crown Agents for House of Commons and Northern Ireland Assembly

- 9 As from the appointed day the references to the Crown Agents for Oversea Governments and Administrations in Part II of Schedule I. to the House of Commons Disqualification Act 1975 and Part II of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (bodies of which all members are disqualified) are to be read as referring to the Crown Agents and not the unincorporated Agents.

Proceedings

- 10 The quorum of the Crown Agents and the arrangements relating to their meetings shall be such as the Crown Agents may determine.
- 11 (1) A member who is in any way directly or indirectly interested in a contract made or proposed to be made by the Crown Agents (whether as agents or in their own right), or in any other matter whatsoever which falls to be considered by them, shall disclose the nature of his interest at a meeting of the Crown Agents, and the disclosure shall be recorded in the minutes of the meeting.
- (2) The member shall not—
- (a) in the case of any such contract, take part in any deliberation or decision of the Crown Agents with respect to the contract; and
- (b) in the case of any other matter, take part in any deliberation or decision of the Crown Agents with respect to the matter if the Crown Agents decide that the interest in question might prejudicially affect the member's consideration of the matter.
- (3) For the purposes of this paragraph, a notice given by a member at a meeting of the Crown Agents to the effect that he is a member of a specified body corporate or firm and is to be regarded as interested in any contract which is made with the body corporate or firm after the date of the notice, and in any other matter whatsoever concerning the body corporate or firm which falls to be considered by the Crown Agents after that date, shall be a sufficient disclosure of his interest.

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- (4) A member need not attend in person at a meeting of the Crown Agents in order to make a disclosure which he is required to make under this paragraph, if he takes reasonable steps to secure that the disclosure is made by a notice which is taken into consideration and read at such a meeting.
- 12 The validity of any proceedings of the Crown Agents shall not be affected by any vacancy among the members or by any defect in the appointment of a member or by any failure to comply with the requirements of paragraph 11.

Staff

- 13 (1) The Crown Agents may appoint, on such terms and conditions as they think fit, such officers and servants of the Crown Agents as they think fit.
- (2) In the case of any person to be employed by them on and after the appointed day who immediately before that day was employed by the unincorporated Agents, the Crown Agents shall ensure that, so long as he is engaged in duties reasonably comparable to those in which he was engaged immediately before he joined the Crown Agents' staff, the terms and conditions of his employment, taken as a whole, are not less favourable than those which he then enjoyed.
- (3) In relation to any person who—
- (a) is in the employment of the unincorporated Agents immediately before the appointed day ; and
 - (b) is as from that day employed by the Crown Agents,
- Schedule 13 to the Employment Protection (Consolidation) Act 1978 (ascertainment, for the purposes of that Act and section 119 of the Employment Protection Act 1975, of the length of an employee's period of employment and whether that employment has been continuous) shall have effect as if his employment under the unincorporated Agents had been Crown employment within the meaning of paragraph 19 of that Schedule.
- 14 (1) The Crown Agents may pay such pensions as they think fit to or in respect of any of their employees, make such payments as they think fit towards the provision of pensions to or in respect of any of their employees, or provide and maintain such schemes as they think fit (whether contributory or not) for the payment of pensions to or in respect of any of their employees, and may manage the investment of funds for the trustees of any such scheme.
- (2) If an employee of the Crown Agents becomes a member and was by reference to his employment by the Crown Agents a participant in a pension scheme maintained by the Crown Agents for the benefit of any of their employees—
- (a) the Crown Agents may determine that his service as a member shall be treated for the purposes of the scheme as service as an employee of the Crown Agents whether or not any benefits are to be payable to or in respect of him by virtue of paragraph 8(1); but
 - (b) if the Crown Agents determine as aforesaid in his case, any discretion as to the benefits payable to or in respect of him which the scheme confers on the Crown Agents shall be exercised by them only with the consent of the Minister given with the approval of the Minister for the Civil Service.
- 15 (1) Except so far as they are satisfied that adequate machinery exists for achieving the purposes mentioned in sub-paragraph (2), it shall be the duty of the Crown Agents to consult any organisation appearing to them to be appropriate with a

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view to the conclusion between the Crown Agents and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for the purposes mentioned in that sub-paragraph.

