



Industry Act 1972

1972 CHAPTER 63

PART III

CREDITS AND GRANTS FOR CONSTRUCTION OF SHIPS AND OFFSHORE INSTALLATIONS

10 Construction credits.

- (1) Subject to the provisions of this section, the Secretary of State may, with the consent of the Treasury, guarantee the payment by any person who is an individual resident in, or a body corporate incorporated under the law of any part of, the United Kingdom, any of the Channel Islands or the Isle of Man of any sum payable by that person in respect of principal or interest under arrangements (whether by way of loan or otherwise) entered into by that person for the purpose of financing the construction to the order of that person [^{F1}in any Member State] of a ship or mobile offshore installation of the qualifying size, and its equipment to his order.
- (2) The aggregate of the liability at any time of the Secretary of State under guarantees given by him under this section and section 7 of the ^{M1}Shipbuilding Industry Act 1967 (which is superseded by this section) shall not exceed the limit specified in subsection (3) below less the amount of any sums which have been paid by the Secretary of State to meet a liability falling within subsection (1) [^{F2}or (7A)] of this section or the said section 7 and have not been repaid to him.
- (3) The said limit shall be £1,000 million, but the Secretary of State may by order made with the consent of the Treasury increase or further increase that limit to any sum not exceeding [^{F3}£1,800 million].
- (4) An order under this section shall be contained in a statutory instrument, and such an order shall not be made unless a draft of the order has been approved by a resolution of the Commons House of Parliament.
- (5) The Secretary of State may make a loan to any person who is the creditor in respect of a sum the payment of which has been guaranteed by the Secretary of State under this section or section 7 of the ^{M2}Shipbuilding Industry Act 1967.

Changes to legislation: There are currently no known outstanding effects for the Industry Act 1972, Section 10. (See end of Document for details)

- (6) The aggregate amount of loans outstanding under subsection (5) above shall not at any time exceed the aggregate of the liability of the Secretary of State at that time in respect of guarantees given under this section and section 7 of the ^{M3}Shipbuilding Industry Act 1967 less the amount of any sums which have been paid by the Secretary of State to meet a liability falling within subsection (1) [^{F2}or (7A)] of this section or the said section 7 and have not been repaid to him.
- (7) A guarantee or loan under this section shall be given or made on such terms and conditions as may, with the approval of the Treasury, be specified in any relevant agreement.
- [^{F4}(7A) The Secretary of State, with the consent of the Treasury, may renew—
- (a) any guarantee given under section 7 of the ^{M4} Shipbuilding Industry Act 1967, and
 - (b) any guarantee given under this section, including a guarantee previously renewed by virtue of this subsection,
- on the transfer of any liability to which it relates, or of part of any such liability, from a body corporate such as is mentioned in subsection (1) above to another such body corporate in the same group.
- (7B) Two bodies corporate are in the same group for the purposes of subsection (7A) above if one is the other's holding company or both are subsidiaries of a third body corporate.]
- (8) References in this section to the liabilities of the Secretary of State do not include any liability in respect of interest on any principal moneys the payment of which is the subject of any guarantee given under this section or section 7 of the ^{M5}Shipbuilding Industry Act 1967.
- (9) In this section “construction” includes the completion of a partially constructed ship or installation [^{F5}and the alteration of a ship or installation and of a partially constructed ship or installation][^{F6}and “holding company” and “subsidiary” have the meanings assigned to them [^{F7}by section 1159 of the Companies Act 2006].]

Subordinate Legislation Made

P1 S. 19: for exercise of this power before 1.2.1991 see Index to Government Orders

Textual Amendments

- F1** Words substituted by [S.I. 1987/1807](#) art. 2
- F2** Words inserted by [Industry Act 1975 \(c. 68\)](#) , [s. 24\(1\)](#)
- F3** Words substituted by [Industry Act 1975 \(c. 68\)](#) , [s. 23](#)
- F4** S. 10(7A)(7B) inserted by [Industry Act 1975 \(c. 68\)](#) , [s. 24\(2\)](#)
- F5** Words inserted by [Shipbuilding Act 1979 \(c. 59, SIF 64\)](#) , [s. 2](#)
- F6** Words added by [Industry Act 1975 \(c. 68\)](#) , [s. 24\(3\)](#)
- F7** Words in s. 10(9) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#) , art. 1(2) , [Sch. 1 para. 24](#) (with art. 10)

Modifications etc. (not altering text)

C1 S. 10 : Functions transferred (1.7.1999) by virtue of [1998 c. 46](#) , [ss. 53](#) , [56\(1\)\(f\)](#) (with [s. 126\(3\)-\(11\)](#)) ; [S.I. 1998/3178](#) , [art. 3](#) .

Changes to legislation: There are currently no known outstanding effects
for the Industry Act 1972, Section 10. (See end of Document for details)

Marginal Citations

M1 1967 c. 40 .

M2 1967 c. 40 .

M3 1967 c. 40 .

M4 1967 c. 40 .

M5 1967 c. 40 .

Changes to legislation:

There are currently no known outstanding effects for the Industry Act 1972, Section 10.