- (2) Those purposes are—
- (a) the settlement by negotiation of terms and conditions of employment of persons employed by the Crown Agents and their wholly owned subsidiaries ;
 - (b) the resolution of trade disputes, within the meaning of the Trade Union and Labour Relations Act 1974 ;
 - (c) the promotion and encouragement of measures affecting efficiency, in any respect, in the carrying on of their activities by the Crown Agents and their wholly owned subsidiaries ; and
 - (d) the discussion of other matters of mutual interest to the parties to the agreements.

Performance of functions

- 16 The Crown Agents may authorise any member or employee of the Crown Agents to perform on behalf of the Crown Agents such of the Crown Agents' functions (including the power conferred on the Crown Agents by this paragraph) as are specified in the authorisation.

Instruments and contracts

- 17 The fixing of the common seal of the Crown Agents shall be authenticated by the signature of their secretary or some other person authorised by them to act for that purpose.
- 18 (1) A document purporting to be duly executed under the seal of the Crown Agents shall be received in evidence and shall, unless the contrary is proved, be deemed to be so executed.
- (2) A document purporting to be signed on behalf of the Crown Agents shall be received in evidence and shall, unless the contrary is proved, be deemed to be so signed.

SCHEDULE 2

Section 2.

SUPPLEMENTARY PROVISIONS AS TO VESTING OF PROPERTY ETC

- 1 In this Schedule " the former Agents " means the persons who at any material time before the appointed day held office under the Crown (whether as the Crown Agents for Oversea Governments and Administrations or by any other name) as the persons appointed to act as agents or trustees for oversea governments and administrations.
- 2 Every agreement to which the former Agents or any of them in their capacity as such were a party immediately before the appointed day, whether in writing or not and whether or not of such nature that rights, liabilities and obligations under it could be assigned by the former Agents or any of them, shall have effect as from that day as if—
- (a) the Crown Agents had been a party to the agreement;

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- (b) for any reference (however worded, and whether express or implied) to the former Agents or any of them there were substituted, as respects anything falling to be done on or after the appointed day, a reference to the Crown Agents ; and
 - (c) for any reference (however worded, and whether express or implied) to any member or officer of the former Agents, not being a party to the agreement and beneficially interested therein, there were substituted, as respects anything falling to be done on or after the appointed day, a reference to such person as the Crown Agents may appoint, or, in default of appointment, to the member or officer of the Crown Agents who corresponds as nearly as may be to the member or officer of the former Agents.
- 3 (1) Every agreement, whether in writing or not, and every document (not being an agreement to which paragraph 2 applies or an enactment) which refers whether specifically or generally to the former Agents or any of them in their capacity as such shall be construed in accordance with the provisions of that paragraph so far as applicable.
- (2) The agreements to which sub-paragraph (1) applies include any agreement to which paragraph 2 would apply but for the fact that rights, liabilities or obligations under it which were previously vested in one of the former Agents as a party to the agreement are, immediately before the appointed day, vested in a person who is not a party to the agreement.
- 4 Without prejudice to the generality of paragraphs 2 and 3, where any right, liability or obligation vests in the Crown Agents by virtue of this Act, the Crown Agents and all other persons shall, as from the appointed day, have the same rights, powers and remedies (and, in particular, the same rights as to the taking or resisting of legal proceedings or the making or resisting of applications to any authority) for ascertaining, perfecting or enforcing that right, liability or obligation as they would have had if it had at all times been a right, liability or obligation of the Crown Agents.
- 5 Without prejudice to the generality of paragraphs 2 and 3, any legal proceedings or applications to any authority pending on the appointed day—
 - (a) by the Crown in connection with the unincorporated Agents, or by the unincorporated Agents ; or
 - (b) against—
 - (i) the Crown in connection with the unincorporated Agents or any of them ; or
 - (ii) the former Agents or any of them ; or
 - (iii) any other person as the successor of any of the former Agents,shall, so far as they relate to any property, right, liability or obligation vesting in the Crown Agents by virtue of this Act or to any agreement or document which has effect in accordance with paragraph 2 or 3, be continued by or against the Crown Agents to the exclusion (where applicable) of the Crown or, as the case may be, the relevant person or persons mentioned in sub-paragraph (a) or (b).
- 6 (1) If any question arises whether any particular item of property or any particular right, liability or obligation vested or will vest in the Crown Agents on the appointed day by virtue of this Act, that question shall be referred to and determined by the Minister.
- (2) A certificate issued by or under the authority of the Minister and stating the result of any determination under sub-paragraph (1) shall be conclusive for all purposes.

SCHEDULE 3

Section 3.

SCHEDULED AUTHORITIES AND BODIES

PART I

DESCRIPTIONS OF AUTHORITIES AND BODIES FOR WHOM CROWN AGENTS CAN ACT AS AGENTS

- 1 The government of any colony or associated state or of any country or territory outside Her Majesty's dominions in which Her Majesty has jurisdiction in right of Her Government in the United Kingdom.
- 2 The government of any other country or territory outside the United Kingdom (including, in the case of any territory which is under both a local and a central government, the local as well as the central government).
- 3 Any department of the Government of the United Kingdom or of the Government of Northern Ireland, and any Minister of the Crown in charge of such a department.
- 4 Any organisation whose members consist of or include two or more of the following, namely sovereign Powers or the Governments of such Powers.
- 5 Any non-profit-making authority or body of an international character established by or under any treaty or other international agreement.
- 6 Any public authority or public body established under the law of—
 - (a) any part of the United Kingdom; or
 - (b) any country or territory outside the United Kingdom.
- 7 Any organisation or body established for charitable purposes.
- 8 Any body corporate the whole of whose issued share capital is held, directly or through a nominee, by an authority or body within any of paragraphs 1 to 7.
- 9 Any body corporate for the time being approved by the Minister for the purposes of this paragraph, being a body more than half (but less than the whole) of whose issued share capital is held as mentioned in paragraph 8.
- 10 The trustees of any pension fund maintained by any authority or body within any of paragraphs 1 to 9.
- 11 Any body corporate for the time being approved by the Minister for the purposes of this paragraph, being a co-operative established under the law of any country or territory outside the United Kingdom.

PART II

SUPPLEMENTARY

- 1 If any question arises whether a particular authority or body is a scheduled authority or body, that question shall be referred to and determined by the Minister.
- 2 A determination by the Minister under the preceding paragraph—
 - (a) shall be conclusive for the purposes of this Act; but
 - (b) may (without prejudice to its previous operation) be revoked by the Minister at any time if satisfied that the authority or body to which it relates

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has, in consequence of a change in its status or for any other reason, ceased to be or, as the case may be, become a scheduled authority or body.

SCHEDULE 4

Section 4.

AUTHORISED AGENCY ACTIVITIES

- 1 Procuring movable property of any kind.
- 2 Making arrangements for and in connection with the conveyance of movable property of any kind to any destination (including arrangements for its insurance and inspection).
- 3 Obtaining professional advice on projects, and negotiating and making contracts for the preparation of projects and the carrying out of feasibility studies.
- 4 Acquiring and disposing of land, doing anything in connection with any land, and arranging for anything to be done in connection with any land.
- 5 Negotiating and making contracts for the design, production or supply of coins, medallions, currency notes, postage stamps and other documents.
- 6 Selling coins, medallions, currency notes and postage stamps to dealers.
- 7 Recruiting staff.
- 8 Making travel and other arrangements for staff and other persons.
- 9 Paying remuneration, allowances, expenses and pensions.
- 10 Accepting funds for investment on behalf of the principal and managing the investment of funds so accepted, but only at the risk of, and (subject to section 8(5)) in accordance with general or specific instructions given by, the principal.
- 11 Making or receiving payments in accordance with standing or other instructions given by the principal.
- 12 Managing operations relating to the raising and servicing of loans.
- 13 Administering and managing the provision or utilisation of financial, technical or other assistance of any kind.
- 14 Negotiating and making contracts for the assembly, installation, commissioning or maintenance of equipment.

SCHEDULE 5

Section 25.

PROVISIONS RELATING TO CROWN AGENTS HOLDING AND REALISATION BOARD

Absence of members from Board meetings

- 1 The power of the Minister to declare vacant the office of a member of the Crown Agents by virtue of paragraph 6(1)(a) of Schedule 1 shall include power to declare vacant the office of such a member who, in his capacity as member of the Board, has been absent from meetings of the Board for a period longer than three consecutive months without the permission of the Board.

Payment of allowances to members

- 2 The Board shall pay to each of their members such reasonable allowances in respect of expenses as the Minister may determine with the approval of the Minister for the Civil Service.

Proceedings

- 3 Paragraphs 10 to 12 of Schedule 1 shall apply to the Board as they apply to the Crown Agents.

Performance of functions

- 4 The Board may authorise any member of the Board or any employee of the Crown Agents to perform on behalf of the Board such of the Board's functions (including the power conferred on the Board by this paragraph) as are specified in the authorisation.

Instruments and contracts

- 5 The fixing of the common seal of the Board shall be authenticated by the signature of any person authorised by the Board to act for the purpose.
- 6 Paragraph 18 of Schedule 1 shall apply in relation to the Board as it applies in relation to the Crown Agents.

Vesting in Board of property, rights and liabilities

- 7 (1) On the appointed day there shall by virtue of this Act vest in the Board the interest of Four Millbank Holdings Limited in shares issued by the following companies (in this paragraph referred to as "the Companies"), namely Four Millbank Investments Limited and Four Millbank Securities Limited.
- (2) In so far as the rights, liabilities and obligations referred to in section 2(1)(b) consist of rights, liabilities and obligations enjoyed by, or incumbent on, the Crown in connection with—
- (a) either of the Companies or any subsidiary of either of them; or
 - (b) any shares in either of the Companies ; or
 - (c) any property which immediately before the appointed day is vested in either of the Companies or in any subsidiary of either of them,
- those rights, liabilities and obligations shall (subject to sub-paragraph (3)) on the appointed day vest in the Board by virtue of this Act, and not in the Crown Agents.
- (3) The rights, liabilities and obligations which vest in the Board by virtue of sub-paragraph (2) shall not include any right, liability or obligation under or arising out of a contract of employment.
- (4) In so far as any agreement or other document to which paragraph 2 or paragraph 3(1) of Schedule 2 applies relates to any property, right, liability or obligation vesting in the Board by virtue of sub-paragraph (1) or (2) of this paragraph, paragraph 2 of that Schedule shall, in its application to that agreement or document, have effect—
- (a) as if any reference to the Crown Agents were a reference to the Board ; and
 - (b) as if in paragraph 2(c) the resulting reference to the officer of the Board who corresponds as nearly as may be to the officer of the former Agents were a

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reference to the officer of the Crown Agents acting for the Board who so corresponds.

- (5) Paragraphs 4, 5 and 6 of Schedule 2 shall have effect in relation to the Board as they have effect in relation to the Crown Agents, any reference to paragraph 2 or paragraph 3 of that Schedule being for this purpose read as a reference to that paragraph as modified by sub-paragraph (4) of this paragraph.
- (6) If it appears to the Minister that any liability which has vested in the Crown Agents under section 2 is one which should be borne by the Board rather than by the Crown Agents, he may instruct the Board to indemnify the Crown Agents against that liability and any expenses which have been or may be incurred by the Crown Agents in connection therewith.
- (7) In this paragraph "the Crown" means the Crown in right of Her Majesty's Government in the United Kingdom.

Ancillary powers

- 8 (1) Subject to the provisions of this paragraph, the Board shall have power to do anywhere in the world anything which is calculated to facilitate the performance of their functions (other than those conferred on them by this sub-paragraph) or is incidental or conducive to the performance of any such function, including, without prejudice to the generality of the preceding provision, power to acquire, hold and dispose of interests in other bodies corporate and to form or take part in forming bodies corporate.
- (2) The Board, if so instructed by the Minister under paragraph 21, shall (notwithstanding sub-paragraph (3)(g)) have power—
 - (a) to remit the whole or part of any liability towards the Board of any subsidiary of the Board ; and
 - (b) to cause any such subsidiary to remit the whole or part of any liability towards itself of any other subsidiary of the Board.
- (3) Except with the consent of the Minister the Board shall not have power—
 - (a) to acquire any interest in a body corporate ;
 - (b) to form or take part in forming a body corporate ;
 - (c) to enter into a partnership or any other form of joint venture with any person other than a subsidiary of the Board;
 - (d) to acquire land ;
 - (e) to guarantee any obligation (however arising) incurred by any person other than a subsidiary of the Board;
 - (f) to lend money to any person other than a subsidiary of the Board;
 - (g) as regards any debt to or other financial liability towards the Board, to accept in satisfaction thereof less than the full amount thereof in money or money's worth.
- (4) The Board shall not have power—
 - (a) to employ staff;
 - (b) to use any office accommodation, office equipment or other office facilities except under arrangements made under subparagraph (5); or
 - (c) except with the consent of the Minister, to engage the services of any person as consultant or adviser to the Board.

- (5) The Board may make arrangements with the Crown Agents for the use by the Board—
- (a) of the services of any person in the employment of, or who acts as consultant or adviser to, the Crown Agents ; and
 - (b) of any office accommodation, office equipment or other office facilities for the time being occupied or used by the Crown Agents in the course of their business;
- and any such arrangements may provide for payment to be made by the Board to the Crown Agents in respect of any such use at such rates as may be agreed from time to time between the parties with the approval of the Minister.
- (6) Nothing in this paragraph shall preclude the Board from holding any property or right, meeting any liability or fulfilling any obligation which under paragraph 7 vests in them on the appointed day.

Duties with respect to management of activities

- 9 Section 9 shall apply to the Board as it applies to the Crown Agents.

Power of Minister to obtain information from Board

- 10 Section 10 shall apply to the Board as it applies to the Crown Agents.

Annual reports

- 11 Section 11 shall apply to the Board as it applies to the Crown Agents.

Control by Board of subsidiaries

- 12 (1) Subject to sub-paragraph (2), section 12 shall apply in relation to the Board and their subsidiaries as it applies in relation to the Crown Agents and their subsidiaries, but with the omission, in subsection (2), of " wholly owned ", wherever occurring.
- (2) In the case of any subsidiary of the Board, the duty of the Board under section 12(1) (b), as applied by sub-paragraph (1), shall not apply as regards—
- (a) the doing of anything by the subsidiary for the purpose of realising any of the subsidiary's assets ; or
 - (b) the doing by the subsidiary of anything mentioned in paragraph 8(4).

Management of liquid assets of Board and their subsidiaries

- 13 Any money for the time being standing to the credit of the Board shall be held or invested by them in accordance with regulations ; and the Board shall ensure that any money for the time being standing to the credit of any subsidiary of the Board is held or invested by it in accordance with regulations.

Application of surplus revenue of Board

- 14 (1) If for any accounting year there is an excess of revenue of the Board over the total sums properly chargeable by the Board to revenue account, the excess shall be applied by the Board in such manner as the Minister, with the approval of the Treasury and after consultation with the Board, may direct.

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- (2) If it appears to the Minister, after consultation with the Board, that the whole or a part of any such excess is surplus to the requirements of the Board, he may under this paragraph, with the approval of the Treasury, direct the Board to pay the whole or, as the case may be, that part of that excess into the Consolidated Fund.
- (3) The account required to be prepared by the Minister in respect of any financial year under section 20(7) in its application to the Board shall include particulars of any sums required to be paid into the Consolidated Fund under this paragraph during that year.

Borrowing by the Board and their subsidiaries

- 15 (1) Subject to paragraph 16, the Board may borrow money in accordance with the provisions of section 18(2) to (4), as applied by sub-paragraph (2), and not otherwise.
- (2) Subsections (2) to (4) of section 18 shall apply in relation to the Board and their subsidiaries as they apply in relation to the Crown Agents and their subsidiaries, but with the omission of " wholly owned ", wherever occurring.
- (3) It shall be the duty of the Board to secure that, except with the consent of the Minister given with the approval of the Treasury, no subsidiary of theirs borrows money otherwise than from the Board or another subsidiary of the Board.

Limit on indebtedness of Board and their subsidiaries

- 16 (1) The aggregate of the following amounts, namely—
 - (a) the amounts outstanding in respect of the principal of money borrowed by the Board under the provisions applied by paragraph 15(2) otherwise than from a subsidiary of theirs; and
 - (b) the amounts outstanding in respect of the principal of money borrowed by any subsidiary of the Board otherwise than from the Board or another subsidiary of the Board,
 shall not at any time exceed £275 million or such greater sum, not exceeding £325 million, as the Minister may from time to time, with the consent of the Treasury, by order specify.
- (2) No order shall be made under sub-paragraph (1) unless a draft thereof has been laid before and approved by a resolution of the House of Commons.

Grants and loans by Minister

- 17 Section 20 shall apply to the Board as it applies to the Crown Agents, but—
 - (a) as if in subsection (2) the reference to section 18 were a reference to the provisions applied by paragraph 15(2) of this Schedule; and
 - (b) with the omission of—
 - (i) subsections (4), (7)(b) and (8);
 - (ii) the references to subsection (4) in subsections (3), (6) and (7); and
 - (iii) in subsection (5), the words from " or (4) " onwards.

Treasury guarantees

- 18 (1) The Treasury may on or after the appointed day guarantee, in such manner and on such conditions as they think fit, the discharge of any financial liability to which this sub-paragraph applies.
- (2) Sub-paragraph (1) applies to—
- (a) any financial liability which has on the appointed day vested in the Board under paragraph 7 ;
 - (b) any financial liability of the Board, not falling within paragraph (a), which immediately before that day was a financial liability of the unincorporated Agents or any of them in their capacity as such ;
 - (c) any financial liability incurred by the Board towards a person other than the Minister in substitution for a liability falling within any (including this) paragraph of this sub-paragraph or to enable the Board to discharge a liability so falling.
- (3) Where the Treasury have given a guarantee under this paragraph in respect of a financial liability to which sub-paragraph (1) applies, then, if the terms or conditions of that liability are subsequently varied with the approval of the Treasury given before the variation takes effect, the Treasury may continue to guarantee the discharge of the liability notwithstanding the variation.
- (4) In this paragraph " financial liability " includes any form of financial obligation.
- 19 Section 21 shall apply in relation to the Board as it applies in relation to the Crown Agents, but as if any reference to a guarantee given under that section included a reference to a guarantee given under paragraph 18.

Accounts and audit

- 20 (1) Subsections (1) to (4) of section 22 shall apply in relation to the Board and their subsidiaries as they apply in relation to the Crown Agents and their subsidiaries.
- (2) Every statement of accounts prepared by the Board in respect of any accounting year in pursuance of the provisions applied by sub-paragraph (1) shall be submitted to the Minister at such time as he may direct.
- (3) The Minister shall send each statement of accounts submitted to him under sub-paragraph (2) to the Comptroller and Auditor General not later than the end of the month of May following the accounting year to which the statement relates; and the Comptroller and Auditor General shall examine, certify and report on the statement and shall lay copies of it and of his report before each House of Parliament not later than the end of the month of July following that accounting year.
- (4) The Board shall, for the purpose of enabling the Comptroller and Auditor General to perform his functions under sub-paragraph (3), permit any person authorised in that behalf by the Comptroller and Auditor General to inspect and make copies of any of the Board's accounts, books, documents or papers and shall afford to any such person such explanation thereof as he may reasonably require.

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Power of Minister to give instructions

- 21 (1) Without prejudice to any other power conferred on the Minister by this Act, the Minister may give the Board instructions with respect to any matter connected with any of their functions.
- (2) An instruction under this paragraph relating to any financial matter shall be given only with the approval of the Treasury and after consultation with the Board ; and any other instruction under this paragraph shall be given only after consultation with the Board.
- (3) An instruction under this paragraph may be general or specific in character, but shall not confer on the Board power to do anything which they would not have power to do apart from the instruction.

Duty to insure against insurable financial risks

- 22 It shall be the duty of the Board to secure, so far as is reasonably practicable, that they and their subsidiaries are appropriately insured against financial risks arising in the course of the performance by them of their functions under this Act.

Dissolution of Board

- 23 (1) If at any time it appears to the Minister that the duties of the Board under section 25(3) (a) and (c) have been substantially discharged, he may by order made with the approval of the Treasury prescribe a day (in this and the following paragraph referred to as " the prescribed day ") and make such provision as appears to him necessary or expedient for winding up the affairs of the Board.
- (2) Such an order shall make provision—
- (a) for the transfer, by virtue of the order, of any property, rights, liabilities or obligations which the Board may have immediately before the prescribed day to a Minister of the Crown or his nominees or agents or to the Crown Agents, and for the disposal thereof ; and
 - (b) for the payment into the Consolidated Fund of sums transferred by or accruing under the order to any Minister of the Crown, and the payment out of money provided by Parliament of any sums to be provided for the purposes of the order.
- (3) No order shall be made under this paragraph unless a draft of the order has been laid before Parliament and approved by a resolution of each House of Parliament.
- (4) In this paragraph " Minister of the Crown " means the holder of an office in Her Majesty's Government in the United Kingdom, and includes the Treasury.
- 24 (1) If the prescribed day is not the 1st January, the accounting year then current shall, in relation to the Board, be deemed to have ended with the day before the prescribed day.
- (2) As soon as the Minister is satisfied that the requirements of the following provisions, namely—
- (a) section 11 in its application to the Board; and
 - (b) paragraph 20, including the provisions of section 22(1) to (4) as thereby applied,

have been complied with on the part of the Board in respect of accounting years down to and including the one ending immediately before the prescribed day, he shall by order dissolve the Board ; and thereupon any further liabilities incurred by the Board on or after the prescribed day in complying with the said provisions or otherwise shall become liabilities of the Minister.

- (3) In relation to any statement of accounts relating to the accounting year ending immediately before the prescribed day, paragraph 20(3) shall have effect with the omission of the words from "not later" (where first occurring) to " relates " and of the words from " not later " (where last occurring) onwards.

SCHEDULE 6

Section 32.

CONSEQUENTIAL AMENDMENTS AND TRANSITIONAL PROVISIONS

PART I

CONSEQUENTIAL AMENDMENTS

Public Records Act 1958 (c. 51)

In Schedule 1 to the Public Records Act 1958 (definition of public records), in Part II of the Table at the end of paragraph 3 (establishments and organisations whose records are public records)—

- (a) in the entry beginning " Crown Agents", for " Crown Agents for Overseas Governments and Administrations " substitute " Crown Agents for Oversea Governments and Administrations (before and. after their reconstitution as a body corporate) " ; and
- (b) after that entry insert the entry—
“Crown Agents Holding and Realisation Board.”.

PART II

TRANSITIONAL PROVISIONS

Final accounts of unincorporated Agents

- 1 (1) If by the appointed day—
- (a) the unincorporated Agents have not prepared a statement of accounts in respect of their last full financial year ; or
- (b) the statement of accounts prepared by them in respect of that year has not been audited,
- the following sub-paragraph shall apply.
- (2) It shall be the duty of the Crown Agents and the Board, acting jointly—
- (a) to prepare in respect of the period between the beginning of the last full financial year of the unincorporated Agents and the beginning of the first accounting year a statement of accounts dealing, with the unincorporated Agents ; and

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- (b) to submit that statement to the Minister within such time after the appointed day as the Minister may direct.
- 2 (1) If—
- (a) on the appointed day the circumstances are such that subparagraph 1(2) does not apply ; and
- (b) the beginning of the first accounting year does not coincide with the end of the last full financial year of the unincorporated Agents,
- the following sub-paragraph shall apply.
- (2) It shall be the duty of the Crown Agents and the Board, acting jointly—
- (a) to prepare in respect of the period between the end of the last full financial year of the unincorporated Agents and the beginning of the first accounting year a statement of accounts dealing with the unincorporated Agents ; and
- (b) to submit that statement to the Minister within such time after the appointed day as the Minister may direct.
- 3 Without prejudice to section 30(1)(c), an order under section 31(2) may contain such supplementary, incidental and transitional provisions as the Minister thinks fit with respect to any statement of accounts to be submitted to him under paragraph 1 or 2.

Final report on affairs of unincorporated Agents

- 4 (1) If by the appointed day the unincorporated Agents have not made to the Minister a report on the performance by them of their functions during their last full financial year, the following subparagraph shall apply.
- (2) The Crown Agents and the Board, acting jointly, shall, within such time after that day as the Minister may direct, make to the Minister, in such form as he may direct, a report on the performance by the unincorporated Agents of their functions during the period mentioned in paragraph 1(2)(a).
- (3) If—
- (a) by the appointed day the unincorporated Agents have made to the Minister such a report as is mentioned in sub-paragraph (1); and
- (b) the condition specified in paragraph 2(1)(b) is fulfilled,
- the preceding sub-paragraph shall apply, but with the substitution of a reference to the period mentioned in paragraph 2(2)(a) for the reference to the period mentioned in paragraph 1(2)(a).

SCHEDULE 7

Section 32.

REPEALS

Chapter	Short Title	Extent of Repeal
1965 c. 74.	Superannuation Act 1965.	In section 39(1), in paragraph 7, the entry relating to the Crown Agents for

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Chapter	Short Title	Extent of Repeal
1975 c. 81.	Moneylenders (Crown Agents) Act 1975.	Overseas Governments and Administrations. The whole Act.